



## Best Execution Policy

### 1. Introduction

Under Chapter 3 of the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011, FinClear Execution Ltd (**FinEx**) has an obligation to take reasonable steps to obtain the best outcome for its clients when handling and executing equity market product orders (**Best Execution**).

FinEx has established and implemented policies and procedures to comply with its Best Execution obligation and this document sets out our Best Execution Policy.

In determining what the best outcome is for its clients, FinEx will generally give price a higher relative importance. However, depending on the type of client (Wholesale or Retail) FinEx may also take into consideration a range of different factors, including the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), price of the equity market product, speed, likelihood of execution and settlement, potential price impact, execution certainty, the size of the order and the nature of the financial transaction.

A **Retail** client means a person who is a 'retail client' within the meaning of subsection 761G(1) of the Corporations Act being a client other than a Wholesale client.

A **Wholesale** client where s761G(7) or 761GA of the Corporations Act 2001 applies, is a client where any of the following apply:

- (a) the price or value of the transaction is \$500,000 or more;
- (b) the financial product or service is provided for use in connection with a business that is not a small business;
- (c) the client does not receive the financial product or service for use in connection with a business, and a qualified accountant certifies that the client has (i) net assets of at least \$2.5 million or (ii) gross income for each of the last two financial years of at least \$250,000 a year.
- (d) the client is a professional investor (as defined in s9 of the Corporations Act); or
- (e) the client is a sophisticated investor (as defined in s761GA of the Corporations Act) or with demonstrated experience in using financial services and investing in financial products.

### 2. Scope

FinEx's Best Execution obligation applies when we execute orders to buy or sell Equity Market Products on our client's behalf. Equity Market Products include:

- shares
- interests in managed investment schemes (including exchange-traded funds);
- rights to acquire shares or interests in managed investment schemes under a rights issue; and
- CHESS Depository Interests (CDIs)

which are admitted to quotation on an Australian exchange.

The Best Execution obligations set out in this Policy does not apply to international securities.

### 3. Best Execution for Retail Clients and Wholesale Clients

#### a) No execution instruction provided

For Retail Clients who have not given an execution instruction, best outcome means the best Total Consideration which means for a:

*Buy transaction:* the lowest possible price plus Transaction Costs

*Sell transaction:* the highest possible price minus Transaction Costs

that FinEx can achieve in the trade venues it executes in.

**Transaction Costs** may include, for example: execution costs imposed by a licensed market; clearing and settlement fees and commissions paid to us by you.

For Wholesale Clients who have not provided an execution instruction, best outcome may occur as a result of price, costs, speed, likelihood of execution or any other relevant order consideration or any combination of these.

#### b) Execution instructions provided

Where we receive clear and unambiguous order execution instructions from a retail and wholesale client that is specific to a particular order and those instructions are inconsistent with FinEx achieving the best outcome (price), we will take reasonable steps to handle and execute the order in a way which satisfies your instructions and as a result may not achieve the best price or outcome for you. We will only follow your execution instructions if those instructions don't conflict with our other obligations under the FinEx Terms and Conditions, the Corporations Act 2001, the ASIC Market Integrity Rules and any other relevant laws.

### 4. Order Handling and Execution Arrangements

FinEx will use Smart Order Router technology to send orders the order book(s) that offers a better chance of achieving a more desirable price.

FinEx accepts orders to buy and sell securities either by telephone, in writing (e.g. by email) or through one of the FinEx automated order processing systems (E.g. LDIS, IRESS Order System). The execution venues for FinEx includes both ASX TradeMatch and Chi-X Australia – including any dark markets associated with these venues.

FinEx will place all client orders in time priority, which means the first valid order that is received at a given price for a particular security will be the first order that is submitted to the market.

All orders are subject to review (via ASIC approved vetting or manual assessment) and may be rejected or referred to one of FinEx's Designated Trading Representatives (DTR) for review and manual entry. Where an order is executed via one of the AOP systems, the parameters of the trade are selected by the client. This includes the price, timing and size of the order. When FinEx receives an order from the client, it will transmit the order to the market as soon as reasonably practicable. This will obtain the best price available in the market for the order, and accordingly fulfil the requirement of best execution. When an order has been referred to a DTR and is considered acceptable to enter into the market, it will be handled in accordance with this Policy.

### 5. Market Outage

In the event of a Market Outage from one or more Market Operators (regardless of whether FinEx is a member of the impacted venue(s)), FinEx will endeavour to achieve the best possible price using the remaining available venues. FinEx may choose not to execute the order if, in its absolute discretion, the resulting trades would not be in the interests of the client, FinEx or the Market Operator.



## **Privacy Policy**

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## 1. Terms used in this Privacy Policy

**'FinEx'** means FinEx Execution Limited ABN 560 061 751 102, AFSL 246 842.

**'You'** and **'your'** refer to the individual whose information we collect and hold for our purposes.

**'Securities'** means shares, bonds, bank bills, convertible notes, units in managed investment schemes, related derivatives and other equity or debt financial products whether listed or unlisted.

## 2. Introduction

This policy sets out how FinEx will deal with personal information and addresses FinEx's obligations arising from the *Privacy Act 1988* and the 13 Australia Privacy Principles (**APPs**) from Schedule 1 of the *Privacy Amendment (Enhancing Privacy Protection) Act 2012* which amended the *Privacy Act 1988*.

Under the legislation, an organisation must set out in a document clearly expressed policies on its management of personal information and must make the document available to anyone who asks for it.

This document is FinEx's Privacy Policy and sets out, amongst other things, the following information:

- how FinEx collects and holds personal information;
- the purposes for which FinEx collects, holds, uses and discloses personal information;
- the kinds of personal information FinEx collects and holds;
- how does FinEx handle a request for access to personal information;
- does FinEx usually disclose information to the other organisations or people;
- overseas disclosure;
- personal information security;
- correcting personal information that is incorrect;
- how do I make further enquiries or complaints about a breach of privacy;

### What is 'personal information'?

Under the *Privacy Act* 'personal information' is

*'information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identify is apparent, or can reasonably be ascertained, from the information or opinion.'*

## 3. How FinEx collects your Personal Information

Personal information about you will usually be collected by your nominated Financial Adviser / Financial Planner (**Nominated Adviser**) who has arranged for FinEx to provide stockbroking services including transaction execution and related back office services to you. The information collected by your Nominated Adviser is then passed on to FinEx.

## 4. The Purpose for which FinEx collects, holds, uses and discloses your personal information

To provide financial services to you, we need to request and retain some personal information. This allows us to set up accounts, administer your accounts and arrange for our third-party clearer to settle and clear the financial market transactions that have been executed on your behalf. Your personal information may also be used to provide you information related to your account and transactions.

FinEx may also use your personal information for any secondary related purposes in circumstances where you would reasonably expect this to be the case (e.g. portfolio reviews, mail-outs of research, newsletters or direct marketing material that may be of interest to you). Where you require us to buy or sell foreign securities we may send information overseas to Stockbrokers and Custodians appointed by FinEx, who are required to comply with at least the same standards of Privacy. If you do not consent to your personal information being used as described above or if you do not provide the personal information requested, this may affect our ability to provide any or some stockbroking services to you. Your information must be accurate, complete and up to date. To assist us with this, please notify your Nominated Adviser if any details you have provided change.

We may also use your personal details to communicate with you about products and services and comply with relevant laws. We consider all information about our clients to be private and confidential.

## **5. The kinds of personal information FinEx collects and holds**

The nature of personal information collected by your Nominated Adviser and maintained by FinEx generally comprises name, address, contact details (including phone numbers, fax and e-mail address) and banking details. FinEx may also hold the following information about you:

- Occupation;
- Tax file number, where you have provided it to us;
- Information relevant to your financial situation, including your salary, other sources of income, levels of debt and living expenses;
- Your financial objectives, financial needs, and your attitude to investment risk;
- Your employer's name and address;
- The names and addresses of your dependants or beneficiaries; and
- Other information that you have given us.

## **6. How does FinEx handle a request for access to personal information?**

Under the National Privacy Principles, you are generally entitled to access the information we hold about you. Where you are entitled to access, the time within which we are required to give you access will depend on the type of information requested. If you do require access to the personal information we hold about you, please make that request through your Nominated Adviser. If we can, we will answer your question immediately. Sometimes, we will ask that you put your request (via your Nominated Adviser) in writing, for example, where you want copies of material or access to older information or files which are not current or it is necessary for us to retain a record of your request. We may also ask you to identify yourself to our satisfaction. In some circumstances, we may charge a fee for giving you access, which will vary but will be based on our costs (internal and external) in locating the information and the form of access you require. If we propose to charge a fee for giving access, we will give you an estimate of the fee so you can confirm that you still want us to give you access to the information. We do not impose any charge for lodging a request for access. If we are entitled under the National Privacy Principles to refuse to give you access, we will tell you and provide reasons.

## **7. Does FinEx usually disclose information to other organisations or people?**

We will not disclose information about you unless:

- we are required by law or other regulations (e.g. ASIC, ASX, the Courts and the Australian Tax Office have the power to order us to disclose information about your account/s);
- we are authorised by law (e.g. to protect our interests or where we have a duty to the public to disclose); or
- you have consented to the disclosure of the information about you.

As part of us providing stockbroking services we will be required to disclose your personal information to:

- Our third-party clearing and settlement agent who may in turn provide it to the Securities Clearing House (**CHESS**), share registries, financial institutions, service providers (such as software providers, delivery companies and mail houses) and, where applicable, margin lenders;
- Underwriters or corporate advisers where you are applying for securities in an initial public offering or new issue;
- Where relevant, your executor, administrator, trustee, guardian or attorney; and
- Entities we use for printing reports, newsletters and other services we provide to you.

We may also check your credit worthiness with:

- Credit reference agencies (i.e. The Stockbrokers Mutual Reference Society Limited);
- Your bank or other financial institutions for direct credit or debits; and/or
- Stockbrokers and Custodians for the purpose of completing transactions in foreign securities.

In all circumstances where contractors and agents may become aware of personal information, confidentiality arrangements apply. Personal information may only be used by our agents and contractors for our purposes.

We do not sell mailing lists.

## **8. Overseas Disclosure**

We may store your information on “the Cloud” or other types of networked or electronic storage. As electronic or networked storage can be accessed from various countries via an internet connection, it’s not always practicable to know in which country your information may be held. If your information is stored in this way, disclosures may occur in countries other than those listed.

Under a foreign law, overseas organisations (such as overseas brokers we use to buy and sell foreign securities on your behalf) may be required to disclose information we share with them. In those instances, we will not be responsible for that disclosure.

## **9. Personal information security**

FinEx recognises how important the privacy of your personal information is to you and undertakes to store such information in a secure place. We will protect personal information from misuse and loss, and destroy or permanently de-identify personal information we no longer need. Please note that even if we are no longer providing services to you we are obliged due to legislative and regulatory requirements to retain your personal information in a form, which does identify you for a period of up to 7 years. Your personal information is stored in our and our third-party clearer’s back office system, which is protected by company logins and passwords and can only be accessed by the relevant staff within FinEx.

## **10. Correcting personal information that is incorrect**

If the personal information we hold about you is wrong, please tell us (through your Nominated Adviser). We want our records to be accurate, complete and up to date. Unless we disagree with you about the accuracy or completeness of a record, we will generally correct it on request, (or suggest alternative arrangements for updating our records). If we disagree with you, we will give you our reasons.

**11. How do I make further enquiries or complain about a breach of privacy?**

If you require more information about the way FinEx manages personal information or wish to make a complaint about the holding of your personal information or a breach of your privacy, please contact FinEx (see below for details) and ask to speak to the FinEx Privacy Officer. If we are unable to satisfactorily resolve your concerns you can contact the Office of the Australian Information Commissioner (**OAIC**).

**12. How can I contact FinEx?**

- Call Us: 1800 649 518
- Email Us: [info@finclear.com.au](mailto:info@finclear.com.au)
- Write to Us:  
The Privacy Officer,  
Level 3, 533 Little  
Lonsdale Street  
Melbourne VIC 3000

**13. Changes to this Privacy Policy**

We reserve the right to review and amend this Privacy Policy from time to time and to notify you by posting an updated version on our website ([www.finclear.com.au](http://www.finclear.com.au)).





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

## Financial Services Guide

Issue Date: 27 August 2018

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## 1. 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.

## 2. 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.

## 3. 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 in the second half of 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.

## 4. 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 12 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 11, 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).

## 5. 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 11 and 12, below.

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

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 CHESS) 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).

## **6. 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.

## **7. 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.

## **8. 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.

## **9. 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 CHESS 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.

## **10. 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.

General advice is strictly limited to an assessment of the investment and/or other merits of the product itself (see section 11 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.

## **11. 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.

## **12. 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.

## **13. MDA Disclosure**

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

## **14. 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

## **15. 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:

- a) 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;
- b) FinEx will also charge a Management Fee on any Managed Account portfolios;
- c) We may be paid by the financial product issuer after you invest or contract;
- d) 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. CHESS 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.

## **16. What To Do If You Have A Complaint**

If you are dissatisfied with the services we've provided, take the following steps:

- a) 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.
- b) 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 Australian Financial Complaints Authority (AFCA) and they may change. FinEx is a member of AFCA. If your complaint isn't 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:

Website: [www.afca.org.au](http://www.afca.org.au)

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

Telephone: 1800 931 678 (free call)

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

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.

## **17. 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.

## **18. 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.

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 CHESS, 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 in AUD dollars unless otherwise indicated.

Brokerage on final products traded on ASX	
Buy / Sell Transaction Minimum	\$50.00 or 0.5% (whichever is greater)
<p><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></p> <p><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.</i></p>	
Charges relating to Sponsored Accounts:	
Off Market Transfers	\$50.00 per transfer
Transfers out of Estates	\$50.00 per transfer
Charges related to Issuer Sponsored (SRN) holdings:	
Off Market Transfers	\$80.00 per transfer
Transfers out of Estates	\$80.00 per transaction
SRN Search	\$20.00 per security
Fail Fees	
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
<p><i>Note Fail Fees are levied by the ASX and will be passed on to you.</i></p>	

## Important Notice & Introduction

It is very important that you read and understand all the terms and conditions of trading with FinClear Execution Ltd (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 and an explanation of the operation of the CHESSE Sponsorship Agreement;
- **Part C:** FinClear's Disclosure Statement;
- **Part D:** FinClear's Direct Debit Request Service Agreement.
- **Part E:** FinEx's Financial Services Guide (FSG)
- **Part F:** FinClear's Financial Services Guide (FSG)

When you sign the Client Application Form, you:

- acknowledge that you accept all the FinEx Terms & Conditions and FinClear's Disclosure Statement;
- acknowledge that you have received and read FinEx's and FinClear'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 FinEx'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 Financial 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.

**"FinClear"** means FinClearPty Ltd ABN 63 607 164 714, AFSL No. 481017

**"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 provided by us under agreement with your FSP.

**"Third Party Clearer"** means FinClear

**"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
- and that FinEx's Best Execution Policy is available on its website at [finexwealth.com.au](http://finexwealth.com.au).

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:
  - a) 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;
  - b) another client(s) of FinEx being the counterparty to any of your transactions; and
  - c) 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).

#### 4. CHESS Sponsorship

If you wish for your financial products to be CHESS sponsored by FinEx, You agree to enter into a CHESS Sponsorship Agreement with FinEx, and to remain CHESS Sponsored by FinEx, in accordance with FinEx CHESS Sponsorship Agreement in Part B of these Terms of Trade. Although Sponsored on CHESS by us, you will receive Holding Statements directly from CHESS 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:

- a) 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;
- b) the customs and usages of the relevant ASX Market; and
- c) the correction of errors and omissions.
- d) You acknowledge and agree that all other transactions are subject to:
- e) the regulations, customs and usages of the relevant market (if conducted on market); and
- f) the correction of errors and omissions.

#### 8. Payment or Settlement

You agree that:

- a) 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
- b) 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 Chess 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:

- a) 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.
- b) If you act as a Trustee, you agree that you are bound in both your capacity as Trustee and personally.
  - a) If you are a corporation, you warrant that you are able to enter into financial product transactions.
  - b) 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.
  - c) 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.



- d) You certify you are not a Controller of an ASX Group Participant. If this should ever change you agree to notify FinEx immediately.
- e) 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 us 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 CHES 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 CHES 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 CHES 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 FinClear Pty Ltd (**FinClear**). FinClear has the settlement and clearing obligation for all ASX transactions of FinEx and its clients.

- 17.2 FinClear will also administer your CHESS sponsored holdings on behalf of FinEx but FinEx remains responsible to you 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 CHESS holdings 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 FinClear Pty Ltd (**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 CHES, 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 CHES 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 CHES, 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 CHES) 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 CHES. 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 CHES 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 CHES 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 CHES 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.

## CHES 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 FinClear Pty 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 or its Clearing Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two (2) Business Days of the date of the receipt of the written Withdrawal Instructions.

3.2 Subject to clause 11.3, FinEx or its Clearing Participant will not initiate any Transfer or Conversion into or out of your Participant Sponsored Holding without your express authority; and

3.3 Subject to clause 9, you have various rights upon receiving a Participant Change Notice.

3.4 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 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:

- a) 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
- b) 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
- c) 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:

- a) 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:
  - (i) from the CHES Sub- register; or
  - (ii) 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



- b) 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 CHESS 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:
  - a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHESS 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
  - b) establish a new Holder record in the name(s) of the remaining Participant Sponsored Holder(s) and Transfer the interest of the remaining Participant Sponsored Holder(s) into new Holdings under the new Holder Record.
- 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:
  - a) transfer your Participant Sponsored Holding to another Controlling Participant ; or
  - b) 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:
  - a) the New Controlling Participant is a party to the Agreement in substitution for FinEx;
  - b) any rights of FinEx are transferred to the New Controlling Participant; and
  - c) 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 CHESS 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:
  - a) by notice in writing, from either you or FinEx to the other party, to terminate this Agreement;
  - b) upon FinEx becoming insolvent;
  - c) upon the termination or suspension of FinEx's access to CHESS 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

- d) 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 mFund products, the new Controlling Participant is accredited in accordance with Section 18 of the ASX Settlement Rules to facilitate the settlement of mFund Products.
- 11.3 ASX Settlement will not accept a Notice of change of Controlling Participant where Holdings to which the Notice relates comprise mFund Products and the new Controlling Participant is not accredited in accordance with Section 18 of the ASX Settlement Rules to facilitate the settlement of mFund Products. In this instance, the existing Controlling Participant must convert the mFund Product Holdings to Holdings on the Issuer Sponsored Subregister. If the existing Controlling Participant fails to convert the mFund Product Holdings to Holdings on the Issuer Sponsored Subregister, ASX Settlement may convert the mFund 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. FinClear Disclosure Statement

FinClear Pty Ltd ABN 63 607 164 714 AFSL No 481 017 (**FinClear**)  
Disclosure Statement for clients of FinClear Execution Limited (**FinEx**)

### 1. Your clearing arrangements with FinClear

FinClear is admitted as a Clearing Participant in accordance with the ASX Clear Rules. You are receiving this disclosure statement as you have entered into an arrangement with the Broker to execute on your behalf transactions in Cash Market Products on or through the ASX and Chi-X markets in Australia, and your Broker has appointed FinClear as its clearing and settlement participant for such transactions. Whenever you place an Order with the Broker (as your agent) to purchase or sell Cash Market Products by means of a Transaction to be cleared through ASX Clear, you are immediately deemed to have entered into an agreement with FinClear on the terms and conditions set out below in this Disclosure Statement (**Terms and Conditions**).

By placing an Order with the Broker, you accept and agree to be bound by these Terms and Conditions.

FinClear carries the clearing obligations and any settlement obligations (together, **Settlement Obligations**) for all Transactions effected through the Broker (including those effected by the Broker on your behalf) and FinClear must settle as principal with ASX Clear or the relevant counterparty, even though the Transaction may have been entered into on your behalf. Your Settlement Obligations are therefore owed directly to FinClear (and not the Broker). In the event that you fail to complete a contract in accordance with the ASX Clear Rules or fail to pay the amounts due in respect of a Transaction, FinClear has direct rights against you, including rights of sale under the Exchange Rules and ASX Clear Rules, and those described in these Terms and Conditions.

### 2. Conduct of Business

You acknowledge and agree:

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

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

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

- (a) refuse to accept you as a client or not to accept Orders from, or execute Orders for you; or
- (b) refuse to accept a particular Order from you; or
- (c) obtain, and provide to FinClear, additional information relating to you.

### 4. Purchases and Sales

You must ensure that your Settlement Obligations are met in full and are received by FinClear before the Settlement Date and Time (and you are responsible for ensuring that you have sufficient funds or Cash Market Products (as applicable) before the Settlement Date. The "**Settlement Date and Time**" for sales or purchases is the date and time that is specified on the front of the relevant Confirmation that you will receive from the Broker. If no date and time are specified or no Confirmation is required to be given, the Settlement Date and Time is 9.00am (Sydney time) on the second Business Day after the execution of the Transaction. The Broker has no authority to extend the Settlement Date and Time without the consent of FinClear to such extension.

In accordance with the provisions of the Corporations Act, and the regulations made under the Corporations Act (**Corporations Regulations**), pending settlement by you, these Terms and Conditions and the relevant Confirmation (if any) constitutes notice to you that FinClear may hold under general law, a lien and right of sale in the Cash Market Products purchased for you in a particular transaction if FinClear has received and paid for such Cash Market Products on your behalf.

You must ensure that FinClear (via your Broker) has 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.

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

products, that consent has been obtained and communicated to FinClear.

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

If you are not currently sponsored by FinClear or the Broker, FinClear recommends that you enter into a Sponsorship Agreement with FinClear or the Broker to enable easy transfer of your ASX Products under CHES (Clearing House Electronic Subregister System).

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

- (a) the Settlement Date and Time; and
- (b) all amounts due and payable by you to FinClear via the Broker have been paid.

Unless and except where FinClear has agreed alternative arrangements with you, FinClear will pay all sale proceeds (net of any applicable cost, expenses or taxes) directly to you.

## 5. Misdirected Market Transactions

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

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

## 6. Short sales

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

## 7. No Advice

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

## 8. Warranties by the client

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

- (a) you will be in a position to pay for any Cash Market Products purchased and have a presently exercisable and unconditional right to vest any Cash Market 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 with the Broker to make further payments in respect of the Partly Paid Securities such that there would be a sufficient amount available to FinClear to cover any liability arising from all possible future calls in respect of the Partly Paid Securities.

## 9. Confirmations

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

You authorise the Broker (on behalf of the FinClear) to give Confirmations to you electronically to the email address notified to the Broker on yourself for this purpose. You may not be provided with paper copies of Confirmations.

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

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

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

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

## 10. Failure to Settle

You acknowledge that, if you fail to make any payment due to FinClear via the Broker or otherwise comply with the Settlement Obligations that you owe to FinClear in relation to a Transaction in accordance with these Terms and Conditions or the relevant Confirmation, if any (**fail to settle**), FinClear may pursue any remedy that it has against you or the Broker, and FinClear may do any one or more of the following:

- (a) charge an administration fee calculated by reference to the additional cost which may be incurred by FinClear or the Broker (including any fail fees imposed by a Relevant Exchange or ASX Clear) as a result of your failure to settle;
- (b) levy a default charge on the amount from time to time outstanding
- (c) in the case of a purchase, sell out (or procure the sell out of) any Cash Market Products purchased or otherwise held on your behalf (and you are fully responsible for any loss in connection with such sale) and apply the proceeds (net of any applicable taxes) in reduction of your liability to FinClear and to recover FinClear's costs and losses in so acting;
- (d) in the case of a sale, buy in (or procure the buy in of) any Cash Market Products sold (and you are fully responsible for any loss in connection with such purchase) and recover BNP Paribas's costs and losses (including taxes) in so acting;
- (e) apply any cash held by FinClear or the Broker (or a related body corporate of either of them), on your account or to which they have access, or payments received for or from you in reduction of your liability to FinClear; or
- (f) instruct the Broker to cancel any of your unexecuted Orders, and you authorise FinClear and each of its directors and employees as your attorney to give instructions on your behalf in respect of Cash Market Products held by you or on your behalf, to enable FinClear to realise those Cash Market Products or funds and apply the proceeds in (net of any applicable taxes) reduction of your liability to FinClear and to recover FinClear's costs and losses in so acting.

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

If you have not met your Settlement Obligations owed to FinClear in respect of a Transaction executed for you by the Broker by the date which is 5 Business Days after the date on which that Transaction was

executed, it is FinClear' policy (and FinClear may be obliged under the ASX Settlement Rules), without any notice to you:

- (a) in the case of a purchase, to execute a Transaction to close out the failed purchase (by selling the relevant Cash Market Products); or
- (b) in the case of a sale, to execute a Transaction to close out the failed sale (by buying in the relevant Cash Market Products), and recover any resulting loss and costs (including taxes) from you. You must pay or reimburse FinClear any such administration fees and default charges (together with any GST payable on those amounts and gross-up amounts for tax deducted or withheld) immediately upon demand or at FinClear' option it may deduct such administration fees and default charges (and any GST) from any sale proceeds or other amounts otherwise payable to you.

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

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

The rights described in this clause 10 are in addition to any rights that are conferred to FinClear under the Exchange Rules and the ASX Clear Rules. Nothing in this clause 10 purports to exclude any rights of FinClear that arise by operation of general law.

## 11. Cancellations

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

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

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

## 12. Interest on FinClear's trust account

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

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

If you have not paid any debt to FinClear, you acknowledge that FinClear may assign that debt to the Broker and the assigned debt will become an obligation of yours owed to the Broker. In the event of such an assignment, the Broker (and each of its directors and employees) will have the rights and powers (and may do all the things) set out in clause 10 as if a reference to FinClear were a reference to the Broker.

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

You acknowledge and agree that all communications given by you (including to provide instructions in respect of transactions in respect of Cash Market Products) are to be given by you to the Broker (such communications to be given in the form and manner

agreed with the Broker from time to time) and the Broker will (as your agent) pass on your communication to FinClear.

You acknowledge and agree that:

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

## 15. Indemnity

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

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

## 16. Information

You warrant that all information provided by you to the Broker, or FinClear, is, or will be when given, accurate, true and correct and further agree to immediately notify the Broker in writing upon becoming aware that such information is no longer accurate, true and correct. You agree that FinClear, and the Broker may share such information, as well as your account details and information regarding your transactions in Cash Market Products with each other and with FinClear' related bodies corporate on a confidential basis as FinClear considers appropriate. You also consent to FinClear, and the Broker, disclosing this information and your account details to any regulatory authority, and consent to FinClear and/or the Broker using such information and your account details for the purposes of monitoring compliance by you, the Broker, FinClear, with their respective regulatory and contractual obligations, and resolving disputes. Your personal information may be disclosed to credit checking agencies as permitted by law.

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

## 17. Dispute resolution

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



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

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

To assist FinClear to respond appropriately to complaints, you are asked to set out complaints in writing to:

The Compliance Manager  
Level 5, 53 Walker Street  
North Sydney NSW 2060

You should include as much detail about the circumstances of your complaint as possible, including the name(s) of any FinClear staff involved. If available, copies of any background documentation should also be provided.

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

If you are not satisfied with the response to your complaint, you may wish to pursue the matter with a Relevant Exchange. FinClear is also a member of the Financial Ombudsman Service (FOS), FinClear will advise you if you are not satisfied with the response to your complaint that you have the option to pursue your complaint with your FOS using the following contact details;

Financial Ombudsman Service Limited

GPO Box 3

Melbourne VIC 30001

Ph: 1800 357 287

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

Alternatively, ASIC also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

## 18. Compensation Arrangements

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

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

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

## 19. Joint Account

If you operate a joint account with the Broker, these Terms and Conditions bind each person with whom you operate the account jointly and severally, and each person is authorised to issue instructions to the Broker and to the extent required, to FinClear in relation to any purchase or sale of Cash Market Products or other matters to which these Terms and Conditions relate.

## 20. Privacy

FinClear may collect personal information from you or your Broker for the purposes of enabling FinClear to perform its obligations as a clearing and settlement participant in respect of your transactions

in Cash Market Products, and for other related purposes (including but not limited to for compliance, auditing, monitoring and analysis of its business, fraud and crime prevention, anti-money laundering and/or for meeting its other legal and regulatory obligations) (**Permitted Purpose**). FinClear may use and disclose such personal information only for the Permitted Purpose which may involve the transfer of personal information outside of Australia (including to countries where there may be less stringent data protection laws).

To the extent that FinClear collects personal information from you or your Broker in accordance with this clause, you hereby consent and represent and warrant that you have obtained the consent of such Individuals, to such collection by FinClear and represent and warrant that you have notified such Individuals of such matters regarding the collection, use and disclosure of such personal information by FinClear as contemplated in this clause, to the extent required in accordance with the Privacy Laws.

## 21. Foreign Tax

You shall promptly provide to the Broker or FinClear such certifications, documentation, and information as FinClear may reasonably require in connection with your identity and tax status and that of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of you.

If you fail to provide the Broker or FinClear with the information, documentation, forms as described in this clause, in a timely and accurate manner, FinClear shall be entitled to reach whatever conclusions and to take whatever action it reasonably considers to be appropriate without prior notice.

FinClear provides no service of controlling or monitoring, and therefore has no duty in respect of, or liability for, any Tax (including, without limitation, penalties, interest or additions to Tax), payable or paid that result from:

- (a) the inaccurate completion of documents by you or any third party;
- (b) the provision to FinClear or a third party of inaccurate or misleading information by you or any third party;
- (c) the withholding of material information by you or any third party; or
- (d) any delay by any revenue authority or any other cause beyond FinClear's control.

If FinClear does not receive appropriate certifications, documentation and information then, you acknowledge that additional Tax may be deducted from income received in respect of your assets.

You will be responsible for the timely payment of all Tax relating to your transactions.

## 22. Amendment

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

## 23. Governing law

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

## 24. Interpretation

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

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

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

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

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

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

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

**Business Days** means a day (other than a Saturday, Sunday, or a public holiday) on which banks and securities markets are open for business in Sydney, New South Wales.

**Cash Market Products** has the meaning given to it in the ASX Market Integrity Rules and Equity Market Product in the Chi-X Market Integrity Rules, as the context requires.

**CHESS** means the Clearing House Electronic Subregister System.

**Chi-X** means Chi-X Australia Pty Ltd ABN 47 129 584 667.

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

**Chi-X Operating Rules** means the operating rules of Chi-X as amended from time to time.

**Confirmation** has the meaning given to it in clause 9.

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

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

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

**Error** has the meaning given to it in the Rules and, in relation to Chi-X, has the meaning given to "error trade", in the Chi-X Operating Rules.

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

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

**Market Integrity Rules** means any market integrity rules made by ASIC in accordance with Part 7.2A of the Corporations Act, as amended from time to time, that apply to a Relevant Exchange (including the ASX Market Integrity Rules, the Chi-X Market Integrity Rules and the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011).

**Official Cash Rate** means the interest rate paid on overnight funds as set by the Reserve Bank of Australia.

**Order** means an order or instruction for the sale or purchase of Cash Market Products to be executed by the Broker.

**Privacy Law** means:

- (i) the Privacy Act 1988 (Cth);
- (ii) the Australian Privacy Principles contained in Schedule 1 to the Privacy Act 1988 (Cth) or any approved privacy code (as defined in the Privacy Act 1988 (Cth) that applies to the Client, the Clearing Agent or both; and
- (iii) any other statute, regulation or law in Australia or elsewhere which relates to the protection of Personal Information and which the Client or the Clearing Agent must observe.

**Relevant Exchange** means ASX Limited ABN 98 008 624 691 and Chi-X Australia Pty Ltd ABN 47 129 584 667, or the financial markets operated by them (as the context requires). **Tax** means all taxes of whatever nature lawfully imposed including income tax, recoupment tax, land tax, sales tax, payroll tax, fringe benefits tax, group tax, capital gains tax, profit tax, interest tax, property tax, undistributed profits tax, withholding tax, municipal rates, financial institutions duty, bank account debit tax, GST, stamp duties and other taxes, charges, duties and levies assessed or charged or assessable or chargeable by or payable to any national, federal, state or municipal taxation or excise authority, including any interest, fee, fine or penalty imposed in connection with any tax, rates, duties, charges or levies.

**Transaction** has the meaning given to Cash Market Transaction in the ASX Market Integrity Rules and Equity Market Transaction in the Chi-X Market Integrity Rules, as the context requires.

**you** means the person or persons in whose name the account is opened with the Broker or named on the account opening or application form as the client. If that is more than one person, "you" means each of them separately and every two or more of them jointly. "You" includes your successors and assigns.

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

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

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

## Part D. FinClear Direct Debit Request Service Agreement

If you have chosen to authorise FinClear to Direct Debit your account, you:

- (a) request and authorise FinClear (Debit User Identification number 499917) to arrange for any amount which you owe to FinClear from time to time to be debited through the Bulk Electronic Clearing System and paid to FinClear from the account you have nominated in the Application Form;
- (b) authorise FinClear to debit in accordance with the Direct Debit Agreement the account nominated by you in the Application Form with any amount FinClear may debit or charge you; and
- (c) acknowledge having read and understood, and agree to be bound by, the terms in the Direct Debit Agreement below.

### DIRECT DEBIT REQUEST SERVICE AGREEMENT

#### 1. DEFINITIONS

In this Direct Debit Agreement:

**Account** means the account identified as the direct debit account in the Direct Debit / 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 listed throughout Australia, or where there is a public holiday simultaneously in Victoria and New South Wales.

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

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

**Direct Debit** means the direct debit request which you make to FinClear by completing the Direct Debit / Credit Authority Form and signing the Application Form.

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

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

#### 2. DEBITING THE CLIENT'S ACCOUNT

- 2.1 By completing the Direct Debit / Credit Authority Form and signing in the manner prescribed, you authorise FinClear to arrange for funds to be debited from the Account and you warrant and represent that you are duly authorised to request the debiting of payments from the nominated bank account.

2.2 FinClear will only arrange for funds to be debited from the Account as authorised in the direct debit request.

2.3 If the Debit Day falls on a day that is not a Banking day, FinClear may direct Your Financial Institution to debit the account on the following Banking day. If you are unsure about the day on which the Account has or will be debited, you should ask Your Financial Institution.

### 3. YOUR OBLIGATIONS

3.1 It is your responsibility to ensure that there are sufficient clear funds available in the Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

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

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

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

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

### 4. CHANGES

4.1 You may request deferment of, or alteration to, suspension of these direct debit arrangements or stop any debit item by providing signed written instructions to your financial adviser.

4.2 You may also cancel your authority for FinClear to debit the Account by providing notice to your financial adviser.

4.3 FinClear may make changes or terminate these arrangements at any time by giving 14 days notice in writing to you.

### 5. DISPUTE

5.1 If you believe that there has been an error in debiting the Account, you should notify FinClear directly on (02) 8039 6000 and confirm that notice in writing as soon as possible by e-mailing [cash@FinClear.com.au](mailto:cash@FinClear.com.au) or posting to P.O. Box 1253, North Sydney, NSW 2060

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

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

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

### 6. ACCOUNTS

FinClear recommends that you:

- (a) confirm with Your Financial Institution whether direct debiting through the Bulk Electronic Clearing System (BECS) is available from the Account as direct debiting may not be available on all accounts offered by Your Financial Institution; and

- (b) check that the Account details provided to FinClear are correct by checking them against a recent Account statement. If unsure, you should check with your Financial Institution before completing the Direct Debit Request.

### 7. CONFIDENTIALITY

7.1 FinClear will keep any information (including Account details) in your Direct Debit confidential.

7.2 FinClear will only disclose information that it has about you:

- (a) to the extent specifically required by law; or
- (b) for the purposes of this Direct Debit Agreement (including disclosing information in connection with any query or claim); or
- (c) as permitted by the Terms.

### 8. GOVERNING LAW

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

## Part E. FinEx Financial Services Guide

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

Financial Services Guide (FSG)

Issue Date: 1 April 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 Third Party Clearer is FinClear Pty Ltd (FinClear). As FinEx's Third Party Clearer, FinClear has the clearing and settlement obligations for all ASX transactions executed by FinEx on behalf of its clients. 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.

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 CHESS) 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 CHESS 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.

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 Lonsac Research Pty Ltd (**Lonsac Research**) for Lonsac 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 Lonsac Research, FinEx also has access to Model Portfolios that have been developed and maintained by Lonsac 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 Lonsac 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 1 April 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. CHESS 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 FSP's 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.

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 CHESS, 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.

Fail Fees	
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. FinClear Financial Services Guide

### Financial Services Guide (FSG)

Issued by FinClear Pty Ltd

ABN 63 607 164 714

Australian Financial Services Licence No. 481017

#### 1. Terms used in this FSG

<b>AFSL</b>	Australian Financial Services Licence
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or the market operated by it, as the context requires
<b>Broker</b>	A Participant of one or more Relevant Exchanges which has engaged FinClear to clear transactions executed by the Broker on a Relevant Exchange.
<b>Chi-X</b>	Chi-X Australia Pty Limited ABN 47 129 584 667 or the market operated by it, as the context requires
<b>Client</b>	Clients are considered 'wholesale' or 'retail' as defined under the Corporations Act.
<b>ETOs</b>	Exchange Traded Options
<b>Financial Intermediary</b>	An AFSL holder who has engaged FinClear to execute and clear transactions on a Relevant Exchange.
<b>FOS</b>	Financial Ombudsman Service
<b>FSG</b>	Financial Services Guide
<b>IDPS</b>	Investor Directed Portfolio Services
<b>International Securities Trader</b>	A FinClear group entity or a third party authorised to provide securities dealing and/or custody services on an international market.
<b>MDA</b>	Managed discretionary accounts, being a service which a 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.
<b>FinClear, we, us, our</b>	FinClear Pty Ltd ABN 60 136 184 962; AFSL No. 338 264
<b>FinClear Nominees</b>	FinClear Nominees Pty Ltd ACN 608 644 024, a wholly owned subsidiary of FinClear,
<b>Relevant Exchange</b>	ASX or Chi-X, or the financial markets operated by them (as the context requires).

## 2. Purpose of this FSG

This FSG provides information about:

- Who we are;
- What relationships and associations we have;
- The services we provide;
- How you may provide us with instructions;
- The remuneration that may be paid to us or to other relevant persons for the services we provide;
- The documents you may receive from us;
- How we handle complaints;
- Your privacy and how we use your personal information

This FSG has been prepared by FinClear and was prepared 1 March 2016 to assist you in deciding whether to use the services we provide. You should read it carefully and make sure you understand it.

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

## 3. Who is FinClear?

FinClear is licensed under the Corporations Act (Australian Financial Services Licence (AFSL) No 481017 to provide financial services and is a General Participant of ASX Clear Pty Ltd ABN 48 001 314 503 (ASX Clear) and a Settlement Participant of ASX Settlement Pty Ltd ABN 49 008 504 532 (ASX Settlement).

FinClear is the parent company of FinClear Execution Ltd (ABN 56 061 751102 AFSL No 246842) (FinEx). FinEx is a Trading Participant of ASX and an Account Participant of ASX Settlement

FinClear has authorised the distribution of this FSG.

## 4. The services offered by FinClear

FinClear is authorised under its AFSL to:

- Deal in (including issuing, applying for, acquiring, varying or disposing of or arranging on behalf of another person in respect of the he following financial products:
  - Securities (such as shares, options and warrants that can be traded on a Relevant Exchange);
  - Interests in managed investment schemes (other than IDPS), such as units in ASX listed trusts;
  - Derivatives, such as ASX Exchange Traded Options (ETOs);
  - Foreign exchange contracts; and
- Provide a custodial or depository scheme service (other than IDPS), to wholesale and retail clients.

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



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

FinClear may be engaged by a Broker to clear the transactions in securities and interests in managed investment schemes executed on a Relevant Exchange by the Broker. If you are a client of one of those Brokers and you effect a transaction in securities or interests in managed investment schemes on a Relevant Exchange through the Broker, FinClear (as clearer) will carry the settlement obligations in respect of that transaction.

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

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

FinClear may also be engaged by a Broker to arrange execution, clearing and settlement services in securities on international markets for clients of the Broker. This means that FinClear 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**).

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 who, in acting for you, will communicate them to the International Securities Trader for fulfilment through FinClear's Account with that International Securities Trader. Securities traded on your behalf using FinClear's Account will be traded beneficially for you by FinClear. For this purpose, you will become FinClear's client, but not the client of the International Securities Trader.

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

## c) Settlement and nominee services - general

FinClear may also be engaged by a Broker to provide to clients of the Broker settlement services in securities and interests in managed investment schemes. This means that FinClear will settle transactions arranged for you by the Broker and executed on a Relevant Exchange for you by a Trading Participant of a Relevant Exchange.

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

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

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

## d) Settlement and nominee services – MDA accounts

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

- the settlement of transactions which the Broker has arranged to be executed on a Relevant Exchange on your behalf (provided that FinClear will only settle such transactions if, in the case of a purchase, the necessary funds are made available to FinClear and, in the case of a sale, the financial products sold are made available to FinClear, in each case in sufficient time before the time the transaction is to be settled);
  - (if required) the holding by FinClear Nominees as nominee for you of securities and interests in managed investment schemes which are acquired or otherwise form part of your investment portfolio (**Investments**) which the Broker Broker manages for you as part of the MDA services;
  - If FinClear Nominees is used to hold your securities and interests in managed investments schemes, it will be the registered holder of your Investments:
    - it will receive any dividends or other distributions in respect of those Investments and will deal with them in accordance with instructions from the Broker;
    - it will be entitled to cast any votes in respect of your investments and will do so in accordance with instructions from the Broker
  - FinClear if required to do so under relevant regulatory requirements will provide you with an activity statement in respect of any transactions which it settles on your behalf unless you are deemed to be a wholesale client;
  - any other services to be provided by FinClear to you under the Nominee and Settlement Services Agreement entered into with you.
- The Broker will be responsible for the following:
- management of your Investments based on an investment program agreed between you and the Broker, including the making of all investment decisions on your behalf in connection with your Investments;
  - arranging for transactions to be executed on a Relevant Exchange for you by a Trading Participant of a Relevant;
  - giving instructions to FinClear in connection with the settlement of transactions executed on a Relevant Exchange for you and the distributions and rights in respect of the Investments held by FinClear Nominees on your behalf; and
  - any other services required in connection with the provision of MDA services to you which are not to be provided by FinClear.

## e) CHESS Sponsorship services

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

Your Broker may also act as a CHESS Sponsoring Participant and engage FinClear to administer your Participant Sponsored Holdings on its behalf. In these instances, your Broker remains responsible to you for any actions or matters done or omitted to be done in respect to your Participant Sponsored Holdings.

## f) Nominee and custody services

FinClear may arrange for its wholly owned subsidiary, FinClear Nominees and/or another entity to provide nominee and other custody services for clients of the Brokers for whom it provides clearing services and other clients. If you want FinClear to arrange for FinClear Nominees to provide nominee or custody services to you, you will need to enter into an agreement for this purpose.

## g) Other services

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

FinClear does not provide financial product advice and is not authorised under its AFSL to provide financial product advice.

## 5. Capacity in which FinClear acts

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

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

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

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

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

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

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

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

### c) Settlement and nominee services

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

FinClear acts as agent for FinClear Nominees when arranging for it to provide nominee services to clients. FinClear Nominees acts as nominee or trustee for the client in providing the service.

### d) Sponsorship services

FinClear acts as principal in providing sponsorship services to clients.

### e) Nominee and custody services

FinClear acts as your agent when arranging for FinClear Nominees and/or another entity to provide nominee and other custody services to you. FinClear Nominees as agent of FinClear, or the other entity, will act as nominee or trustee for you in providing the service.

### f) Other services

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

## 6. How you may provide instructions

To provide instructions to FinClear, you must contact the Broker (and not FinClear directly).

## 7. How we are remunerated

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

FinClear will charge the Broker fees for clearing transactions, and for providing settlement and nominee services to clients.

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

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

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

**b) Remuneration for CHES sponsorship services**

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

FinClear may also charge the Broker fees relating to the provision of sponsorship services to you.

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

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

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

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

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

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

Entity	Commission / Benefits
Margin Lenders	Ongoing commission can range from 0.25% per annum to 0.75% per annum of the margin lending facility
Cash Management Account Providers	Ongoing commissions can range from 0.15% pa to 0.65% per annum on balance invested

**9. How our representatives are remunerated**

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

**10. Referral fees**

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

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

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

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

**12. Documents you will receive**

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

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

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

If FinClear is to settle transactions in securities and interests in management investment schemes which the Broker arranges for another Trading Participant to execute on a Relevant Exchange for you, you will need to enter into a Nominee and Settlement Services Agreement with FinClear which will contain more information relating

to the settlement and nominee services provided by FinClear and the terms and conditions of those services.

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

If FinClear is engaged to provide settlement and nominee services to you in connection with the provision to you of MDA services by the Broker, you will need to enter into a Nominee and Settlement Services Agreement with FinClear which will contain more information relating to the settlement and nominee services provided by FinClear and the terms and conditions of those services.

**d) CHES Sponsorship Services**

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

**e) Nominee and custody services**

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

**g) Advice**

You will not receive a Statement of Advice from FinClear as we do not provide any 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.

**13. Dispute Resolution and Complaints**

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

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

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

**FinClear Pty Ltd**

**Compliance Manager**

**Level 5, 53 Walker Street**

**North Sydney NSW 2060**

**Ph: 02 8039 6000**

**E-mail: [compliance@finclear.com.au](mailto:compliance@finclear.com.au)**

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

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

If we do not resolve the complaint to your satisfaction, you have the option of pursuing your complaint with the Financial Ombudsman Service (FOS). FOS' contact details are:

**Financial Ombudsman Service**

**GPO Box 3**

**Melbourne, Vic 3001**

**Telephone: 1300 78 08 08**

**Web: [www.fos.org.au](http://www.fos.org.au)**

Alternatively you may also be able to pursue the matter with a Relevant Exchange. ASX has offices in all capital cities and their details are available on [www.asx.com.au](http://www.asx.com.au). Alternatively, the Australian Securities & Investments Commission (ASIC) also has a free call information line (1300 300 630) that you may use to make a complaint and obtain information about your rights.

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

**14. Compensation Arrangements**

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

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

If you require further information about our compensation arrangements please contact FinClear's Head of Compliance.

## **15. Privacy**

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

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

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

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

You are able to access and update the personal information FinClear. Please contact your Broker to do so.

If you have any questions about privacy, please contact FinClear's Privacy Officer by writing to:

FinClear Pty Ltd  
Privacy Officer  
Level 45, 53 Walker Street  
NORTH SYDNEY NSW 2060

## **16. Contact Details**

Our contact details are as follows:

FinClear Pty Ltd  
Level 5, 53 Walker Street  
NORTH SYDNEY NSW 2000  
Ph: 02 8039 6000