

## Important Notice & Introduction

**It is very important that you read and understand all the terms and conditions of trading with FinEx contained in these Terms of Trade. They will govern our service relationship with you and impose obligations on both parties.**

These Terms of Trade contain the following:

- **Part A:** FinEx Terms & Conditions for opening and operating a FinEx account;
- **Part B:** FinEx's CHESSE Sponsorship Agreement, an explanation of the operation of the CHESSE Sponsorship Agreement;
- **Part C:** Third Party Clearer's Disclosure Statement; and
- **Part D :** Third Party Clearer's Direct Debit Request Service Agreement.
- **Part E:** FinEx's Financial Services Guide
- **Part F:** Third Party Clearer's FSG

When you sign the Client Application Form, you:

- acknowledge that you accept all the FinEx Terms & Conditions and our Third Party Clearer's Disclosure Statement;
- acknowledge that you have received and read FinEx's FSG and our Third Party Clearer's FSG;
- If you elect to be CHESSE sponsored by FinEx, you acknowledge and agree to the FinEx CHESSE Sponsorship Agreement;
- If you elect to settle transactions using our electronic debit / credit facility, you acknowledge and agree to our Third Party Clearer's Direct Debit Request Service Agreement.

## Part A. FinEx Terms & Conditions

### 1. Definitions and Interpretations

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

**"ASX"** means ASX Limited ABN 98 008 624 691, and **"ASX Group"** means the group of companies comprising ASX and its subsidiaries.

**"ASX Clear"** means ASX Clear Pty Limited 48 001 314 503, a wholly owned subsidiary of ASX and a member of the ASX Group.

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

**"AFSL"** means Australian Financial Services Licence.

**"AML/CTF Act"** means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 as amended from time to time together with any rules, regulations or other instruments made or declared under the Act and words and phrases used in these Terms and Conditions shall have the same meaning as defined in that Act.

**"Application Form"** means the application form set out in Part 2 of this NAA.

**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.

**"Business Day"** means a day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and any other day which ASX notifies Market Participants is not a business day.

**"CHESSE"** means the Clearing House Electronic Sub-register System.

**"Client Application Form"** means the FinEx account opening form that has been provided to you by your FSP to complete and sign.

A **"Confirmation"** (previously known as a contract note) means a record which sets out the detail of a Market transaction or transactions executed on your behalf, including the consideration or proceeds, related charges and GST, and the time (Settlement Date) by which payment or delivery of financial products sold is to be made.

**"Controlled Trust"**, being a Trust in relation to which you, a member(s) of your Immediate Family or a corporation controlled by you: is a trustee (e.g. corporate trustee of your DIY super fund); holds more than 50% of the whole beneficial interest; or controls the Trust.

**"Controller"** means: a person holding 20% of the total votes attached to voting shares of an ASX Participant (e.g. FinEx), an applicant for ASX Participant status, or a person who, together with Related Parties, holds 20% of such votes; or a person who has the power to control the Participant or applicant, whether that power is direct or indirect or is, or can be, exercised as a result of, by means of, in breach of, or by revocation of, trusts, relevant agreements and practices, or any of them, and whether or not they are enforceable, but does not include an entity, a holding company of the entity or a subsidiary of the entity, through which the entity has an interest in the Participant or applicant that is an entity listed on ASX or any other Australian stock exchange or Recognised Overseas Stock Exchange.

**"Immediate Family"** means your partner or spouse or children under 18 years old or other members of your household (i.e. living with you at your place of residence).

**"Family Company"** means a corporation controlled by you or a member(s) of your Immediate Family, or a corporation in which you are beneficially 'entitled to more than 50% of the issued capital.

**"FSG"** means Financial Services Guide

**"FSP"** means your Financial Service Provider (e.g. your Financial Planner or Securities Adviser).

**"Family Trust"** means a Trust in which you or member(s) or your Immediate Family is the sole or majority beneficiary, or a Trust where you have the ability to remove and replace the Trustee with a person or entity nominated by you.

**"FinEx"** means FinClear Execution Limited, ABN 56 061 751 102, AFSL No 246842,.

**"Settlement Date"** means the date and time specified for settlement of a market transaction in the Confirmation .

**"Service"** means the client account, information services and other related products and services provides by us under agreement with your FSP.

**"Third Party Clearer"** means UBS Securities (Australia) Pty Ltd ABN 62 008 586 481, AFSL No. 231098

**"we", "us" and "our"** means FinEx.

**"you" and "your"** means you, the account holder, being the person or persons in whose name the account is to be established, whether corporation, trustee or natural person.

### 2. Opening a new account and our right to suspend close your account

2.1 All FinEx services provided to you are subject to these Terms and Conditions.

2.2 For the avoidance of doubt we confirm that as a provider of designated services under the AML/CTF Act, FinEx reserves the right to:

- a) refuse to accept your application;
- b) suspend or close your account should we suspect any fraudulent or other illegal behaviour or a breach of clause 3.2 of these conditions;
- c) suspend or close your account should you change your country /place of residency.
- d) close your account at any time, for any reason [other than in circumstances addressed by clause 2.3(b)] and without prior notice, subject to all outstanding obligations between us being fully discharged; and
- e) Take any steps FinEx believes necessary or prudent to comply with the AML/CTF Act.

### 3. Client acknowledgment, agreement and consent

3.1 You warrant and represent that the information you have supplied in your application is accurate, complete and not misleading. You understand that we will rely on the information unless and until we receive notice of any change and you understand that you are liable for any loss arising due to your failure to advise us of any change.

3.2 You agree that you will use FinEx's services to:

- a) place orders (via your FSP) to buy and sell financial products; and
- b) arrange (via your FSP) for applications or redemptions of financial products and FinEx's other services and products

3.3 You agree that your FSP has been duly authorised by you to provide instructions to FinEx on your behalf and that we will continue to act on your FSP's instructions until you advise us in writing that the previously nominated FSP is no longer authorised to act on your behalf;

3.4 You consent to being bound by the instructions given by your FSP to us.

- 3.5 You agree to settle and complete all transactions executed or arranged by FinEx as a consequence of your FSP's instructions.
- 3.6 You agree that you are liable to FinEx for any transactions effected on your behalf by your FSP prior to FinEx's receipt of notice of revocation.
- 3.7 You agree that the mailing address/e-mail address which you state on the Application Form is administered or controlled by you, and is to be used for receipt of Confirmations and any other documents FinEx is required by law, regulation or rule to provide to you.
- 3.8 If you choose to provide us with your Tax File Number, you authorise us to pass it on to our Third Party Clear and registries of issuers in which you hold financial products.
- 3.9 You consent to:
- FinEx dealing directly with you "As Principal" (in the circumstances defined in the ASX Market Rules and Corporations Act) as the counterparty or one of the counterparties to any of your transactions;
  - another client(s) of FinEx being the counterparty to any of your transactions; and
  - FinEx (at its own discretion) accumulating and price-averaging a number of your transactions on the one Confirmation
- 3.10 In the case of a joint-account, you agree that FinEx and your FSP is entitled to rely on the directions (provided to FinEx via your FSP) of any or all of the joint-parties unless expressly instructed otherwise in writing.
- 3.11 In the case of an account in the name of a corporation, you agree that FinEx and your FSP is entitled to rely on the instructions (provided to FinEx via your FSP) or directions of any authorised officer, who may not be a director, unless you expressly instruct otherwise in writing.
- 3.12 You agree to ensure that all sales of ASX Market traded products on your behalf through FinEx are Long Sales (i.e. before it is sold you must own the holding other than as a consequence of borrowing the holding from a lender under a securities lending agreement).
- 3.13 If you are a resident of a country other than Australia, you warrant that the opening of an account with FinEx and any transactions effected through FinEx does not place either yourself or FinEx in breach of the local laws and regulations of your home country.
- 4. CHESSE Sponsorship**  
If you wish for your financial products to be CHESSE sponsored by FinEx, You agree to enter into a CHESSE Sponsorship Agreement with FinEx, and to remain CHESSE Sponsored by FinEx, in accordance with FinEX CHESSE Sponsorship Agreement in Part B of these Terms of Trade. Although Sponsored on CHESSE by us, you will receive Holding Statements directly from CHESSE if your holding balance changed during a particular month. Separate statements are provided for each financial product held. The statements don't just report changes during a particular month, they list the progressive changes to your holding over time. Statements can be requested at any time through us, as can copies of previous statements. You agree to pay an administrative charge for supplying copies of previous statements.
- 5. Interest on Trust Account Balances**  
Any funds deposited by you are deposited in our Third Party Clearer's trust account. You agree that the Third Party Clearer is entitled to retain for its own benefit interest earned on your funds held from time to time in their Trust Account.
- 6. Cancellation of Market Transactions or Crossings**  
You acknowledge and agree that under the ASX Operating Rules, ASX has the power to require cancellation or amendment of Market Transactions or Crossings, and you consent to any such cancellation or amendment.
- 7. Compliance with Regulations**  
You acknowledge and agree that all services provided in relation to your account are subject to the Corporations Act, the AML/CTF Act and other regulations and rules impacting the operation of our financial service business and your use of our financial services.

You acknowledge and agree that all transaction services in relation to financial products traded or to be traded on a relevant exchange are subject to applicable rules including:

- the ASX Operating Rules, the directions, decisions and requirements of ASX, the ASIC Market Integrity Rules, the ASX Clear Rules and, where relevant, the ASX Settlement Rules;
- the customs and usages of the relevant ASX Market; and
- the correction of errors and omissions.
- You acknowledge and agree that all other transactions are subject to:
  - the regulations, customs and usages of the relevant market (if conducted on market); and
  - the correction of errors and omissions.

**6. Payment or Settlement**

You agree that:

- If you have been sent a Confirmation in relation to a purchase of securities and you fail to meet your settlement obligations in accordance with the terms stated in the Confirmation, then we may, at any time after the settlement date stated in the Confirmation and without further demand, sell the securities the subject of the Confirmation at your risk and expense, which expense may include brokerage and GST; and
- If we have been sent a Confirmation in relation to a sale of securities and you fail to meet your settlement obligations in accordance with the terms stated in the confirmation, then we may, at any time after the settlement date stated in the confirmation and without further demand, buy the securities the subject of the Confirmation at your risk and expense, which expense may include brokerage and GST.

**9. Interest Charges, Commissions Fees**

We reserve the right to impose a default fee in relation to any late payment by you relating to a securities transaction. You agree to pay all cost incurred by us where you fail to make good delivery in respect of sales, or pay for a purchase, by the due settlement date.

**10. No Liability to Protect**

You acknowledge and agree that we have no obligation to manage any rights or obligations in relation to your holdings of financial products, even where we have purchased the holdings on your behalf or where we are your Chesse sponsor. For example, we require instructions from your FSP on your behalf to exercise rights, pay calls on shares or accept takeover offers.

**11. Your Status**

In applying for a new account with FinEx you acknowledge and agree that you are of full legal capacity and able to enter into this agreement with us and meet all your obligations, and in particular:

- If you are a natural person you warrant that you are at least 18 years of age and otherwise competent to enter into the agreements included in this Terms of Trade.
- If you act as a Trustee, you agree that you are bound in both your capacity as Trustee and personally.
- If you are a corporation, you warrant that you are able to enter into financial product transactions.
- You are no more than three persons jointly making this application and, if more than one person or entity, each person or entity agrees that they shall be jointly and severally liable under the agreements included in this NAA and (subject to clauses 3.10 and 3.11) for all dealings on your account.
- You warrant that you are not an employee, representative, director or company secretary of another ASX Group Participant, nor a person who falls within the definition of Family Company, Family Trust or Immediate Family or Controlled Trust of any of those persons. If this should ever change you agree to notify FinEx immediately.
- You certify you are not a Controller of an ASX Group Participant. If this should ever change you agree to notify FinEx immediately.

- g) You certify that you are not an Officer of a listed issuer. If this should ever change you agree to notify FinEx immediately.
- 12. Confirmations and other Communications**
- 12.1 Should you elect to receive Confirmations by e-mail this will become your standing instruction, and our Third Party Clearer will send you an e-mail each time a market transaction is executed on your account. Should you wish to receive Confirmations in paper form, you must notify us in writing. You acknowledge and agree that each Confirmation is subject to the Rules, directions, decisions, requirements of ASX and the ASX Clear Rules and where relevant, the ASX Settlement Rules, the customs and usages of the relevant market, and subject to correction of errors and omissions.
- 12.2 You agree that it is your responsibility to review on receipt, whether delivered to you by mail or e-mail, all Confirmations of transactions on your account. Unless you object to the detail reported in a Confirmation within 48 hours after the Confirmation has been received by you, the detail reported in the Confirmation shall stand and be binding upon you.
- 12.3 Any notice, request, demand or other communications may be made personally, by electronic communication or by pre-paid letter to you at your last notified address or number, as the case may be, and the notice, request, demand, or other communication shall be deemed to have been received by you if made personally when made, or if by electronic communication, 24 hours after dispatch, unless FinEx receives notice within that time that the electronic communication has not been received, or, if by pre-paid letter on the business day following posting.
- 13. No Personal Advice**
- You acknowledge and agree that FinEx does not provide personal advice. Any advice provided by FinEx is general in nature only and does not take into account anyone's personal objectives, financial situation or needs. Before acting on any general advice provided by FinEx, you should obtain advice from your FSP to ensure that the advice is appropriate given your own personal circumstances.
- 14. FSPs Authorised to Operate Your Account**
- You acknowledge that FinEx will only act on instructions from your duly authorised FSP. The FSP appointed and authorised represents that each time a dealing or other instruction is given to FinEx or each time the FSP otherwise operates your account, the FSP has had no notice of your revocation of their authority or your death or incapacity. In relation to the FSP authorised by you, you:
- 14.1 agree to ratify all actions and transactions effected by FinEx on your behalf on the instructions of the FSP, and agree that purchases and allocations of financial products are to be registered in the name of your account. As a consequence, you are bound by the actions and transactions effected on the instructions of the FSP as if you had given those instructions to yourself.
- 14.2 authorise FinEx to:
- (a) apply any sums, and to realise any financial products held by FinEx on your behalf and apply the proceeds in payment of amounts owing to FinEx in respect of transactions effected in accordance with the Third-Party's instructions; and
- (b) pay the proceeds of sale of any financial products effected by FinEx on your behalf on the instructions of the Third-Party to you or in accordance with your written directions or the Third-Party's written directions.
- 14.3 agree that the FSP can access and/or request copies of personal information FinEx holds about you and information recorded on your account.
- 14.4 agree to indemnify and not to hold FinEx liable for all liabilities, losses, damages, costs or expenses directly or indirectly incurred or suffered by you as a result of FinEx complying with the instructions of your nominated FSP.
- 14.5 acknowledge that if you die or become incapacitated this authorisation will continue until FinEx receives notice in writing of your death or incapacity.
- 14.6 acknowledge that a FSP authorisation will otherwise continue in full force and effect unless it is revoked by notice from you [or the FSP] in writing received by FinEx. Any revocation shall not affect your liability in respect of transactions effected by a FSP on your behalf prior to receipt of the notice of revocation.
- 14.7 acknowledge a FSP authorisation and indemnity is in addition to and in no way limits or restricts any rights which FinEx has under other agreements between you and FinEx.
- 15. Liability and Indemnity**
- 15.1 Subject to those provisions of the Competition and Consumer Act 2010 (Cth.), and any other rights implied by law, which cannot be excluded by agreement between parties:
- (a) we make no warranty, either express or implied, as to merchantability, fitness for a particular purpose or otherwise (including their accuracy, currency, availability, completeness or quality) with respect to the goods or services supplied under these Terms and Conditions, the CHESSE Sponsorship Agreement and the Third Party Clearer's Direct Debit Request Service Agreement.
- (b) we exclude all liability in contract, tort (including negligence) or otherwise relating to or resulting from the use of the Service and for any loss incurred by you directly or indirectly including without limitation as a result of or arising out of any inaccuracy, error or delay in or omission from any information provided to you under the Conditions, the CHESSE Sponsorship Agreement and the Third Party Clearer's Direct Debit Agreement (including the Service and the service provided to you by the information providers and Service Providers), and delays, failures or inaccuracies in the transmission of the Service to you or the service provided by information providers and service providers, transmission of your orders or instructions, Confirmations, or any other communication.
- (c) any loss or liability arising from the acts or omissions of third parties, such as the ASX, ASX Clear, ASX Settlement, ISPs, information providers and other service providers;
- (d) any theft, alteration, addition or loss of data by third parties;
- (e) any interception by a third party of any electronic communication from us to you.
- 15.2 Our liability shall in any event be limited to the re-supply of the Service.
- 15.3 You indemnify us and all of our officers, employees, agents, related parties and associates against any loss incurred by any or all of them as a result of your use of the Service, us relying upon and acting in accordance with any instruction provided by you (whether by electronic communication or otherwise), your failure to settle any transaction by the due date or any failure by you to strictly comply with these Terms and Conditions, the CHESSE Sponsorship Agreement or the Third Party Clearer's Direct Debit Request Service Agreement.
- 16. Variation and Termination**
- 16.1 FinEx reserves the right to vary these Terms and Conditions at any time and may vary the Conditions or the terms of Service by giving you not less than 5 Business Days notice of the variation, in writing or by electronic communication. FinEx may make a variation without notice to you where such variation is necessary, to restore or maintain the security of its systems or any account.
- 16.2 FinEx may suspend or terminate your account or access to our Service immediately if you have breached these Terms and Conditions, or for any reason by giving you notice in writing or by Electronic Communication.
- 16.3 Termination of your account and these Terms and Conditions shall be without prejudice to any rights of the parties existing at the date of termination.
- 17. Third Party Clearer**
- 17.1 FinEx is a party to an Equities and Derivatives Clearing Agreement with UBS Securitie (Australia) Limited (UBS). UBS has the settlement and clearing obligation for all ASX transactions of FinEx and its clients.

17.2 UBS will also administer the your FinEx CHESS sponsored holdings on behalf of FinEx but FinEx remains responsible to the client for any actions or matters done or omitted to be done in respect of the client's FinEx sponsored holdings.

## 18. GST

18.1 Notwithstanding any other provision of these Terms and Conditions:

- a) if GST has application to any supply made by us under or in connection with these Terms and Conditions we may, in addition to any consideration payable under these Terms and Conditions, recover from you the additional amount of GST, such amount to be calculated by multiplying the relevant amount or consideration payable by you for the relevant supply by the prevailing GST Rate; and/or
- b) without limiting clause 18.1 (a), if we are not entitled to an input credit in respect to the amount of any GST charged to or recovered from us by any person, or payable by us, or in respect of any amount which is recovered from us by way of reimbursement of GST related to any supply made under or in connection with these Terms and Conditions, we will be entitled to increase any amount or consideration payable by you to account for such an input tax and recover from you the amount of any such increase.

## 19. Privacy

You acknowledge and agree that:

- 19.1 FinEx will collect and hold your personal information for the purposes of carrying out your Instructions and operating your account. You consent to the collection and use of your personal information for these purposes and acknowledge that FinEx may record any Instructions given by telephone.
- 19.2 Any collection or use of your personal information by FinEx will be in accordance with FinEx's Privacy Policy. A copy of the Privacy Policy is available from us on request or on FinEx's website at [www.FinEx.com.au](http://www.FinEx.com.au) by following the "Privacy Policy" link.
- 19.3 FinEx must disclose your personal information when required by Law, Rule or Regulation, and/or court order, to any governmental or other authority or court, tribunal or other industry body.
- 19.4 FinEx may disclose your personal information to representatives, contractors, agents and our auditors.
- 19.5 You may ask for access to, and request correction of, any of your personal information held by FinEx.

## 20. Successors

These Terms and Conditions shall be binding upon you, your heirs, executors, administrators, personal representatives and assigns. These Terms and Conditions shall be interpreted and operate to the benefit of us and our successors, assigns and agents. We may assign our rights and duties under the Terms and Conditions to any person without giving prior notice to you. You may not assign your rights and duties under these Terms and Conditions without obtaining FinEx's prior written consent.

## 21. Corporate Consolidation or Amalgamation

If FinEx is consolidated or amalgamated with, or merged into, or all or substantially all our assets are transferred to another entity, FinEx may assign or transfer our rights and may sub-contract our obligations under these Terms and Conditions to that entity.

## 22. Applicable Law

These Terms and Conditions are subject to the Laws of Victoria and New South Wales the parties agree to submit to the non-exclusive jurisdiction of the Courts of Victoria.

## Part B. FinEx CHESS Sponsorship Agreement

### Explanation of CHESS Sponsorship & Agreement Terms

#### Background on CHESS, the operator of the CHESS Sponsorship Agreement with you and Sponsorship of your Holdings.

Except for a very few financial products traded on the ASX's Integrated Trading System (ITS), holdings of financial products tradable on the ITS "Cash Product" Market are held in uncertificated, electronic form. Each ASX listed company or other issuer has a Register of holders. Each Register is made up of an Issuer Sponsored Sub-register and a Participant Sponsored Sub-register. All holdings of ITS traded financial products which are not Derivatives must be sponsored by either means. You have a choice of holding those products in electronic form sponsored by the Issuer of the product (i.e. Issuer Sponsored) or by a CHESS Participant (i.e. Participant Sponsored). We are a CHESS Participant and sponsor client holdings on CHESS. CHESS is the Clearing House Electronic Sub-register System and is the infrastructure ASX Group Participants, such as ourselves, use to control and to administer Sponsored Client holdings.

#### Security of your Holdings

If we change, in accordance with your written instructions, your registration details for holdings CHESS Sponsored by us, CHESS itself will also notify or confirm to you directly that your holding name/address has changed, that your Sponsoring Participant has changed or of other matters relating to your holding, whatever the case may be. This is an effective security measure. If you receive such a notice and you have not instructed us to make those changes, contact us immediately.

We and our duly appointed agent have access to and administer holdings CHESS sponsored by us. Each CHESS Holding Statement identifies us by our Participant Number. It also identifies you by listing your HIN. You must keep your HIN confidential because it is the key to your holdings, not unlike your PIN to access your bank account. Your Security holder Reference Number (SRN) for Issuer Sponsored Holdings (if you have any) must also be kept confidential.

If, for any reason, an unauthorised transfer of some or all of your holdings occurs, we are obliged by the ASX Settlement Rules to reinstate the holding(s). Behind us stands the National Guarantee Fund. If we do not reinstate holding(s), a claim for unauthorised transfer can be made to the National Guarantee Fund for compensation.

#### Explanation of Sponsorship Agreement Terms

This explanation is only a summary of the Agreement (see clause 7.4 of the Sponsorship Agreement). It is not a substitute for, or part of, the Sponsorship Agreement, nor is it another agreement in its own right. By signing the Sponsorship Agreement, you appoint us as your Sponsoring Participant for ITS traded non-Derivative financial products you purchase through us. We would be pleased to sponsor other holdings you may have which are Issuer Sponsored or sponsored by another ASX Group Participant (i.e. ASX Stockbroker).

FinEx is a party to an Equities and Derivates Clearing Agreement with UBS Securities (Australia) (**Clearing Participant**). The Clearing Participant is obliged to settle as principal and has the settlement obligations for all ASX Transactions.

As your Sponsoring Participant on CHESS, only we and our duly authorised agent can give instructions to CHESS in relation to administration or conversion of your holdings sponsored by us, or transfers to or from your sponsored holdings following settlement of your transactions or following your Withdrawal Instructions. Furthermore, we or our duly authorised agent only have authority to access your holdings following your express instructions to do so (e.g. sell my BHP Billiton shares).

On CHESS, your holdings are identified by your HIN which is allocated to you if you accept in clause 8 the terms and conditions of our sponsorship agreement. We will notify you of your HIN by return a copy of clause 8 for your records.

**Sponsorship Agreement:** This Agreement has 14 clauses, Its terms are very largely determined by the ASX Settlement Operating Rules applying to CHESS Sponsorship. The "Definitions and Interpretation", clauses, 1 ("Appointment of FinEx Clear Execution Limited"), 10 ("Claims for Compensation"), 13 ("Indemnity") and 14 ("Miscellaneous") are self-explanatory.

Clause 2 ("FinEx's Rights") imposes certain duties on you and gives us certain protections. Sufficient funds must be in your account to pay for any financial

products purchased on your behalf, and associated transactional charges, before we will transfer the purchased products in to your name. We may charge you an administration fee for carrying your purchase until you pay for it in full (see "Buy Confirmation" terms). We have to pay for purchases you execute through us whether you've paid or not. If you do not pay, after a demand for payment those products may be sold at your risk and expense. You will be liable for any outstanding loss. You can give us instructions at any time to withdraw your holdings from CHESS, and we must do so unless funds due from you are outstanding in which case we may continue to "control" holdings to the value (i.e. market value of the financial products we continue to hold) of 120% of the amount owed to us.

Clause 3 ("Your Rights") imposes certain duties on us and informs you of your right of access to both our internal and external (i.e. FOS) complaint handling mechanisms (if you are a Retail Client), and to lodge certain claims for compensation with the National Guarantee Fund. See also clause 7.1(b).

Clause 4 ("Supply of Information") obliges you to supply the information we require and to ensure it is, and remains, accurate and up to date..

Clause 5 ("Exchange Traded Options, Pledging & Sub-Positions") is only relevant to you if you intend to lodge your holdings as collateral for written options positions or if you intend to permit a charge or sub-position over some or all of your holdings.

Clause 6 ("Fees") notifies you that we will charge you fees for our services.

Clause 7 ("Notifications & Acknowledgements") notifies you of, or has you acknowledge, various things, including:

Once a holding is transferred by us, you cannot claim against the ASTC (the operator of CHESS) or the Issuer that it was not affected by us or that we were not authorised to make the transfer.

You may report to us for a breach of any provision of the Agreement.

You have certain rights if we are suspended from accessing CHESS. You will be given opportunity to instruct ASTC to move your holding to the control of another Sponsoring Participant or ASTC will make that choice for you.

Clauses 7.5 and 7.6 address what action we will take in the event of your death and/or bankruptcy.

Clause 8 ("Joint Holdings") addresses bankruptcy and/or death of one or more parties to a joint holding. Sponsored holdings may have up to 3 joint holders. In the event of bankruptcy of one, the interests of the bankrupt are excised from the interests of the others. The others may continue to operate as normally under a new holding. In the case of the death of one, the general legal principle is that the interests of the deceased pass to the remaining joint holders, not the estate of the deceased person.

Clause 9 ("Change of Controlling Participant") addresses a situation in which through the takeover or demise of our business, all our Sponsored Holdings on CHESS may be transferred in full to another Controlling Participant in the interests of minimising disruption to your investment or trading activities

Clause 10 ("Claims for Compensation") sets out means of seeking compensation

Clause 11 ("Termination") sets out that both of us can terminate the Sponsorship Agreement by notice in writing, which will take effect upon receipt of the notice by the other party. In certain circumstances, the Agreement is terminated automatically.

Clause 12 ("Variation") permits variation by notification to you where variation is required because the terms of the Agreement have become or are becoming inconsistent with the ASX Settlement Operating Rules. In all other instances, a variation to the Agreement is only effective if agreed by us both in writing and verbally.

Clause 13("Indemnity") describes the indemnity that you will provide to FinEx

## Definitions and Interpretations

Any term used in this Agreement which is defined in the ASX Settlement Operating Rules has the meaning given in the ASX Settlement Operating

Rules. Should you require a copy of these definitions please contact FinEx. You can also view these Rules using the ASX website.

A "Participant Sponsored Holder" is a person whose Participant Sponsored Holding is sponsored on the Financial Product Issuer's CHESS Sub-register by FinEx or other Sponsoring Participant. "You" are a Participant Sponsored Holder. The Sponsoring Participant such as FinEx, or FinEx's clearing participant, must be an ASX Clearing Participant. Your "Participant Sponsored Holding" means your FinEx sponsored CHESS Holding identified by a Holder Identifier Number ("HIN").

Words expressed in the singular include the plural and vice-versa. Words expressed in one gender include all genders. Words denoting an individual include a reference to a corporation, partnership, an association, an authority or trust, and vice-versa.

## CHESS Sponsorship Agreement

### 1. Appointment of FinClear Execution Limited (FinEx)

1.1. You appoint FinEx to provide and FinEx agrees to provide services in relation to the transfer and conversion of financial product to or from your Participant Sponsored Holding as your agent on the terms and conditions of this Sponsorship Agreement.

1.2. FinEx is a party to an Equities and Derivates Clearing Agreement with UBS Securities (Australia) Ltd (**Clearing Participant**). The Clearing Participant is obliged to settle as principal and has the settlement obligations for all ASX Transactions and Derivatives Contracts of FinEx and all ASX Transactions following the exercise of a Derivatives Contract (including your transactions) of your Participant Sponsored Holding

1.3. FinEx has appointed the Clearing Participant to administer your Participant Sponsored Holdings on its behalf but FinEx remains responsible to you for any actions or matters done or omitted to be done in respect.

### 2. FinEx's Rights

2.1. Where you authorise FinEx to buy financial product, you will pay for those financial product by the date specified on the Confirmation (previously known as a "Contract Note").

2.2. Subject to clause 2.3, FinEx is not obliged to Transfer financial product into your Participant Sponsored Holding, where payment for those financial product has not been received, until payment is received.

2.3. Where a contract for the purchase of financial product remains unpaid, after FinEx has made a demand on you to pay for the financial product, FinEx, or FinEx's Clearing Participant, may sell those financial products that are the subject of that contract at your risk and expense and that expense will include brokerage and applicable duties and/or taxes.

2.4. Where FinEx claims that an amount lawfully owed to it has not been paid by you, FinEx has the right to refuse to comply with your Withdrawal Instructions, but only to the extent necessary to retain financial product 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).

2.5. Where you or your:

- a) duly authorised agent; or
- b) financial services provider (e.g. your financial planner), being the holder of an Australian Financial Services Licence with sufficient financial service and financial product authorisations, authorised by you to place instructions with us to buy or sell financial product on your behalf, FinEx has your express authority to Transfer those financial product from or to your Participant Sponsored Holding.

### 3. Your Rights

3.1. Subject to clauses 2.3 and 2.4, FinEx 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 written Withdrawal Instructions.

- 3.2 Subject to clause 11.3, FinEx will not initiate any Transfer or Conversion into or out of your Participant Sponsored Holding without your express authority; and
- 3.3 FinEx, FinEx's Clearing Participant and you are regulated by the Corporations Act, the ASIC Act and related legislation applicable to financial services providers, the ASIC /ASX Market Integrity Rules, and ASX Settlement Operating Rules. You can obtain information confirming FinEx's and FinEx's Clearing Participant status as a settlement participant and AFS Licence holder from ASIC and ASTC
- 3.5 A complaint regarding FinEx's services can be lodged with us, the Financial Ombudsman Service Ltd (FOS) [the contact details for FOS are included in our Financial Services Guide or are available from your Adviser or our Complaints Manager and ASIC. A claim for compensation can be lodged with FinEx or if the circumstances specified in Part 7.5, Division 4 of the Corporations Act apply, with the National Guarantee Fund. In relation to claims lodged with FinEx, FinEx has Professional Indemnity Insurance which satisfies the requirements of Section 912B ("Compensation Arrangements for Retail Financial Services") of the Corporations Act. Our arrangements are for the purpose of compensating Retail Clients for loss or damage suffered because of our breaches of our obligations under Chapter 7 ("Financial Services and Markets") of the Corporations Act, including losses caused by negligence, fraud, dishonesty or other misconduct that amounts to a breach of Chapter 7 and gives rise to a liability to a Retail Client. Our arrangements cover awards made by FOS and claims relating to the conduct of staff who have since left our employment.
- 4. Supply of Information**
- 4.1 You will supply all information and supporting documentation which is reasonably required to permit FinEx to comply with the registration requirements, as are in force from time to time, under ASX Settlement Operating Rules.
- 4.2 Notifications made by you (e.g. change of address) must be in writing.
- 5. Exchange Traded Options, Pledging and Sub-positions**
- 5.1 Where you arrange with ASX Clear to lodge Financial Products in a Participant Sponsored Holding as cover for written positions in the Australian Options Market, and inform FinEx of the arrangement, you authorise FinEx, or FinEx's Clearing Participant to take whatever action is reasonably required by ASX Clearing in accordance with the ASX Clearing Operating Rules and ASX Settlement Operating Rules to give effect to that arrangement.
- 5.2 Where you arrange with any person to give a charge or any other interest in Financial Products in a Participant Sponsored Holding, you authorise FinEx, or FinEx's Clearing Participant, to take whatever action is reasonably required by the person in accordance with the ASX Settlement Operating Rules to give effect to that arrangement.
- 5.3 You acknowledge that where, in accordance with this Agreement and/or your instructions, FinEx or FinEx's Clearing Participant initiates any action which has the effect of creating a sub-position over Financial Products in your Participant Sponsored Holding, your right to transfer, convert or otherwise deal with those Financial Products is restricted in accordance with the terms of the ASX Settlement Operating Rules relating to sub-positions.
- 5.4 Nothing in this Agreement operates to override any interest of ASX Clear in the Financial Products.
- 6. Fees**
- 6.1 You will pay all brokerage, fees and associated transactional costs within the period prescribed by FinEx.
- 6.2 FinEx may charge you administration fees to cover its costs in relation to administration of your Participant Sponsored Holding (e.g. Off-Market Transfers) and to pay for other services and arrangements you request.
- 7. Notifications and Acknowledgements**
- 7.1 You acknowledge that if a Transfer is taken to be effected by FinEx under Section 9 of the ASX Settlement Operating Rules and the Source Holding for the Transfer is a Participant Sponsored Holding sponsored under this Agreement, then:
- you may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not affected by FinEx or that FinEx was not authorised by you to effect the Transfer; and
  - unless the Transfer is also taken to have been effected by an Approved Market Operator or a Clearing Participant of ASX Clear, the Participant Sponsored Holder has no claim arising out of the Transfer against the compensation arrangement applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations; and
  - if the Sponsoring Participant is not a Market Participant of an Approved Market Operator, that neither the Approved Market Operator, nor a Related Party of the Approved Market Operator has any responsibility for regulating the relationship between the Participant Sponsored Holder and the Sponsoring Participant, other than in relation to the Rules relating to Sponsorship Agreements.
- 7.2 In the event FinEx breaches any of the provisions of this Agreement, you may refer that breach to any regulatory authority, including ASX Settlement.
- 7.3 In the event that FinEx is suspended from CHES participation, subject to the assertion of an interest in Financial Products controlled by FinEx, by FinEx's liquidator, receiver, administrator or trustee:
- you have the right, within twenty (20) Business Days of ASTC giving Notice of suspension, to give notice to ASTC requesting that any Participant Sponsored Holdings be removed either:
    - from the CHES Sub-register; or
    - from the control of FinEx to the control of another Sponsoring Participant with whom you have concluded a valid Sponsorship Agreement pursuant to ASTC Settlement Rule 12.19.10; or
  - where you do not give notice under clause 7.3(a), ASX Settlement may effect a change of Controlling Participant under ASX Settlement Operating Rule 12.19.11 and you will be deemed to have entered into a new Sponsorship Agreement with the substitute Sponsoring Participant on the same terms as the existing Sponsorship Agreement. Where you are deemed to have entered into a Sponsorship Agreement, the new Sponsoring Participant must enter into a Sponsorship Agreement with you within ten (10) Business Days of the change of Controlling Participant.
- 7.4 You acknowledge that before you executed the Sponsorship Agreement, FinEx provided you with an explanation of the effect of the Sponsorship Agreement and that you understood the effect of the Sponsorship Agreement.
- 7.5 You acknowledge that in the event of your death or bankruptcy, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless your legally appointed representative or trustee elects to remove your Participant Sponsored Holdings from the CHES Sub-register.
- 7.6 You acknowledge that in the event of your death, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer your estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied pursuant to clause 7.5.

## 8. Joint Holdings

- 8.1 You acknowledge that in the event of the death of one of the Holders, FinEx will transfer all Holdings under the joint Holder Record into new Holdings under a new Holder Record in the name of the surviving joint Participant Sponsored Holder(s), and that this Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 8.2 You acknowledge that in the event of the bankruptcy of one of the Holders, FinEx will:
- unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHESSE Sub-register, 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
  - 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.

## 9. Change of Controlling Participant

- 9.1 If you receive a Participant Change Notice from FinEx in relation to your Participant Sponsored Holding 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 Controlling Participant, you are under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in clause 9.2 or 9.3.
- 9.2 You may choose to terminate this Agreement by giving Withdrawal Instructions to FinEx, including whether you wish to:
- transfer your Participant Sponsored Holding to another Controlling Participant ; or
  - transfer your Participant Sponsored Holding to one or more Issuer Sponsored Holdings
- For a) and b) above will be subject to all conditions stipulated by ASX Settlement in connection with the transfer having been met and ASX Settlement consenting to the transfer.
- 9.3 If you do not take any action to terminate the Agreement in accordance with clause 9.2 above, and do not give any other instructions to FinEx which would indicate that you do 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:
- the New Controlling Participant is a party to the Agreement in substitution for FinEx;
  - any rights of FinEx are transferred to the New Controlling Participant; and
  - FinEx is released by you from any obligations arising on or after the Effective Date.
- 9.4 The novation in clause 9.3 will not take effect until you have received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as your Controlling Participant. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 9.5 You will be taken to have consented to the events referred to in clause 9.4 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.
- 9.6 The Agreement continues for the benefit of FinEx 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 9.3 not binding or effective on the Effective Date, then the Agreement will continue for the benefit of FinEx until such time as the novation is effective, and FinEx will hold the benefit of the Agreement on trust for the New Controlling Participant.

- 9.7 Nothing in this clause 9 will prevent the completion of CHESSE transactions by FinEx 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 9.

## 10. Claims for Compensation

- 10.1 The avenues available to you for making a claim for compensation are described in clauses 3.4 and 10.3.
- 10.2 If FinEx breaches a provision of this Agreement and you make a claim for compensation pursuant to that breach, the ability of FinEx to satisfy that claim will depend on FinEx's financial circumstances.
- 10.3 If a breach by FinEx of a provision of this Agreement falls within the circumstances specified under Part 7.5, Division 4 of the Corporations Act, you may make a claim on the National Guarantee Fund for compensation. For more information on the circumstances in which you may make a claim on the National Guarantee Fund or for information on the National Guarantee Fund generally, contact the Securities Exchange Guarantee Corporation Limited via ASX.

## 11. Termination

- 11.1 Subject to the ASX Settlement Operating Rules, this Agreement will be terminated upon the occurrence of any of the following events:
- by notice in writing, from either you or FinEx to the other party, to terminate this Agreement;
  - upon FinEx becoming insolvent;
  - upon the termination or suspension of FinEx's access to CHESSE by ASX Settlement i.e. FinEx's recognition as an ASX Settlement Participant has been terminated or suspended, preventing us from acting as a Sponsoring Participant); or
  - upon the giving of Withdrawal Instructions to FinEx by another Controlling Participant in accordance with ASX Settlement Operating Rule 7.1.10(c) and Clause 9.1 Termination under Clause 12.1(a) will be effective upon receipt of written notice by the other party to the Agreement.
- 11.2 In the event that any of the holdings comprise AQUA products, the new Controlling Participant is accredited in accordance with Section 18 of the ASX Settlement Rules to facilitate the settlement of AQUA Products.
- 11.3 ASX Settlement will not accept a Notice of change of Controlling Participant where Holdings to which the Notice relates comprise AQUA Products and the new Controlling Participant is not accredited in accordance with Section 18 of the ASX Settlement Rules to facilitate the settlement of AQUA Products. In this instance, the existing Controlling Participant must convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister. If the existing Controlling Participant fails to convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister, ASX Settlement may convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Subregister.
- ## 12. Variation
- 12.1 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASX Settlement Operating Rules, FinEx will, by giving you not less than 7 Business Days written Notice, vary the Agreement to the extent to which in FinEx's reasonable opinion is necessary to remove any inconsistency.
- ## 13. Indemnity
- 13.1 You indemnify FinEx against, and you must therefore pay FinEx on demand for liability, loss or costs FinEx suffers or incurs in connection with:

- a) FinEx performing its obligations under this Agreement; or
- b) FinEx acting as your Controlling Participant or agent for the purposes of CHESS Sponsorship; or
- c) You doing something that you agreed not to do or not doing something that you agreed to do under this Agreement.

#### 14. Miscellaneous

- 14.1 All duties or taxes (e.g. GST) applicable to this Agreement or applicable to services provided in accordance with this Agreement will be paid by you.
- 14.2 This Agreement is governed by the laws for the time being in force in the State of Victoria and the parties to this Agreement submit to the non-exclusive jurisdiction of the Courts of Victoria and Courts which may hear appeals from those Courts.

### Part C. UBS Disclosure Statement

UBS Securities (Australia) Ltd ABN 62 008 586 481 AFSL No 231098 (UBS) Disclosure Statement for clients of FinClear ExecutionLimited (FinEx)

#### 1. Your clearing arrangements with UBS

UBS is admitted as a Clearing Participant in accordance with the ASX Clear Rules and a Settlement Participant in accordance with the ASX Settlement Rules. Whenever you place an Order with FinEx (as your agent) to purchase or sell or otherwise deal in Traded Products by means of a Transaction, you are immediately deemed to have entered into an agreement with UBS on the terms and conditions set out below in this Disclosure Statement ("**Terms and Conditions**"). By placing an Order with FinEx, you accept and agree to be bound by these Terms and Conditions.

If you effect a Transaction through FinEx, UBS carries the clearing obligations and any settlement obligations (collectively referred to in this document as "**Settlement Obligations**") for all Transactions effected through FinEx (including those effected by FinEx on your behalf) and UBS must settle as principal with ASX Clear or the relevant counterparty, even though the Transaction may have been entered into on your behalf. Your clearing obligations and any settlement obligations are therefore owed directly to UBS (and not FinEx).

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, UBS 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 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 FinEx'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 ASX Settlement Rules (if applicable).

#### 3. UBS's right to require FinEx to refuse to accept Orders

You acknowledge that UBS may at any time in its absolute discretion direct FinEx to:

- (a) refuse to accept Orders from, or execute Orders for you;
- (b) refuse to accept a particular Order from you; or
- (c) obtain, and provide to UBS, additional information relating to you.

#### 4. Purchases and Sales

You must ensure that payment in full is received by UBS (and not FinEx) before the Settlement Date and Time. In no circumstances will payment

in cash be accepted.

In accordance with the Corporations Act, pending settlement by you, these Terms and Conditions and the relevant Confirmation (if any) constitutes notice to you that UBS may deposit the Traded Products purchased for you in a particular Transaction as security for a loan if UBS has received and paid for such Traded Products on your behalf.

You must deliver to UBS (and not FinEx) 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. Should you wish to appoint FinEx as your agent for the purposes of delivering Security Holder Information to UBS, you remain responsible for ensuring that delivery is made to UBS no later than two business days before the Settlement Date and Time.

All documentation and Security Holder Information must be sent to:  
UBS Securities Australia Pty Ltd

Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Attn: ECS – Account Management Team

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

You irrevocably authorise UBS to apply any Traded Products held in your Participant Sponsored Holding to satisfy your Settlement Obligations arising from any Transaction executed by FinEx 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 UBS in deliverable form; and
- (c) all amounts due and payable by you to UBS or FinEx have been paid.

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

#### 5. Misdirected Market Transactions

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

- (a) FinEx may, incorrectly or otherwise, direct a Transaction which it has executed on your behalf to a Clearing Participant other than UBS (Misdirected Market Transaction);
- (b) UBS does not have any Settlement Obligations in respect of any Misdirected Market Transaction; and
- (c) UBS (on behalf of FinEx) 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 FinEx 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 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 FinEx unless you are able to rely on such an exemption.

#### 7. No Advice

You acknowledge that UBS does not provide personal financial product advice, nor does it accept responsibility for any financial product advice



given to you by FinEx. You must not represent to any person that UBS has given any personal 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, where the standard settlement period is T+3, the Settlement Date and Time is 9.00am (Sydney time) on the third Business Day after the execution of the Transaction, and where the standard settlement period is T+2, the Settlement Date and Time is 9.00am (Sydney time) on the second Business Day after the execution of the Transaction. FinEx 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 FinEx:

- (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; and
- (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 UBS's satisfaction) to pay to UBS a sufficient amount to cover any liability arising from all possible future calls in respect of the Partly Paid Securities.

## 10. Confirmations

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

You authorise UBS (on behalf of FinEx) to give Confirmations to you electronically to the email address notified to UBS by FinEx on your behalf from time to time for this purpose. UBS 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 FinEx 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.

## Part D. UBS Direct Debit Request Service Agreement

If you have chosen to authorise UBS Securities Australia Limited (ABN 62 008 586 481) (AFSL No. 231098) (UBS) to Direct Debit your account, you request and authorise UBS (Debit User Identification number 181244) to arrange for any amount which you owe to UBS from time to time to be debited through the Bulk Electronic Clearing System and paid to UBS from the account you have nominated in the FinEx Direct Debit/Credit Authority Form; authorise UBS to debit in accordance with this Direct Debit Request Service Agreement ("Direct Debit Agreement") the account nominated by you in the FinEx Direct Debit/ Credit Authority Form with any amount UBS may debit or charge you; and acknowledge having read and understood, and agree to be bound by, the terms in the Direct Debit Agreement below.

### Debiting Your Account

By completing a Direct Debit Request, you authorise UBS to arrange for funds to be debited from the Account. UBS will only arrange for funds to be debited from the Account as authorised in the Direct Debit Request. If the Debit Day falls on a day that is not a Banking day, UBS 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.

### Accounts

You should check with Your Financial Institution whether direct debiting is available from the Account as direct debiting may not be available on all accounts offered by Your Financial Institution. You should also check that the Account details provided to UBS are correct by checking them against a recent Account statement.

### Your obligations

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.

If there are insufficient funds in the Account to meet a Debit Payment:

- you may be charged a fee and/or interest by Your Financial Institution;
- you may also incur fees or charges imposed or incurred by UBS; and
- you must immediately arrange for sufficient clear funds to be in the Account by an agreed time so that UBS can process the Debit Payment.

You should check the Account statement to verify that the amounts debited from the Account are correct.

If UBS is liable to pay goods and services tax ("GST") on a supply made in connection with this agreement, then you agree to pay UBS on demand an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

### Errors

If you believe that there has been an error in debiting the Account, you should notify UBS directly on (02) 9324 2000 and confirm that notice in writing as soon as possible.

If UBS concludes as a result of our investigations that the Account has been incorrectly debited UBS will arrange for Your Financial Institution to adjust the Account accordingly. UBS will also notify you in writing of the amount by which the Account has been adjusted.

If UBS concludes as a result of our investigations that the Account has not been incorrectly debited UBS will provide you with reasons and any evidence for this finding.

Any queries about an error made in debiting the Account should be directed to UBS in the first instance so that UBS can attempt to resolve the matter with you. If the matter cannot be resolved in this manner UBS may refer it to Your Financial Institution, which will obtain details from you of the disputed transaction.

### Cancellation and changes

You may cancel your authority for UBS to debit the Account at any time by giving UBS 10 days' notice in writing. This notice should be given to UBS in the first instance.

UBS may terminate these arrangements at any time by giving 10 days' notice in writing to you.

### Confidentiality

UBS will keep any information (including Account details) in your Direct Debit Request confidential. UBS will only disclose information that it has about you:

- to the extent specifically required by law; or
- for the purposes of this Direct Debit Agreement (including disclosing information in connection with any query or claim); or
- as permitted by the terms and conditions between you and FinEx and/or UBS (including the UBS Disclosure Statement).

### Amendment

UBS may amend this Direct Debit Agreement from time to time. UBS will give you 10 Business Days' notice of any amendment after which time the amendment is effective.

### Governing Law

This Direct Debit Agreement is governed by and construed in accordance with the laws in force in New South Wales and you and UBS submit to the non-exclusive jurisdiction of the courts of New South Wales (and courts which may hear appeals from those courts).

### Definitions

Account means the account identified as the direct debit account in the FinEx Direct Debit/Credit Authority 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 throughout Australia.

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

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

**Direct Debit Request** means your direct debit request which you make to UBS by completing and signing the FinEx Direct Debit/Credit Authority Form (or separate document to a similar effect), under which you authorize UBS to arrange for funds to be debited from the Account.

**Financial Institution** means a financial institution with whom UBS has a direct debit facility arrangement.

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

## Part E. FinEx FSG

**FinClear Execution Ltd (ABN 56 061 751 102 AFSL 246842)**

**Financial Services Guide (FSG)**

**Issue Date: 31 March 2017**

### Purpose of this FSG

The purpose of this Financial Services Guide (FSG) is to help you decide whether to use any of the service arrangements your financial services provider (FSP) has in place with FinClear Execution Ltd (FinEx). It aims to provide sufficient information for you to make an informed decision about using our limited dealing, advisory and related services. Our services, and the financial products they cover, can be complex and subject to special regulations impacting how the services are to be provided. That's why this FSG describes them in some detail. **It is important that you read it carefully and file it away for later reference.** Should you wish to discuss the services described in greater depth, you should contact your FSP.

This FSG contains information about, amongst other things, investment risk, interests of ours which may conflict with yours, and remuneration/benefits payable to FinEx if you use our services. Charges, commissions or fees not listed in the body of this FSG are listed in the attached Schedule of Fees. This FSG also tells you what to do if you have a complaint and how we would handle it. It explains the need for, the protection of, and how we use your personal information provided to us by your FSP.

### Who Are We?

FinEx (previously Lonsec Ltd, trading as Lonsec Stockbroking) holds an Australian Financial Services License (AFSL) issued by the Australian Securities and Investments Commission (ASIC) (AFSL No. 246842) and is an ASX Limited (ASX) Market and Account Settlement Participant.

### Associations

FinEx was purchased by FinClear Pty Ltd (FinClear) on 7 October 2017 and is a wholly owned subsidiary of FinClear Pty Ltd (FinClear). FinClear holds its own AFSL (AFSL No 481017) and is an ASX Clearing and General Settlement Participant of ASX who is the provider of third party clearing and settlement services.

As FinEx is not an ASX Clearing Participant, it is required to enter into third party clearing arrangements with an ASX Clearing Participant (Third Party Clearer). FinEx's current Third Party Clearer is UBS Securities Australia Ltd (UBS). As FinEx's Third Party Clearer, UBS has the clearing and settlement obligations for all ASX transactions executed by FinEx on behalf of its clients. However, the clearing arrangement with UBS will terminate at the end of June 2017 upon which time FinClear will be responsible for the provision of clearing and settlement services to FinEx.

FinEx also has commercial arrangements (Services Agreements) with your FSP for FinEx to provide the services as described in this FSG.

In addition, FinEx aims to identify and secure access to a wide range of quality investment opportunities likely to be of interest to clients. In doing so, FinEx may develop relationships with issuers which involve FinEx receiving fees for rating, promoting or arranging client investment in their financial products. These relationships may lead to research being commissioned from FinEx, success fees, distribution/research introduction fees, portfolio advice or transaction fees etc. which enable FinEx to source the products for clients. If FinEx receives any monetary or other benefits, that will be disclosed in any 'offer' documentation or research distributed to your FSP.

FinEx is not controlled by any issuers, and our Directors and staff do not act in that or any other capacity within the business of an issuer of financial products. What documentation will I receive?

To open an account with FinEx you have to complete and sign our New Account Application Form, which is available from your FSP. Its acknowledgements, authorisations and consents govern our dealing related services. In particular, you authorise us to deal and do other things on your behalf in accordance with the instructions of your FSP. We do not expect you to contact us directly and we will only act on the instructions of your FSP.

You may receive Product Disclosure Statements (PDS) if we offer to issue or arrange for the issue of certain financial products. A PDS is an important document and sets out the information needed to make an informed investment decision about whether to acquire the product. Any PDS that is required to be provided to you will be provided to you via your FSP.

FinEx does **NOT** provide personal advice (see Section 0 below). We will never provide advice about whether a product is a suitable investment for you personally, and consequently you will not receive Statements of Advice (SOA) from us. All our advice will be general product advice (see Section 0, below), which is based solely on our assessment of the investment/trading merits of the financial product and does not take into account your personal financial situation, needs or objectives.

If you use your FSP's stockbroking services, our execution and settlement infrastructure is used. An account will be established at FinEx in your name. You will have to fill out, sign and return our account opening documentation (i.e. our New Account Application), which will be submitted by your FSP.

You may also have to sign and return certain prescribed product-specific agreements (e.g. ASX Warrants Client Agreement), and receive prescribed Explanatory Booklets or other documentation, before FinEx can accept any orders from your FSP for that product(s).

### What Financial Services Can FinEx Provide?

FinEx is authorised by its AFSL to provide general financial advice on the following financial products

- deposit and payment products limited to basic and non-basic deposit products (e.g. bank accounts);
- any securities (e.g. shares, debentures);
- interests in managed investment scheme, including investor directed portfolio services;
- interests in managed investment schemes limited to Managed Discretionary Account (MDA) services;

to retail and wholesale clients.

FinEx is also authorised to deal in the following financial products:

- deposit and payment products limited to basic and non-basic deposit products (e.g. bank accounts);
- derivatives (e.g./ ETOs and warrants)
- foreign exchange contracts
- any securities (e.g. shares, debentures)
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes including investor directed portfolio services;
- interests in managed investment schemes limited to MDA services
- retirement savings accounts products
- superannuation;
- financial investment products limited to MDA services

to retail and wholesale clients.

FinEx may also underwrite issues of securities and interests in managed investment schemes and operate custodial or depository services other than investor directed portfolio services to retail and wholesale clients

By '**advice**' we mean a recommendation or opinion, written or verbal, about an investment product or strategy. The important difference between general and personal advice is explained in Sections 0 and 0, below.

By '**dealing**' we mean acquiring and disposing of products on behalf of clients.



# Terms of Trade

Our services focus on financial products that may be applied for and settled or redeemed and settled (i.e. they are not listed but are cleared and settled by CHES) traded or to be traded on 'live' markets such as those operated by ASX. In relation to foreign traded products, we have arrangements in place with other stockbrokers operating on major overseas securities or stock exchanges in order to transact on those markets.

FinEx also provides general advisory and dealing services in relation to other unlisted products such as bank bills, bonds, other money market instruments, debentures, endowment and other types of warrants, and superannuation and other trust products (e.g. property and equities trusts).

## Who will be providing the services to you?

FinEx is a specialist provider of wholesale stockbroking services to financial services providers such as financial planners and other AFSL holders. We supply execution and settlement services and we can also source research, market news and model portfolios from third party providers. We take no responsibility for the content of the information provided by these third party providers.

Our Third Party Clearer will administer the client's Participant Sponsored Holdings on our behalf of but FinEx Limited remains responsible to the client for any actions or matters done or omitted to be done in respect of the client's Participant Sponsored Holdings. The Third Party Clearer will also provide services to clear and settle the transactions that you execute through FinEx.

The FSP you have chosen to use, holds an AFSL or is an Authorised Representative of, an AFSL holder and will have the necessary financial services/product authorisations to use our services on your behalf. FinEx has a wholesale service relationship with your FSP. You have a direct, primary relationship with your FSP and a secondary relationship with us.

Our advisory and research services are subject to different arrangements. They are provided directly to your FSP for their reference and support when researching recommendations for you in relation to market-traded products.

If you wish to execute transactions using our services, please contact your FSP who will arrange to have those transactions executed by FinEx.

Therefore, the client relationship we have with you is essentially limited to dealings conducted on behalf of your account in accordance with the order instructions provided to us by your FSP, following your consultations with them.

Who do we act for when providing services?

When providing our execution services, we will be acting on instructions provided by your FSP, and we will be acting as your agent. At times, we may even be acting as agent for another client who is the counterparty to your transaction (e.g. a sale of shares on market between clients).

On rare occasions we may act 'as principal' on our own account and appear on the other side of a transaction with you. In such circumstances we cannot charge you brokerage. We may also accumulate and price-average a number of transactions on one Confirmation. Your consent to these scenarios is granted when you sign the acknowledgements, authorisations and consents in our New Account Application.

Our advisory services are provided only to your FSP and your FSP may pass these services to you.

Terms and conditions applying to our services

All market transactions are executed subject to:

the Services Agreement we have with your FSP;

the acknowledgements, authorisations and consents you agree to when you sign our New Account Application form; the ASIC Market Integrity Rules, the directions, decisions and requirements of ASX, ASX Operating Rules, ASX Clear Rules and ASX Settlement Rules and any other relevant market operator; the customs and usages of the relevant market and the correction of any errors and omissions.

You should read our New Account Application form carefully before signing.

The Services Agreement between FinEx and your FSP ensures all the necessary market related services are available to support the services your FSP provides directly to you.

More About Our Dealing Services

Dealing services means buying, selling, applying for or redeeming financial products on behalf of clients.

## Primary market

FinEx provides your FSP with access to investment opportunities made available by an issuer rather than someone selling on market. These involve applying for, or redeeming financial products. Your FSP can assist you make applications for Initial Public Offerings (IPOs) and other new issues of securities (e.g. shares) or interests in managed investment schemes (e.g. equity trust units). We can assist your FSP in arranging applications or redemptions.

## Secondary market

Secondary Market transactions are dealt on market. The products have already been issued.

Before using our dealing services for the first time, we require your FSP to verify your identity as required under the AML/CTF Act and to confirm settlement arrangements.

FinEx has immediate access, when ASX Markets are open, to order execution and transaction settlement platforms. Subject to the relevant dealing and settlement regulations, FinEx will accept and transact orders placed by your FSP, on your behalf, and will facilitate settlement via its Third Party Clearer.

There may be other circumstances in which FinEx will not be able to accept order instructions, but they are most unlikely and we would give your FSP reasons for not doing so and assist with alternative arrangements.

A Confirmation will be dispatched directly to you following execution of a market transaction. It confirms the detail of the transaction, the contractual terms and conditions which applied to the transaction, and also serves as a Tax Invoice. If you so authorise, in the New Account Application, a copy will go to your FSP.

We urge you to have us CHES sponsor your holdings of traded products (i.e. sign the Sponsorship Agreement in our New Account Application). This service has many advantages and minimises the risk of failed settlement of sell transactions, which incurs additional fees.

Your FSP must instruct us in certain ways

FinEx will accept instructions from your FSP in a number of ways including electronically (email or through an electronic order pad) or over the phone. Notifications and instructions in relation to important matters (e.g. change of your address, payment of sale proceeds to parties other than you) must be provided to us (via your FSP) in writing, signed by you.

Market Transactions may be cancelled by ASX

ASX has the power, when market integrity is at stake, to cancel or amend a market transaction (or reinstate an order) which has been executed. Cancellation of an executed transaction would mean the loss of the benefit of the market price and other entitlements flowing from the transaction. Amendment of a transaction may have a similar impact. You would not be entitled to any compensation from us or ASX.

## Settlement requirements

FinEx will not, nor is it obliged to, settle cash (currency). We will not pay you in cash and we won't accept cash from you or your FSP directly. You can make electronic transfers or pay via cheques to settle your transactions. In the case of transactions executed on ASX Markets, funds (i.e. cheques or direct deposits), documents (e.g. share certificates, prescribed statutory declarations) or sponsored holdings must be available to FinEx's Third Party Clearer by the time and date specified on the Confirmation.

## Interest on Trust account balances

Any funds you deposit with us and will be held in FinClear's Third Party Clearer's Trust Account for limited periods, usually very short periods and the Third Party Clearer is entitled to the interest earned on Trust Account balances.

## More About Our Advisory Services

'Advisory services' means recommendations or opinion, whether in written or report form or provided verbally, that are intended to influence a person in making an investment decision. 'Advice' falls within one of two categories: either **General** or **Personal** advice.

Personal advice is advice given to a person in circumstances where consideration has been given to whether the product is personally suitable in light of what is known about one or more of the person's objectives, financial situation and needs, or where it might reasonably be expected one or more of those matters has been considered.



# Terms of Trade

General advice is strictly limited to an assessment of the investment and/or other merits of the product itself (see section 0 below).

**FinEx will only provide General or Product Advice. FinEx will never provide Personal Advice to you.**

Your FSP has engaged FinEx to provide execution services and to arrange for the distribution of research. The fact that you may see our product advice (e.g. research) does not mean we are providing advice tailored to you personally or that we have an ongoing advisory service relationship with you directly. Your FSP has that role and responsibility.

**What are the limitations of research, newsletters and other opinions we provide?**

Research and other product advice presents the opinion of specialist analysts. The assumptions on which that opinion is based mean that forecast performance cannot be guaranteed. Past performance is not a reliable indicator of future investment performance. A recommendation or rating may only be valid for a limited time and is often subject to movements in market price.

Just because you see that a product is recommended or rated in a report or a newsletter as a 'buy', 'sell', 'hold', 'accumulate', 'underweight', 'overweight', 'neutral', 'out-perform' or 'under-perform' does not mean that recommendation is appropriate for you specifically. You must consult your FSP before acting on any report or recommendation presented in a newsletter.

#### **Product Advice - General Advice**

Product advice is a rating or assessment based solely on the attributes of the financial product, the portfolio or investment strategy alone without considering whether it is also appropriate for someone's financial circumstances. Product advice is considered to be General Advice.

#### **Research**

Product advice includes research reports and newsletters. FinEx has entered into a commercial arrangement with Lonsec Research Pty Ltd (**Lonsec Research**) for Lonsec Research to supply FinEx with research reports. FinEx may make these available to your FSPs. You must not assume that the research reports or research recommendations or ratings distributed by FinEx research are appropriate for you personally. The process of profiling a client's circumstances and objectives is not relevant in relation to product advice. Product advice may be derived from fundamental analysis (i.e. analysis of financial reports) or technical analysis (patterns in market trading and price-movement behaviour).

Product advice will be accompanied by the warning that the advice is not a recommendation that a particular transaction is personally appropriate for any particular person, and that you will need to consider (guided by your FSP) whether acting on the advice is appropriate in light of your financial circumstances. If a PDS is relevant for the Financial Services Guide product recommendation, the warning will also highlight the need, before making a decision to invest, to ensure you read and carefully consider the PDS.

#### **Model Portfolio Services**

Under the arrangement with Lonsec Research, FinEx also has access to Model Portfolios that have been developed and maintained by Lonsec Research. Your FSP may determine that a direct investment in a portfolio of market traded products would be appropriate as part of your overall financial plan, and request FinEx to arrange a portfolio to a particular value based on one of the Model Portfolios developed by Lonsec Research. There are a number of notional Model Portfolios, each having different collective investment/risk characteristics. The portfolio proposal prepared for your FSP is general product advice. It is based solely on the investment merits of the Model Portfolio selected, and the shares or other products making up the particular portfolio. Even though FinEx is asked to propose a portfolio to a particular value, and to give a view on your existing holdings (if any), our advice remains limited to product advice. Whether the proposed portfolio is suitable for you personally is entirely the responsibility of your FSP. If you see the proposal, it will usually be supporting your FSP's Statement of Advice to you.

The Model Portfolios that FinEx has access to reflect an active investment philosophy, focusing on generating absolute returns over the medium to

long-term by means of concentrated portfolios. FinEx Lonsec Research (the entity that developed the model portfolios) uses a four-step investment process, which has a strong focus on 'top-down' macro-economic (step 1) and sector themes (step 2). The third-step applies a number of filters (i.e. industry ratings, issuer quality, valuation of issuer, issuer's risk rating) to facilitate stock selection. The fourth step is the on-going monitoring of the Model Portfolio. If we change stocks in a Model Portfolio, we advise your FSP and your FSP will review your portfolio accordingly.

#### **Personal Advice**

Personal advice recommends a product as being appropriate for a client personally, following consideration of their personal financial circumstances and investment objectives.

Your FSP, not FinEx, will provide this category of advice.

A Statement of Advice is only relevant in the context of personal advice, not product advice. You will never receive Statement of Advice from FinEx.

#### **MDA Disclosure**

For clients considering FinEx's MDA service please refer to its Supplementary FSG dated 31 March 2017.

#### **What about the Matter of "Investment Risk"?**

In general, all investments have associated risks and in most cases, the higher the return, the higher the risk to your investment.

By 'risk' we mean the possibility that you will suffer some financial harm by investing. Your preparedness and capacity to carry a particular level or type(s) of risk in pursuit of your investment strategy is a fundamental element of your financial circumstances.

Risk should be considered when developing or reviewing your overall investment and wealth-creation strategy and this is a matter for you and your FSP to discuss in detail.

#### **FinEx Remuneration And Benefits**

How are we remunerated and what other benefits might we receive for the services we provide?

FinEx may be paid in one or any combination of the following ways:

- FinEx is remunerated by the fees it charges your FSP. The fees that it charges your FSP is transaction based and is a fee per trade. This fee is negotiated between your FSP and FinEx and will be passed on to you. For every transaction you enter into you will be charged a brokerage fee that is determined by your FSP and this brokerage fee will include the fee that FinEx charges your FSP and may also include the fee that your FSP charges. FinEx's Third Party Clearer will collect the brokerage and remit this brokerage to FinEx (less their fees) and FinEx will then remit this to your FSP less the fees that is payable by the FSP to FinEx;
- FinEx will also charge a Management Fee on any Managed Account portfolios;
- We may be paid by the financial product issuer after you invest or contract;
- In special circumstances, we may receive performance based fees; or GST is payable on all our charges.

How are our dealers and other staff remunerated?

FinEx's directors and staff (including its dealers) receive a salary. Directors and staff may also receive other benefits such as bonuses. They do not receive a proportion of the fees, charges or commissions you pay.

The range of our transactional charges

Brokerage on each purchase or sale on a relevant exchange or foreign market is calculated as a percentage of the dollar value of the transaction, subject to an agreed flat minimum fee. The total Brokerage you will pay on a transaction is set by your FSP but this will include the negotiated execution fee that FinEx has negotiated with your FSP. You should refer to your FSP's FSG for disclosure relating to the fees imposed by your FSP.

For a purchase, the total brokerage (which includes FinEx's fee and any brokerage your FSP may charge), together with any applicable duty or tax, is added to the transaction value and the total is the overall consideration payable by you. If payment in full is not received by the time and date shown on the Confirmation, you may be charged an administration fee (refer attached Schedule of Fees) or, ultimately, the holding may be sold-out in the market at your risk and expense.

For a sale, the total brokerage (which includes FinEx's fee and any brokerage your FSP may charge, together with any duty or tax payable, is deducted from the proceeds of your sale transaction. You may also be charged 'fail fees' (refer attached Schedule of Fees) if you fail to settle a sale by the time and date shown on the Confirmation. Ultimately, the unsettled position may be bought-back at your risk and expense.

All these amounts (except Fail Fees) are specified on the Confirmation sent to you.

#### Brokerage on transactions traded on ASX markets

The standard brokerage rates for transacting ASX traded financial products are set by your FSP and a guide is found in the attached Schedule of Fees. CHES Sponsorship fees are also detailed in the attached Schedule. We do not charge to sponsor your holdings, but we do charge for certain transfers other than those relating to settlement of on market transactions.

#### Brokerage on transactions NOT traded on ASX markets

We can arrange transactions in products other than ASX traded products (e.g. fixed income securities) with specialists in the relevant product. Brokerage will be negotiated with your FSP prior to accepting the order instructions. The method of calculating the brokerage is the same as described above.

Duties and taxes may not be payable depending on the product. See the attached Schedule.

#### Brokerage on International transactions

For transactions on a foreign stock exchange, the brokerage charged may also include some or all of the charges of the foreign stockbroker. Again, the methodology is the same as described above. Please refer to the attached Schedule of Fees.

#### Lodgment, Application, Acceptance Incentives and Trailing Commissions

If you apply for financial products by way of a PDS or Disclosure Document (e.g. a Prospectus), and your application is stamped by us and is accepted, we will usually receive an application / lodgment fee from the issuer in the range of 0.5% - 3% of the value of the application. FinEx may also receive acceptance incentives to encourage clients to accept a takeover or other offer. These range between 0.5% - 6% of the value of acceptance.

FinEx may receive trailing commissions from Cash Management Trust operators or WRAP platform providers if we have placed your funds to them. Trailing Commissions range from 0.5% - 2.5% calculated on the value of the funds remaining deposited or invested, and are usually payable every quarter. All these are disclosed in the product's PDS, Disclosure Document or by us when providing advice.

#### Portfolio Administration and Managed Investment Schemes

FinEx's provides both Portfolio Administration Services (PAS) and Managed Investments Schemes (FinEx Managed Accounts) to you subject to advice provide to you via your FSP. The fees for these services are based on a percentage of the total Funds Under Management (FUM) as well as a fee for any transactions required to maintain your portfolio. The fees for providing these services will be negotiated with your FSP. Refer attached Schedule of Fees. Some FSPs have commercial arrangements with FinEx where we pay a rebate to the FSP. If such an arrangement is in place this will be detailed in your FSPs FSG.

#### Model Portfolio Service

FinEx's fee for providing this service will be negotiated with your FSP. Refer attached Schedule of Fees.

#### Specialist Advice

FinEx may charge for specialist advice. The fee would be negotiated with your FSP before we commenced work. Refer attached Schedule of Fees.

Other Benefits - interests in Financial Products that FinEx or our Dealer(s) may have

When we provide product advice, we are obliged to disclose any interest(s) our Dealer(s), FinEx or any associate has that may reasonably be capable of influencing that product advice.

#### Other Benefits – Underwriting, Sub-underwriting and other Corporate Fees

If we act as underwriter or sub-underwriter, we will usually receive a fee in the range of 0.2% to 5.0% (i.e. up to 5% of the total funds raised). The Underwriter pays sub-underwriters from their fee. FinEx would also receive lodgment fees

(as described above) for client applications. If we facilitate a successful placement, FinEx would usually receive a fee in the range of 0.2% to 5% of the funds received by the issuer.

#### Fees or Other Rebates or Benefits payable to Referrers

FinEx may also receive fees directly from issuers as a result of handling your IPOs, capital raisings or new issue applications. This fee may be split between your FSP and FinEx and the amount of that split is negotiated on a commercial basis between your FSP and FinEx.

Detail of remuneration and other benefits can be requested

You are entitled to ask your FSP to request detailed particulars from FinEx of the remuneration or other benefits we will receive if you use a particular service, but that request must be made within a reasonable time after you receive this FSG and before any service is provided to you.

#### What To Do If You Have A Complaint

If you are dissatisfied with the services we've provided, take the following steps: Tell your FSP and if possible put your complaint in writing. Your FSP will then contact FinEx and FinEx together with the FSP will review the complaint and Compliance Manager we will contact you and if necessary ask you to provide any relevant documentation if required. The Complaints Manager will attempt to resolve your complaint and will advise you of the steps that FinEx will take to review and address your complaint. The issues involved may be complex and subject to special regulations. We will do our best to resolve your complaint quickly and fairly. Unless you advise us that you object to us doing so, we will also keep your FSP informed on the progress of your complaint.

If we are unable to resolve your complaint to your satisfaction within 45 days of receiving it, we will advise you in writing of that outcome. If you permit, we will inform your FSP of the outcome. However, if corresponding is difficult or the matter is complex or involves third-parties, we are permitted up to 90 days to resolve your complaint. We will advise you if this longer period is required. These periods are specified by the Rules of the Financial Ombudsman Service Ltd (FOS) and they may change. FinEx is a member of FOS. If your complaint isn't resolved to your satisfaction within the applicable period, you may then refer the matter to FOS, an ASIC authorised complaints resolution organisation for the financial services industry. You may contact FOS as follows:

GPO Box 3, Melbourne Victoria 3001

Phone Toll Free on: 1800 367 287 (Australia wide)

Fax: (03) 9621 2291

Website: [www.fos.org.au](http://www.fos.org.au) Email: [info@fos.org.au](mailto:info@fos.org.au)

ASIC also has a free call info line on 1300 300 630 which you can use to make a complaint about our or your FSP's services and to obtain information about your rights.

#### Professional Indemnity Insurance Cover

FinEx has in place Professional Indemnity Insurance which satisfies the requirements of Section 912B of the Corporations Act. Section 912B relates to Retail Client compensation arrangements.

In very general terms, Section 912B requires FinEx to have arrangements for compensating a Retail Client for loss or damage suffered because of breaches by FinEx, or by our representatives/employees, of obligations under Chapter 7 ('Financial Services and Markets') of the Corporations Act, including losses caused by negligence, fraud, dishonesty or other misconduct that amounts to a breach of Chapter 7 and gives rise to a liability to a Retail Client. Section 912B also requires our arrangements to cover our liability to a Retail Client for an award (i.e. a compensation order) made in favour of that Retail Client by the Financial Ombudsman Service Ltd (see Section L), an ASIC approved External Dispute Resolution Scheme of which we are a member. The Professional Indemnity Insurance we have in place will cover claims in relation to the conduct of representatives / employees who no longer work for FinEx, but who did at the time of the relevant conduct.

#### Personal Information

Is the Personal Information provided to us about you private and confidential, and why do we need, and how do we use, that Personal Information?

We are committed to protecting the privacy, accuracy and security of the personal information provided to us about you by your FSP. The information is protected in accordance with our Privacy Policy.



# Terms of Trade

Your personal information will be used for establishing and maintaining you as an account holder, to facilitate transaction execution and settlement, registration of your holdings of financial products, and to provide other related services to you through your FSP. All this is required by the Corporations Act and the Rules of ASX Group or other Operator of a market on which we transact. Should you choose not to provide the personal information requested, we may be unable to provide some or all of the services required. We are obliged to confirm and record your identity in accordance with the Corporations Act and other legislation preventing criminal activity such as money-laundering and the financing of terrorism. Consequently, your FSP must notify us of changes to personal information (e.g. change of address) already provided to us.

Your personal information will only be disclosed internally within FinEx in accordance with internal administration and operations procedures.

In relation to transactions involving ASX traded products, we usually disclose personal information about identity and address to ASX Settlement, the operator of CHES, and to product holder Registries. In relation to transactions on other Australian or foreign markets, we disclose the minimum information required by the Stockbrokers we use. They use and disclose that information to the extent necessary to transact, settle and register or transfer product holdings.

We may also be required to disclose information to your bank, cash management trust operator or other deposit taker. We may be required to disclose your information to ASX (and other ASX Group members and tribunals), ASX Clear, the Securities Exchanges Guarantee Corporation Ltd (SEGC) which is the operator of the National Guarantee Fund, and any court or tribunal, authority or regulatory body such as ASIC, AUSTRAC and operators of disputes or complaints resolution schemes in order to comply with relevant legislation, regulations and rules.

We may be required to disclose your information to debt collectors, credit reporting agencies, our auditors, contractors or service providers (such as those we use to settle your transactions) and to other parties authorised and/or required by law to collect or access your information.

Generally, unless required by law, regulation or rule your personal information will not be passed to any third-party without your consent or the consent of your FSP. Nor will it be used for purposes other than described above.

Your personal information is stored securely and you have the right to access and review it, and to request its correction if in error.

If you are a company and personal information about an officer or employee has been provided by your FSP to us, you must provide them with a copy of our Privacy Policy or show them this section of our FSG and explain how to access our Privacy Policy.

If you wish to receive a copy of our Privacy Policy or to review personal information we hold, or if you have a complaint in relation to your privacy, please contact your FSP in the first instance.

## Schedule of Fees

All of the following does not include GST and is in AUD unless otherwise indicated.

Brokerage on final products traded on ASX	
Buy / Sell Transaction Minimum (for non MDA clients)	\$50.00 or 0.5% (whichever is greater)
Buy /Sell Transaction Minimum (for MDA clients)	\$15.00 or 0.3% (whichever is greater)
<i>Example: An order to buy A\$2,000 worth of BHP shares will incur the minimum brokerage of A\$50.00 +GST. If the order is for A\$20,000.00, the rate will be 0.5% costing \$100 +GST</i>	

*The Brokerage is the minimum FinEx charges (receives) but our rates are negotiated with your FSP who will provide with details of their charges. Any amount that your FSP wants to add to the FinEx minimum brokerage will be rebated back to your FSP.*

### Brokerage and other fees on financial products traded on International Markets

FinEx Brokerage	\$200.00 or 1.75% (whichever is greater)
Settlement Fees for Non DTC Markets (Europe)	USD \$79.00
Settlement Fees for DTC Markets (North America)	USD 400
International stock transfer fee	\$75.00

*Example: An order placed into the DTC market to the value of A\$3,500.00 would incur the minimum brokerage of A\$200.00 + USD\$4.00. If the order is placed into a Non DTC market for the same value it would incur the minimum brokerage of A\$200.00 + USD\$79.00. The above rates are negotiable and area guide only. They can vary depending on the size of the transaction and the country and type of financial products being traded. We will provide you FSP with full details of any fees payable prior to your FSP placing the order.*

### ASX MFund

ASX MFund Settlement Administration Fees	\$50.00
--	---------

### Portfolio Reviews and Specialist Advice

Portfolio Review / Proposal	\$500.00 / portfolio (no specialist advice)
Specialist advice	\$150.00 per hour
<i>Normal brokerage rates apply to subsequent transactions (if any)</i>	

### Portfolio Administration (PAS)

Minimum monthly fee	\$49.00 per month
Administration Fee	0.1% to 0.35% based on FUM
Transaction fees (Direct Managed Funds/Investments)	\$50.00
Brokerage on Australian listed securities through desk	0.15% (\$30 min and \$100 max)
Brokerage on International Listed Securities	0.8% (\$180 min)
Transaction Fees (International Listed Securities)	\$50.00
Asset Transfer Fee	\$220.00 per portfolio

Private Asset Fee (including direct property)	\$250 per annum per asset
<b>FinEx Managed Accounts</b>	
Managed Account Fee	0.35% of the total FUM per annum
Tax Reporting	0.2% of the total FUM per annum
Transactions	\$30.00
<b>Charges relating to Sponsored Accounts:</b>	
Off Market Transfers	\$50.00 per transfer
Transfers out of Estates	\$50.00 per transfer
<b>Charges related to Issuer Sponsored (SRN) holdings:</b>	
Off Market Transfers	\$80.00 per transfer
Transfers out of Estates	\$80.00 per transaction
SRN Search	\$20.00 per security
<b>Fail Fees</b>	
Sales:	
Trades < \$100,000	\$100 per day
Trades > \$100,001	10% to a maximum of \$5000 per day
Purchases: Initial Fail Fee	\$50.00
Dishonour Fee:	\$50.00
<i>Note Fail Fees are levied by the ASX and will be passed on to you.</i>	

## Part F. UBS FSG

(Clearing and settlement, general financial product advice – clients of FinEx)

### 1. WHAT IS THE PURPOSE AND CONTENT OF THIS FSG?

This Financial Services Guide ("FSG") dated 12 May 2015 is an important document. You should read it carefully and make sure you understand it. This FSG provides general information about UBS Securities Australia Limited (ABN 62 008 586 481) (AFSL No. 231098) ("UBS Securities Australia", "us", "we", "our") and the services we offer to you as a client of FinClear Execution Limited ("FinEx").

This FSG provides information in relation to the provision by us of clearing and settlement services ("Clearing") for transactions that are executed on ASX, and if applicable Chi-X Australia (each, a "Relevant Exchange") by your broker, FinEx Limited. It also relates to the provision of equity research and/or sales commentary ("General Advice") to you, if applicable.

In addition, this FSG provides information about remuneration that may be paid to us, information about the capacity in which we act when providing services to you and how complaints against UBS Securities Australia can be dealt with.

UBS Securities Australia is providing this FSG to give you key information about the types of financial services we offer. This FSG is intended to assist you in deciding whether to use any of the services offered.

### 2. WILL YOU RECEIVE OTHER DISCLOSURE DOCUMENTS FROM UBS SECURITIES AUSTRALIA?

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

In addition to this FSG, you will also be provided with a Disclosure Statement issued by UBS Securities Australia, which contains more information concerning the Clearing services that we provide and the

terms of your agreement with UBS Securities Australia in respect of those services.

Depending on your arrangement with FinEx, you may receive General Advice that is prepared by UBS Securities Australia. Any advice recommendations, or statements of opinion contained in any General Advice prepared by UBS Securities Australia is **general advice only** and does not take account of your or anyone else's objectives, financial situation or needs.

Because of this, UBS Securities Australia recommends that you should, before acting on any General Advice, consider (for example, with your FinEx adviser) the appropriateness of the advice, having regard to your own objectives, financial situation and needs.

UBS Securities Australia does not provide you any personal financial product advice and will not issue a Statement of Advice to you. You should contact FinEx for any personal financial product advice which you require.

### 3. WHO WILL BE RESPONSIBLE FOR THE FINANCIAL SERVICES GIVEN TO YOU?

The financial services listed below will be provided by UBS Securities Australia. UBS Securities Australia is an Australian Financial Services licensee under the Corporations Act (AFSL No. 231098). It is a participant of ASX, Chi-X Australia, ASX Clear Pty Limited (the clearing facility for transactions executed on or reported to ASX or Chi-X) and CHES (the settlement facility operated by ASX Settlement Pty Limited). It is able to provide execution and settlement services in respect of mFund Products.

UBS Securities Australia is a wholly owned subsidiary of UBS AG, and is a related company of UBS Nominees Pty Ltd (ABN 32 001 450 522) (AFSL No. 231088) and Warbont Nominees Pty Ltd (ABN 19 003 943 799).

UBS Securities Australia uses the nominee services provided by Warbont Nominees Pty Ltd ("Warbont Nominees"), during the transitional settlement period, in accordance with the Market Integrity Rules on behalf of clients of UBS Securities Australia. The Market Integrity Rules require that all financial products being held for a client during this period may only be registered under a nominee company. Warbont Nominees is the company that has been established to hold these financial products on your behalf in accordance with the Market Integrity Rules. These services are conducted under the Australian Financial Services Licence of UBS Securities Australia and UBS Securities Australia is responsible for the conduct of Warbont Nominees in respect of those services. Warbont Nominees is a wholly owned subsidiary of UBS Securities Australia.

UBS Securities Australia is not an authorised deposit-taking institution under the Banking Act 1959 (Cth). The obligations of UBS Securities Australia do not represent deposits or other liabilities of UBS AG, and UBS AG does not stand behind, support or guarantee UBS Securities Australia in any way.

### 4. WHAT FINANCIAL SERVICES WILL WE PROVIDE TO YOU?

UBS Securities Australia is authorised under its Australian Financial Services Licence to provide several financial services, including execution, clearing and settlement services in relation to financial products traded on a Relevant Exchange which may include:

- securities;
- derivatives;
- interests in managed investment schemes (excluding investor directed portfolio services) such as mFund Products;
- deposit and payment products; and
- foreign exchange contracts.

As a client of FinEx, FinEx Limited will provide all execution services to you. We will provide clearing and settlement services in respect of transactions that are executed for you by FinEx on a Relevant Exchange. For this purpose, you will become a client of UBS Securities Australia and you will owe your settlement obligations in respect of those transactions directly to UBS Securities Australia and not to FinEx.

The provision of settlement services may also involve UBS Securities Australia arranging dealings in deposit and payment products to facilitate settlement. FinEx may provide CHES sponsorship services to you.

UBS Securities Australia is also authorised to provide general advice in respect of the following financial products:

- securities;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- derivatives;
- interests in managed investment schemes (excluding investor directed portfolio services);
- deposit and payment products;
- foreign exchange contracts;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units.

In general, FinEx will provide you with access to General Advice prepared by UBS Securities Australia through FinEx's online platform. You may also be given to access General Advice in other ways, such as an attachment to a Statement of Advice prepared for you by your FinEx adviser, or it may be emailed directly to you.

## 5. HOW WILL YOU PAY FOR THE SERVICES AND HOW ARE ANY COMMISSIONS FEES OR OTHER BENEFITS CALCULATED?

Unless otherwise agreed with you, you receive Clearing services and access to the General Advice as part of the fees you pay to FinEx. UBS Securities Australia will not directly charge you any fees for Clearing services of General Advice provided to you through FinEx.

UBS Securities Australia receives fees from FinEx for the provision of Clearing services and General Advice, which may be a fixed monthly fee, a fee per trade fee and/or other fees. You may request particulars of the remuneration by contacting FinEx, provided the request is made within a reasonable time after you receive this FSG and before we provide services to you.

As a foundation member of the Managed Fund Settlement Service, UBS Securities Australia may be eligible to receive a share of the revenue generated by the ASX from transactions in mFund Products. Any amount payable to UBS Securities Australia is dependent on several factors, including the amount of revenue that is attributable to transactions in mFund Products that have been settled by UBS Securities Australia.

You (or FinEx on your behalf) may be charged fail fees by UBS Securities Australia 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 the Relevant Exchange, an administrative fee and a default charge on the amount outstanding from time to time. When stock is not available to meet our market settlement obligation or if you do not provide us with sufficient funds in time to settle our market obligations in relation to a buy transaction, we may charge the greater of \$100 and the daily ASX Clear fail fee, which is calculated at 0.1% of settlement consideration, subject to a minimum of \$100 and maximum of \$5,000 (exclusive of GST) for each failed settlement.

UBS Securities Australia may also earn and retain interest on moneys held for clients in our trust accounts.

Nobody will be paid for referring you to us for Clearing services or General Advice.

## 6. IN WHAT CAPACITY DO WE ACT?

When providing the above financial services to you we act in a principal capacity and not as a representative of any other person. However, there may be certain activities that UBS Securities Australia will perform as agent for another person (such as the dispatch of confirmations to clients as agent for FinEx Limited).

In clearing your Relevant Exchange transactions, UBS Securities Australia acts as your agent. However, we will owe the settlement obligations in respect of that transaction to ASX Clear as principal.

## 7. DO WE HAVE ANY RELATIONSHIPS OR ASSOCIATIONS WITH FINANCIAL PRODUCT PROVIDERS?

UBS Securities Australia and its associated entities, and their respective directors, associates, connected parties and/or employees may from time to time deal in or otherwise have a financial interest in financial products referred to in its General Advice. You should review any disclosures made in particular General Advice as to interests UBS Securities Australia may have in the financial products referred to in the publication.

UBS Securities Australia may from time to time provide financial services in connection with financial products issued by its related companies. For example, UBS Securities Australia offers settlement services in respect of units issued by UBS Global Asset Management (Australia) Limited that you can deal in via the ASX mFund Settlement Service. You should review any disclosures made in a Product Disclosure Statement as to interests UBS Securities Australia may have in the relevant financial products.

## 8. HOW CAN YOU GIVE INSTRUCTIONS TO US?

To provide instructions to UBS Securities Australia, you must contact FinEx (and not UBS Securities Australia directly).

## 9. WHAT INFORMATION DO WE MAINTAIN IN YOUR FILE?

We will not request any personal information from you in connection with the provision of Clearing services and General Advice. If FinEx provides your personal information to UBS Securities Australia in connection with the services described in this FSG, that Personal Information (as defined in the Privacy Act 1988 (Cth)) collected from FinEx will be used, held and disclosed in accordance with the Privacy Policy for UBS Securities Australia. A copy of the Privacy Policy can be made available to you on request or is available at the following link: <http://www.ubs.com/global/en/legalinfo2/Australia.html>.

We may use, disclose or hold your Personal Information in order:

- to assess your application to open a Clearing account with us;
- to enable us to perform our obligations as set out in the Disclosure Statement;
- comply with the requirements of the Corporations Act, the Exchange Rules, ASX Clear Operating Rules, ASX Settlement Operating Rules, anti-money laundering laws and regulations and any other legal or regulatory requirement; and
- to communicate with third parties in connection with the matters contemplated by the Disclosure Statement.

We may need to disclose your personal information to (among others):

- any regulatory body which governs our conduct in any jurisdiction or as required by law or regulation;
- our related bodies corporate; and
- a third party who is supplying a service to UBS Securities Australia, whether in Australia or in a foreign country (including China, Hong Kong, India, Poland, New Zealand, Singapore, Switzerland, United Kingdom, and United States of America). Examples of such third parties include information technology maintenance companies, software providers and share registries.

You may have rights to access and correct your personal information and, in some circumstances, make complaints regarding our use, holding or disclosure of your personal information. You may exercise such rights by contacting us at the address set out below:

Please note, if you do not want to permit the disclosure of your personal information to us, we may not be able to provide you with certain products or services.

## 10. WHAT CAN YOU DO IF YOU HAVE A COMPLAINT?

If you have a complaint about the service provided to you by UBS Securities Australia or any of its representatives, you should take the following steps.

- Contact FinEx and tell FinEx about your complaint.

If your complaint is not satisfactorily resolved within 3 business days, please put your complaint in writing and send it to us at the following address:

The Complaints Officer  
 c/- Legal & Compliance Department  
 UBS  
 Level 16, Chifley Tower  
 2 Chifley Square  
 Sydney NSW 2000  
 Telephone: (612) 93242000





# Terms of Trade

---

Facsimile: (612) 9324 2558

We will try to resolve your complaint quickly and fairly.

If you still do not get a satisfactory outcome, depending on the nature of your complaint, you may have the right to complain to:

Financial Ombudsman Service

GPO Box 3

Melbourne VIC 3001

Telephone: 1300 78 08 08

Email: [info@fos.org.au](mailto:info@fos.org.au)

The Australian Securities and Investment Commission ("ASIC") also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

UBS Securities Australia has Professional Indemnity ("PI") insurance in place which satisfies the requirements of section D of the ASIC Regulatory Guide 126. These compensation arrangements satisfy the requirements of section 912B of the Corporations Act. The PI insurance will not cover work done for us by representatives after they cease to work for us.

## **11. CONTACT DETAILS**

If you would like a clarification of any of the matters discussed in this FSG, or require further information, including a copy of our internal complaint policy, please contact us at:

Level 16, Chifley Tower

2 Chifley Square

Sydney NSW 2000

Telephone: (612) 9324 2558



# FinEx Terms of Trade

---