

FINCLEAR SERVICES

FINANCIAL SERVICES GUIDE



FINCLEAR SERVICES' FINANCIAL SERVICES GUIDE

Financial Services Guide

Issued by FinClear Services Pty Ltd (ABN 60 136 184 962 AFSL No. 338264)

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1. Purpose of this FSG

This Financial Services Guide (**FSG**) is to provide you with information about the services provided by Finclear Services Pty Ltd (**FinClear Services**) and to help you decide whether to use any of these services described in the FSG that your Broker may arrange on your behalf for FinClear Services to provide to you. You should read it carefully and make sure you understand it. Together with this FSG, you will have received an FSG from the Broker. You should read both documents before deciding whether to use the services that we provide.

2. Terms used in this FSG

This FSG provides information about:

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

AFCA Australian Financial Complaints Authority

AFSL Australian Financial Services Licence

ASX ASX Limited ABN 98 008 624 691 or a market operated by it, as the context requires

ASX Clear ASX Clear Pty Ltd ABN 48 001 314 503

ASX Settlement ASX Settlement Pty Ltd ABN 49 008 504 532

Broker A Participant of one or more Relevant Exchanges which has engaged FinClear Services to clear and settle transactions executed by it on a Relevant Exchange on your behalf. It is your financial adviser or financial intermediary

Cboe Cboe Australia Pty Limited ABN 47 129 584 667 or a market operated by it, as the context requires

Corporations Act *Corporations Act 2001* (Cth)

ETOs Exchange Traded Options

FCX Is the name of the business under FinClear Services that provides cap table management and bare trust services

FinClear Services, we, us, our FinClear Services Pty Ltd ABN 60 136 184 962; AFSL No. 338 264

FinClear Services Nominees FinClear Services Nominees Pty Ltd ABN 38 137 911 730, a wholly owned subsidiary of FinClear Services, or another nominee company appointed by FinClear Services

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International Securities Trader A FinClear Services group entity or a third party authorised to provide securities dealing and/or custody services on an international market

international securities transaction A transaction in financial products that can be traded on an international market

Market Integrity Rules ASIC Market Integrity Rules (Securities Markets) 2017 as amended from time to time

Market Transaction A transaction in financial products that can be traded on a Relevant Exchange, other than ETOs

MDA Managed discretionary accounts, being a service which the Broker may provide to you under which you authorise the Broker to manage an investment portfolio on your behalf and to make investments decisions in relation to the portfolio in accordance with an investment program agreed with you

NSX National Stock Exchange of Australia Limited ABN 11 000 902 063 or a market operated by it, as the context requires

Relevant Exchange ASX, Cboe or NSX, or the financial markets operated by them, as the context requires

Trading Participant Has the meaning given to that term in the Market Integrity Rules

3. Who is FinClear Services

FinClear Services is licensed under the Corporations Act (AFSL No 338 264) to provide financial services and is a General Participant of ASX Clear and a General Settlement Participant of ASX Settlement Pty Ltd. FinClear Services provides third party clearing and settlement services to Trading Participants.

4. Associations

FinClear Services is part of the FinClear group of companies (**FinClear Group**) of which FinClear Holdings Ltd ABN 53 628 360 323 is the ultimate holding company.

The FinClear Group includes:

- FinClear Services which is an AFSL holder, a General Participant of ASX Clear and a General Settlement Participant of ASX Settlement;
- FinClear Execution Ltd (**FinEx**) which is an AFSL holder and a Market Participant of each of ASX, Cboe and NSX and an Account Participant of ASX Settlement;
- FinClear Pty Ltd (**FinClear**) which is an AFSL holder, a General Participant of ASX Clear and a General Settlement Participant of ASX Settlement; and
- FinClear Services Nominees Ltd (**FinClear Services Nominees**) ABN 38 137 911 730 .

FinClear Services may also have arrangements in place with FinEx for FinClear Services to provide third party clearing and settlement services to FinEx.

5. What financial services can FinClear Services provide

FinClear Services is authorised under its AFSL to deal in (by applying for, acquiring, varying or disposing of), on behalf of another person such as you, the following financial products for both retail and wholesale clients:

- securities (such as shares, options and warrants that can be traded on a Relevant Exchange);
- interests in managed investment schemes (other than an Investor Directed Portfolio Service) such as units in ASX listed trusts;
- derivatives, such as ETOs; and
- foreign exchange contracts.

FinClear is also authorised under its AFSL to provide a custodial or depository scheme service (other than an Investor Director Portfolio Service) to retail and wholesale clients.

FinClear Services is authorised under its AFSL to deal in (by issuing, applying for, varying or disposing of) securities, derivatives, foreign exchange contracts and interests in managed investment schemes (other than an Investor Directed Portfolio Service) for both retail and wholesale clients.

FinClear Services is also authorised under its AFSL to provide general financial product advice to wholesale clients only in respect of securities, derivatives, foreign exchange contracts and interests in managed investment schemes (other than an Investor Directed Portfolio Service). FinClear Services is not authorised to, and does not provide, financial product advice to retail clients.

5. What financial services does FinClear Services offer

You have received a copy of this FSG because the Broker has arranged for FinClear Services to provide one or more of the following services to you.

a) Clearing and settlement services for transactions in financial products executed on a Relevant Exchange

FinClear Services may be engaged by Brokers to clear and settle the transactions in financial products executed on or facilitated through a Relevant Exchange by the Broker. If you are a client of one of those Brokers and you effect a transaction in financial products on a Relevant Exchange through the Broker, FinClear Services (as clearer) will be responsible for the settlement obligations in respect of that transaction.

For this purpose, you will become a client of FinClear Services and you will owe your settlement obligations in respect of that transaction directly to FinClear Services and not to the Broker. If you are a client of one of those Brokers, you will be provided with a Disclosure Statement which contains more information concerning the clearing and settlement services FinClear Services provides and the terms of your agreement with FinClear Services in respect of those services.

b) Other settlement services

FinClear Services may also be engaged by the Broker to provide to clients of the Broker settlement services in relation to transactions in financial products which are not executed by the Broker on a Relevant Exchange (such as primary market transactions, initial public offerings, other capital raisings, foreign exchange or other off-market transactions). This means that FinClear Services will settle transactions arranged for you by the Broker in relation to the proposed transaction for you.

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

c) Clearing and settlement services for transactions in Exchange Traded Options executed on ASX

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

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

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

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

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

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

As a client of one of those Brokers, you may effect an international securities transaction on an international market by providing instructions to the Broker. The Broker, acting as your agent, will then communicate your instructions to FinClear Services who, in acting for you, will communicate them to the International Securities Trader.

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

f) CHES Sponsorship services

FinClear Services may act as a CHES Sponsoring Participant for the clients of the Brokers.

g) Nominee and custody services

FinClear Services may arrange for FinClear Nominees and/or another entity to provide nominee and other custody services for clients of the Broker.

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

h) Foreign currency conversion

If FinClear Services has been instructed to convert your settlement monies from and/or to a foreign currency, we will arrange for a third party to make the foreign currency conversion.

i) Stock borrowing for covered short sales

If you wish to arrange for the Broker to execute a covered short sale for you, FinClear Services may arrange for you to borrow the financial products which are to be the subject of the covered short sale.

j) No financial product advice to retail clients

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

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

7. Capacity in which FinClear Services acts

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

a) Clearing and settlement services for transactions in financial products executed on a Relevant Exchange

FinClear Services acts as principal in relation to the clearing and settlement of transactions in financial products executed on a Relevant Exchange on your behalf. However, there may be certain activities which FinClear Services will perform as agent for another person (such as the despatch by FinClear Services of confirmations to clients as agent for the Broker that executed the transaction).

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

b) Other settlement services

FinClear Services acts as your agent in relation to the settlement of transactions in financial products which the Broker has arranged on your behalf which are not executed on a Relevant Exchange.

c) Clearing and settlement services for transactions in Exchange Traded Options executed on ASX

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

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

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

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

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

When FinClear Services arranges for the provision of international securities trading services to you, FinClear Services acts as agent for you.

In order to provide these services to you, FinClear Services (as principal) will enter into agreements with an International Securities Trader, and will owe obligations in relation to any transactions directly to the International Securities Trader. It is then your separate agreement with FinClear Services (under which FinClear Services arranges international transactions for you) under which you owe obligations to FinClear Services in respect of those transactions, and which enables FinClear Services to ultimately call upon you to satisfy these obligations.

e) CHES Sponsorship services

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

f) Nominee and custody services

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

g) Foreign currency conversions

If FinClear Services arranges a foreign currency conversion for you, it does so as agent.

h) Stock borrowing for covered short sales

If FinClear Services arranges for you to borrow the financial products which are to be the subject of the covered short sale, it borrows the financial products as principal, and on-lends them to you as principal.

8. How you may provide information or instructions to FinClear Services

To provide information or instructions to FinClear Services, you must contact the Broker (and not FinClear Services directly) who, as your agent, will pass on your information or instructions to FinClear Services.

9. How you may make payments into our trust account

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

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

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

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

FinClear Services (or the Broker) is entitled to, and will retain the interest earned on FinClear Services' trust account. FinClear Services will not pay any interest to you in respect of the balance of funds held for you from time to time in FinClear Services trust account.

10. How we are remunerated

a) In general, FinClear Services charges fees to the Broker and not to you

FinClear Services generally does not charge you fees for the services that it may provide to you.

Instead, FinClear Services will charge fees to the Broker in relation to those services. Those fees may be a fixed monthly fee, a fee per transaction, a fee per services and other fees.

The Broker may charge you fees in respect of the services that it arranges FinClear to provide to you. This may include fees in respect of execution of transactions which the Broker arranges for FinClear to clear (if applicable) and settle on your behalf. The Broker determines the amount and structure of those fees. Information concerning the fees charged by your Broker can be obtained directly from your Broker. The fee that the Broker charges in respect of a transaction will also be set out in the confirmation (if any) to be given in respect of that transaction.

Brokerage and some other fees charged by the Broker to you is also collected by FinClear Services on behalf of the Broker. FinClear Services will account to the Broker for such brokerage and other fees after deducting fees which FinClear Services charges to the Broker.

b) There are some fees which FinClear may charge directly to you

There are some fees which FinClear Services may charge directly to you. Details of those fees are set out in Appendix A to this FSG.

c) Fees for CHESS sponsorship services

As at the date of this FSG, FinClear Services does not charge fees for acting as your CHESS Controlling Participant, but may do so in the future charge. FinClear Services will provide you with 20 Business Days' written notice before introducing any fees for acting as your CHESS Controlling Participant.

d) Fees and other charges if you fail to comply with your obligations owed to FinClear Services

If you fail to comply with the settlement or other obligations that you owe to FinClear Services, FinClear Services may be entitled to charge you or the Broker administration fees (including fail fees charged to FinClear Services by a Relevant Exchange, ASX Clear or ASX Settlement), interest and other amounts and to recover any costs and losses (including taxes) from you or the Broker, as set out in the Disclosure Statement given by the Broker to you. Details of those administration fees and interest charges are set out in Appendix A to this FSG.

e) The Broker may pass on to you fees charged by FinClear Services to the Broker

If FinClear Services charges any of the amounts referred to above to the Broker, the Broker may pass those amounts on to you. The Broker will provide you with information concerning those amounts which it may pass on to you.

f) FinClear Services may assign to the Broker any debt that you owe to FinClear Services

FinClear Services is entitled to assign to the Broker any debt that you owe to FinClear Services (including any debt relating to your failure to comply with your settlement or any other obligations that you owe to FinClear Services), in which case, you will owe the relevant debt to the Broker.

g) Foreign Currency Conversion Fees

If FinClear Services has been instructed to convert your settlement monies from and/or to a foreign currency, we will arrange for a third party to make the foreign currency conversion. FinClear Services will be charged a fee for this by the third party and FinClear Services may charge its own administrative fee for any foreign exchange conversion and will pass the total amount on to you.

FinClear Services may receive a fee for providing that foreign exchange assistance. The fee is the difference between the wholesale exchange rate we have access to and the exchange rate we offer to you, known as the 'spread'. The spread margin is not fixed, and when applied will range from 0.01% to 1% per transaction. The margin will depend on the current interest rates, the availability of the currency you are buying or selling, market volatility, frequency of activity and transaction value.

FinClear Services may pay a fee or commission to other persons for any FX conversions that they may have arranged for you to do with FinClear.

h) Fees for stock borrowing for covered short sales

If you wish to arrange for the Broker to execute a covered short sale for you, and FinClear Services arranges for you to borrow the financial products which are to be the subject of the covered short sale, the fees to be charged to you will be advised to you at the time that the borrowing is arranged.

i) GST

GST is payable in respect of all fees charged by FinClear Services.

11. How our representatives are remunerated

Our representatives are remunerated by way of salary and they do not directly receive any remuneration calculated by reference to the amount of fees or commissions received by FinClear Services. They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the representative and FinClear Services.

Detail of remuneration and other benefits can be requested

At your request, we will provide particulars of the remuneration or other benefits that our representative has received or is to receive. Such a request to be made to your Broker who, as your agent, will provide your request to us. However, we will only provide this information to you if you have requested it within a reasonable time after this FSG has been given to you and before any financial services identified in this FSG are provided to you.

12. Referral fees

FinClear Services may pay a fee or a commission to other persons for any services that they may have arranged for you to receive from FinClear Services.

13. Relationships or associations with financial product providers

FinClear Services may enter into arrangements with financial product providers or financial services providers. Details of the benefits which FinClear Services may receive in connection with those arrangements are disclosed elsewhere in this FSG, or will be disclosed to you at the time that you seek to invest on the relevant products or use the relevant financial services.

14. Documents you will receive

a) Clearing and settlement services for transactions executed by the Broker

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

b) Other settlement services

The Broker will provide you with any documentation that is relevant to the other settlement services that the Broker may arrange for FinClear Services to provide to you.

c) Transactions in ETOs

If the Broker executes ETOs on your behalf and has arranged for FinClear Services to clear those ETO transactions, you will need to enter a Derivatives Client Agreement with FinClear Services. You will also need to enter into a Derivatives Client Agreement with FinClear Services if FinClear Services is to accept the “give up” of any ETO executed by another Participant of ASX Group for you.

You may also need to enter into a Derivatives Client Agreement with the Broker (or other Participant of ASX Group) that executes transactions in ETOs on your behalf and be given an ETO Product Disclosure Statement by the Broker (or that other Participant). The ETO Product Disclosure Statement will contain important information regarding trading ETOs, including the fees charged by ASX Clear.

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

If FinClear Services is to arrange for the execution, clearing and settlement of international securities transactions on a foreign market by an International Securities Trader for you, the Broker will provide you with any documentation that is relevant to that service.

d) CHESSE Sponsorship Services

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

e) Nominee and custody services

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

f) Advice

You will not receive a Statement of Advice (or advice record) from FinClear Services as we do not provide any personal financial product advice. If you receive personal financial product advice from the Broker, the Broker may be required to give you a Statement of Advice (or advice record).

15. Complaints

If you are dissatisfied with the services that FinClear Services has provided, please take the following steps:

- (a) Tell the Broker and if possible put your complaint in writing. You should include as much detail as possible about the circumstances of your complaint, including the name(s) of any of our staff involved. The Broker will then contact FinClear Services on your behalf. FinClear Services will review the complaint and we will contact you and if necessary ask you to provide any relevant documentation if required. FinClear Services' Complaints Manager will provide you with a written acknowledgement of receipt of your complaint, will attempt to resolve your complaint and will advise you of the steps that FinClear Services 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 the Broker informed on the progress of your complaint.
- (b) We will try to resolve your complaint within 30 days of receiving it. However, the matter may be complex and we may not be able to resolve it within 30 days in which case
- (c) we will provide you with a Delay Notification advising you of the delay and your right to complain to the Australian
- (d) Financial Complaints Authority (AFCA) if you are dissatisfied.
- (e) If your complaint is not resolved to your satisfaction within the applicable period, you may then refer the matter to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. You may contact AFCA as follows:

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne Vic 3001

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

If you remain unsatisfied with our response to a complaint, you are at all times free to pursue the matter with ASX Clear or ASX Settlement. ASIC also has a free call info line on 1300 300 630 which you can use to make a complaint about our services and to obtain information about your rights.

If your complaint relates to the services provided by the Broker, you should seek to have your complaint dealt with in the manner set out by the Broker in its FSG or otherwise.

16. Compensation Arrangements

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

- volume and nature of FinClear Services' business;
- number and kind of its clients;
- the number of representatives and Authorised Representatives it has; and
- any particular or potential claims that may arise pursuant to its participation in external dispute resolution schemes, including the AFCA scheme.

FinClear Services considers that the professional indemnity insurance satisfies the requirements for compensation arrangements under section 912B of the Corporations Act. If you require further information about our compensation arrangements please contact FinClear Services' Head of Compliance. You may be entitled to make a claim on a compensation fund (such as the National Guarantee Fund (NGF) or the Cboe Fidelity Fund) in the circumstances specified under Part 7.5 of the Corporations Act and the *Corporations Regulations 2001* (Cth). For more information on the circumstances in which you may make a claim or for information about compensation arrangements generally, contact the Securities Exchanges Guarantee Corporation Limited ABN 19 008 626 793 (in relation to queries about the NGF) or in relation to another Relevant Exchange, that Relevant Exchange.

17. Privacy

The privacy of your personal information is important to us. Our privacy policy is contained on our website and sets out important information about the personal information that we collect and how we use and handle it.

18. Contact Details

Our contact details are as follows:

FinClear Services Pty Ltd

Level 8, 118 Mount Street, North Sydney

New South Wales, 2060

Ph: 02 8039 600