

Terms and Conditions

STATE ONE STOCKBROKING LTD ABN 95 092 989 092 AFSL No. 247100 trading as amscot Stockbroking ("AMSCOT")

PARTICIPANT OF THE ASX GROUP

These terms and conditions relate to your Financial Products Trading Account with amscot Stockbroking, a division of State One Stockbroking Ltd. ("AMSCOT"). These terms and conditions are between you and AMSCOT. Terms and conditions between you and the Margin Lender and between you and the provider of the Cash Management Account, with respect to the Nominated Account or relating to Financial Products not directly traded through us may be separately documented. Please read this document carefully and retain it for future reference.

In consideration of AMSCOT accepting your deposit of funds, becoming your sponsoring broker in relation to Financial Products or accepting your instructions to trade Financial Products you agree to be bound by these terms and conditions, as amended from time to time.

1. Definitions and Interpretation

1.1 In these terms and conditions:

- (1) **Application** means an offer by you to open a Trading Account and access the Service on the Conditions.
- (2) **Anti Money Laundering Rules** means the provisions of the Anti-Money Laundering and Counter-Terrorism Financing Act (2006) and the Anti-Money Laundering and Counter-Terrorism Financing Rules as amended from time to time and the procedures, directions, requirements, customs, usages and practices of the Australian Transaction Reports and Analysis Centre.
- (3) **ASIC** means the Australian Securities and Investments Commission.
- (4) **ASIC Rules** means the ASIC Market Integrity Rules (ASX Market) 2010 as amended from time to time and the, procedures, directions, decisions, requirements, customs, usages and practices of ASIC.
- (5) **ASX** means ASX Limited (ABN 98 008 624 691) that operates the Australian Securities Exchange.
- (6) **ASX Clear** means ASX Clear Pty Ltd (ABN 48 001 314 503).
- (7) **ASX Settlement** means ASX Settlement Pty Ltd (ABN 49 008 504 532).
- (8) **ASX Rules** means the operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ASX as amended from time to time.
- (9) **ASX Clear Rules** means the operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ASX Clear as amended from time to time.
- (10) **ASX Settlement Rules** means the operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ASX Settlement as amended from time to time.
- (11) **ASX Trade** means the trading platform operated by ASX and its subsidiaries.
- (12) **Authorised Agent** means any person or entity who has authority to give us instructions on your behalf.
- (13) **Available funds** means, in connection with a Loan Account, funds which the Margin Lender has agreed to make available to settle the purchase of Financial Products and in connection with Cash Management Account, means Cleared Funds or otherwise means funds which are available in your Nominated Account.
- (14) **Cash Management Account** means the account (as specified by us from time) that you may, in our sole discretion, be required to open in order for us to open a Trading Account on your behalf.
- (15) **CHES** means the Clearing House Electronic Sub-register system operated by ASX Settlement.
- (16) **Cleared Financial Products** means your holding of Financial Products in your Trading Account in respect of which we are the Participant under the Sponsorship Agreement entered into between you and us or Financial Products of which we in our absolute and sole discretion recognize you as the holder and in respect of which we will become the Participant under the Sponsorship Agreement.
- (17) **Cleared Funds** means funds available in the Trading Account for the purposes of trading (the calculation of Cleared Funds is to include brokerage, fees, taxes and all other expenses payable by you to us).
- (18) **Conditions** means the terms and conditions included in these terms and conditions as amended from time to time.
- (19) **Corporations Act** means the Corporations Act 2001 (Cth) and any regulations made under it as amended and in force from time to time.
- (20) **Covered Short Sale** means the sale of Financial Products where, at the time that you place a sell order, you have entered into a securities lending arrangement with respect to the delivery of the Financial Products that are the subject of that sell order.
- (21) **Electronic Communication** means any notice or instruction given by telephone, facsimile transmission, SMS, electronic mail or electronic data interchange (including via the internet or any other electronic form of communication approved by us from time to time).
- (22) **Financial Products** means any financial products (as that concept is defined by the Corporations Act) with respect to which we elect to receive instructions from you to execute a transaction on your behalf. The respective Financial Products will be notified to you from time to time.
- (23) **Loan Account** means the account the Margin Lender establishes in your name, recording all drawings and payments under its margin lending facility with you. The Loan Account is not the Trading Account or the Cash Management Account or the Nominated Account.
- (24) **Loss** includes, without limitation, any expense, costs, liability, claims, damages, fees, taxes, duties, penalties, interest, legal costs (on a full indemnity basis), judgment, consequential, punitive, special or indirect loss (including loss of profits and revenue).
- (25) **Margin Lender** means a provider of loan funds to enable clients approved by us to purchase or sell Financial Products under a margin lending agreement which is acceptable to us.

- (26) **Margin Financial Products** means Financial Products which are or are intended to be part of your loan portfolio with the Margin Lender.
- (27) **Nominated Account** means an account at a bank or financial institution nominated by you, which has been established in a name which includes your name and with respect to which you have signed a Direct Credit /Debit Request Form.
- (28) **Other Exchange** means any stock exchange or clearing house other than the ASX and or ASX Settlement, nominated by us from time to time as being a stock exchange on which we will execute or arrange the execution of trades in accordance with these Conditions and the rules of the relevant stock exchange or clearing house.
- (29) **Security Identifications** mean your Internet user identification, password, PIN and telephone identification which must be used to access the Service via the Internet or telephone (as the case may be).
- (30) **Service** means the client trading, portfolio tools, information service and other related products and services provided by us.
- (31) **Sponsorship Agreement** means the Participant Sponsorship Agreement entered into between you and us.
- (32) **Straight Through Processing** means the processing of your order by a number of validation rules without necessarily involving manual intervention or review.
- (33) **Trading Account** means your Financial Products trading facility with us.
- (34) **You or your** means each person or entity who makes an application and their Authorised Agents.
- (35) **We, us, our or SOSL** means State One Stockbroking Ltd trading as AMSCOT.

- 1.2 Unless the context requires otherwise, words defined in the Corporations Act, ASIC Rules, ASX Rules or Other Exchanges' operating rules, ASX Clear Rules, ASX Settlement Rules or any Other Exchange rules, have the same meaning in these Conditions.

2. Opening a Trading Account and Our Right to Close Your Trading Account

- 2.1 You may apply for a Trading Account by completing an Application and submitting that Application to us in the manner specified by us from time to time. We reserve the right to not accept any Application in our absolute discretion and may refuse to open a Trading Account and/or a Cash Management Account for you, accept your deposit of funds, operate the Nominated Account or become your sponsoring broker in relation to Financial Products without giving any reason.
- 2.2 You acknowledge that you have read and understood the Application and all its attachments including, without limitation, the Conditions, the Sponsorship Agreement and Explanation of Sponsorship Agreement and that these documents form part of our agreement with you.
- 2.3 You warrant and represent that the information you supply in your Application or which is supplied on your behalf is accurate, complete and not misleading. You agree that we may rely on that information unless and until we receive notice of any change and that you are liable for any loss arising through your failure to advise us of any change.
- 2.4 You acknowledge that you are no more than three persons jointly making this Application and, if more than one person or entity, each such person or entity shall be jointly and severally liable.
- 2.5 You acknowledge that if more than one person constitutes your account then you are jointly and severally liable under these Conditions and we may act on the instructions of any of you.
- 2.6 You warrant that if you are:
 - (1) acting as a trustee, you have authority to enter into these Conditions and the Participant Sponsorship Agreement both personally and as trustee;
 - (2) a corporation, you are validly constituted and your principal place of business is in Australia; or
 - (3) a natural person, you are principally resident in Australia and 18 years of age or over.
- 2.7 If you wish to trade in Financial Products on Other Exchanges you agree to be bound by the rules, customs and usages of the relevant Other Exchange. You agree that in the event of any inconsistency between the Conditions and the requirements of the relevant Other Exchange, the latter will prevail to the extent of any inconsistency.
- 2.8 Acting reasonably and in good faith and so as to manage our level of risk associated with your trading we may establish and revise trading limits for each Trading Account in our absolute discretion. For trading limit purposes we may deem multiple accounts to be a single account.
- 2.9 Acting reasonably and in good faith and in relation to compliance with a regulatory requirement or in relation to the management of our level of risk associated with your trading we may close your Trading Account at any time, for any reason and without prior notice, subject to all outstanding obligations being fully discharged. Acting reasonably and in good faith and in relation to compliance with a regulatory requirement or in relation to the management of our level of risk associated with your trading we may refuse your instructions to purchase or sell Financial Products (and/or instructions relating to settlement) or cancel any order or generally prohibit or restrict your ability to trade Financial Products in or from your Trading Account without providing any reason for so doing.
- 2.10 Without limiting clause 2.9 we may refuse to accept instructions from you to either buy or sell Financial Products unless you have met the account opening requirements in the Conditions and on our website and, if you have a Loan Account, unless you have met the Margin Lender's requirements in relation to the margin loan facility.
- 2.11 You may not close the Trading Account without us first receiving all Financial Products for which the Trading Account is liable to deliver for sale and all funds to pay in full for all Financial Products which have been purchased on the Trading Account, including all amounts payable to us or to any other person in connection with trading in Financial Products or other services provided by us.

3. Cash Management Account, Margin Account, Nominated Account and Order Execution and Settlement Procedures

- 3.1 You acknowledge that we may, in our sole discretion, only open a Trading Account on your behalf if you agree to open a Cash Management Account. You acknowledge that we will open a Cash Management Account on your behalf and to operate it on your behalf subject to the Conditions. Alternatively or in addition to the Cash Management Account we may require you to provide us with a Nominated Account (including signing a Direct Credit /Debit Request Form).
- 3.2 You agree that you may only deposit funds with us for the purposes of the Trading Account by way of a payment made by you or on your behalf from the Cash Management Account or alternatively we may obtain funds from your Nominated Account.
- 3.3 You agree that we will only pay funds to you with respect to the operation of your Trading Account or otherwise by way of a payment made by us to the Cash Management Account or to your Nominated Account and you warrant and represent that the Nominated Account is an account in your name.
- 3.4 You acknowledge that we will only accept your instructions to deal on behalf of the Trading Account where there are sufficient Cleared Funds or Cleared Financial Products in the Cash Management Account, the Trading Account or the Nominated Account (or, if you have a Loan Account, provided the Margin Lender authorises the sale or purchase of an amount of Margin Financial Products) at the time that the instructions are given to us. You also agree that a Margin Lender may give us instructions to sell any margin Financial Products and that any such instruction will be taken to have been given by you for all purposes. You may not amend or withdraw any such instruction by the Margin Lender.
- 3.5 Where a Trading Account is opened by us solely in relation to a margin lending facility, we will not open a Cash Management Account on your behalf but we may require you to provide us with a Nominated Account and accordingly some of these Conditions will not apply to the operation of the Trading Account on your behalf where it is operated solely in relation to a margin lending facility. We shall not be liable for any loss suffered by you as a result of the default of the Margin lender or any financial institution or service provider in relation to or in connection with any transactions in respect of the Trading Account or your Loan Account.
- 3.6 You acknowledge that where you place a withdrawal request or an order with us to purchase Financial Products we may reserve (such that you are unable to access these funds) sufficient funds in the Cash Management Account or your Trading Account such that there are sufficient Cleared Funds available to us or alternatively we will obtain, prior to settlement, sufficient funds from your Cash Management Account or from your Nominated Account.
- 3.7 You irrevocably authorise us to deduct all amounts in respect of all transactions and any other services provided by us to you, including brokerage, commission, fees, taxes and duties as required for settlements or otherwise required by the ASX or Other Exchanges or any other relevant party in connection with transactions in Financial Products and any other services provided by us to you and any other fees notified to you from time to time from Cleared Funds in your Trading Account or the Cash Management Account (or, if you have a Loan Account, to direct the Margin Lender to draw on your loan facility with the Margin Lender and remit such amounts to us) or alternatively from funds available in your Nominated Account.
- 3.8 You agree to indemnify us and we shall be entitled to be indemnified from the Cash Management Account, the Trading Account and the Nominated Account in respect of any claim or loss suffered by us as a result of your breach of the Conditions or any other loss suffered by us as a result of any trading by you in Financial Products (whether through us or otherwise) and we shall not be liable for any Loss suffered by you as a result of the default by any person, financial institution or service provider in relation to or in connection with any transaction in respect of the Cash Management Account.
- 3.9 You agree that we may appropriate any payments, credits or other sums of money received by you or on your behalf in reduction of any amounts owing by you to us or otherwise, whether on the Trading Account or any other Trading Account in your name and may apply funds held in the Cash Management Account or the Trading Account (or obtain funds from the Nominated Account) in discharge of any liability arising under the Conditions and may instruct that funds be transferred from the Cash Management Account or the Nominated Account (or, if you have a Loan Account, may instruct the Margin Lender to transfer monies from the Loan Account) to us for that purpose.
- 3.10 You agree that we may charge interest on any debit balances in your Trading Account and any other amounts outstanding by you to us at the rate disclosed to you from time to time.
- 3.11 You agree that all of your Financial Products and/or other property in the Trading Account or in the Cash Management Account, in which you have any interest or which at any time are in our possession or control shall, subject to the ASIC Rules, ASX Rules or Other Exchanges' operating rules, ASX Clear Rules and ASX Settlement Rules, be subject to a lien for the discharge of any or all indebtedness or any other obligation that you may have to us. You must pay to us the costs and expenses of collection of any such indebtedness or debit balance, including but not limited to, legal costs and disbursements.
- 3.12 You agree that we may, from time to time, require you to open a new Cash Management Account or Nominated Account either with the same provider but on different terms or with a new provider. You irrevocably authorise us to do everything necessary on your behalf to arrange and affect the transfer to any new Cash Management Account or Nominated Account. You agree that upon request by us you will do everything necessary to affect such transfer. You also agree that the Conditions will apply to any new Cash Management Account or Nominated Account.

4. Trading – Use of Service

- 4.1 We may communicate with you via any method of Electronic Communication. However, you may only instruct us to buy or sell Financial Products or send other instructions by the method and format notified to you from time to time and we shall rely and act upon those instructions. We will not be responsible for any changes to your instructions unless sufficient notice has been given prior to the execution of your original instructions. We will be deemed to have received your Electronic Communication only at the time we have actual notice of the communication. We will use our reasonable endeavors to execute your instructions but we do not

guarantee that your instructions will be wholly or partially executed or will be executed by a certain time.

- 4.2 You will not place an order for the sale or purchase of Financial Products where the beneficial ownership in those Financial Products would not clearly change if the order was executed. Furthermore we are not obliged to accept instructions or orders and may decline to act on Your behalf where we believe the order may not involve a change of beneficial ownership.
- 4.3 You acknowledge that we may, at our discretion, use Straight Through Processing to process your orders, provided that:
- (1) the order satisfies order validation rules (filters) established by us, which rules may, at our discretion, change from time to time without notification to you. We are not required to inform you as to what these validation rules (filters) are;
 - (2) the order satisfies the ASIC Rules, ASX Rules or Other Exchanges operating rules, with regard to time, price and volume characteristics or other characteristics as specified by ASIC, the Corporations Act, ASX or Other Exchanges from time to time regarding orders that may be executed by us;
 - (3) that Straight Through Processing may not always be available and it may therefore be necessary for us to execute your orders manually which may involve some delay in the execution of orders placed by you;
 - (4) Straight Through Processing is only available for Financial Products with a normal status (that is, not suspended or in trading halt);
 - (5) at market orders can only be accepted during market hours (10:00 am to 4:00pm Australian Eastern Time); and
 - (6) you acknowledge that, acting reasonably and in good faith and in relation to ongoing compliance by us with a regulatory requirement, we reserve the right to terminate your access to Straight Through Processing at any time in our sole and absolute discretion
- 4.4 You acknowledge that:
- (1) if there is a disruption in trading in a particular Financial Product or the market generally, or ASX Trade fails, Straight Through Processing transmission may be disrupted;
 - (2) use of Straight Through Processing or manual order execution may involve the matching of your order with the order of another client, which will entitle us to commission on both sides of the transaction;
 - (3) if we deal as principal and use Straight Through Processing or execute your orders manually, your orders may match opposite orders in the market on our behalf as principal and we shall be entitled to charge you brokerage where we act as principal on behalf of an associate or a related body corporate;
 - (4) if your order does not satisfy the validation rules (filters) or it is received outside normal trading hours your order may be rejected outright or may be subject to manual review by a Designated Trading Representative ("DTR"). In some cases, the DTR has the authority to not place the order into the market until you are contacted so as to confirm the order. We will not be liable for any loss caused to you as a result of delay in executing your order or not executing your order at all;
 - (5) once your instructions to buy and sell have been processed, the time at which your instructions are executed and your trade occurs will depend on ASX Trade matching your order with a corresponding order or orders;
 - (6) we are not responsible for any Losses you incur if any inadvertent duplicate trading instruction is given by you and executed by us;
 - (7) you acknowledge that we, as an ASX Market Participant and a holder of an Australian Financial Services Licence, must ensure the conduct of an orderly market and prevent manipulative trading, including insider trading, false trading, market rigging and suspect transactions and therefore in utilising Straight Through Processing you understand that your orders may be scrutinised by both our filters and a DTR. You also acknowledge and agree that we reserve the right to decline to act on your behalf, or accept your instructions or process any orders placed by you including via Straight Through Processing where in our opinion your instructions breach or may breach any law or statutory or other regulatory requirements (including without limitation the ASIC Rules, Corporations Act and ASX Rules or Other Exchanges' operating rules); and
 - (8) the time periods in which the market operated by ASX is open for trading and the characteristics of orders that the ASX will allow to be entered during any particular period that the market is open for trading (or closed) are set out on the ASX website and you should familiarise yourself with this information. We will not be liable for any loss caused to you as a result of ASX not accepting the entry in the market of an order placed by you.
- 4.5 Acting reasonably and in good faith we may in relation to our ongoing compliance with a regulatory requirement or in relation to the management of our financial or reputational risk at any time refuse your instructions to purchase, sell, amend or cancel any order for Financial Products on your behalf. Additionally, we may generally prohibit or restrict your ability to trade Financial Products, access information or utilise portfolio tools under the Service without providing any advance notice. We accept no liability for any Loss or Losses incurred by you arising directly or indirectly as a result of our declining your instructions or restricting your access to the Service.
- 4.6 You acknowledge that your order will be executed at the price available on the ASX or Other Exchange (subject to any limit imposed by you) which may be different from the price at which the relevant Financial Product is trading when your order was placed. Your orders may be subject to manual review and entry, which may cause delays in their processing.
- 4.7 If you are constituted by more than one person, then we may act upon the instructions of any one of those persons.
- 4.8 You acknowledge that all dealings in Financial Products on your behalf are subject to the ASIC Rules, the Corporations Act, the ASX Rules or Other Exchanges' operating rules, the ASX Clear Rules, the ASX Settlement Rules, the Anti-Money Laundering Rules, the customs and usage of the market and are subject to the correction of errors and omissions.
- 4.9 You acknowledge that the ASX has the power under ASX Rule 3200 to cancel or amend, or to require us to cancel or amend, orders, market transactions or crossings and we will take whatever action is required by ASX whether or not you consent. Where ASX exercises these powers you release us from any right You

may have to make any claim for Loss incurred or suffered which may arise from the actions of the ASX.

4.10 You acknowledge that we may request, agree to or effect cancellation of any orders or ASX transaction for any reason without Your consent where, acting reasonably and in good faith, we believe cancellation is appropriate having regard to our obligations under the ASIC Rules, Corporations Act, ASX Rules or Other Exchanges' operating rules, ASX Clear Rules and ASX Settlement Rules.

4.11 Where we are obliged by law or otherwise to provide you with information that is not specific to you, and you have provided us an email address, you agree that we may satisfy that obligation by posting that information or a link to it on our website, or by emailing that information or a link to it to you at that address.

4.12 When you trade you will ensure that your email address is current at all times and capable of receiving confirmations. You will notify us of any changes to your email address. Where a confirmation is not delivered, you consent to receipt of the confirmation and any future confirmations by mail and agree to pay the relevant costs until you notify us of your current effective email address. You agree to pay these costs pursuant to clause 3 of the Conditions.

4.13 You acknowledge that your orders may be purged from the market subject to the ASX Rules or Other Exchanges' operating rules, procedures, customs, usages and practices of the ASX (and Other Exchanges as applicable) without notice to you. You further acknowledge that we are not obliged to notify you of any orders which are purged from the market although we will make reasonable endeavours to notify you of any relevant purges. We are not however, liable for any Loss suffered by you if you do not receive notification in this regard. An order that is cancelled or purged by ASX (or any Other Exchange as applicable) will not be reinstated by us without instructions from you.

4.14 You acknowledge that if you have a Loan Account, we may be required to seek the Margin Lender's approval before executing your instructions and that this may delay the execution of your instructions.

5. Payment or Settlement

5.1 You must pay for all purchases using the Service including all associated brokerage, taxes, costs, charges or commissions that are notified to you from time to time, and make good delivery of Financial Products in respect of sales including all associated brokerage, taxes, costs, charges or commissions that are notified to you from time to time, to enable us to settle by the due settlement date. You acknowledge that the associated brokerage, taxes, costs, charges or commissions in respect of purchases or sales or any other activity undertaken by us on your behalf may be altered from time to time and you will be required to pay the altered brokerage, taxes, costs, charges or commissions to us as at the date the alteration comes into force.

5.2 If by the settlement date shown on any confirmation or with respect to any amounts that are otherwise payable to us, we have not received all amounts due or received good delivery of Financial Products sufficient to settle the relevant transaction and a demand for payment or settlement has been made, then you authorise us to sell or buy back on your behalf and at your risk and expense (including without limitation all commission, fees, charges and taxes and any other costs) any Financial Products that are the subject of the confirmation or any Financial Products that are outstanding in your Trading Account or any of your Financial Products in our control or possession and apply the proceeds in reduction of your liability and you irrevocably authorise us and each of our directors and employees as your attorney to give instructions accordingly. You also agree to pay any fail fees arising from the failure to settle.

5.3 Where a confirmation for the purchase of Financial Products remains unpaid after we have requested you to pay for the Financial Products you irrevocably authorise us to deduct all amounts owed by you from any credits, payments and other receipts from your Cash Management Account or from your Trading Account or from your Nominated Account as required for settlements or otherwise required by the ASX or Other Exchange.

5.4 Where a contract for the sale of Financial Products is entered into on your behalf and we receive on your behalf proceeds of sale, we shall, subject to paragraph 5.5 below and after deduction of all relevant brokerage, taxes, costs, charges or commissions, pay the net amount so determined to the Cash Management Account or to your Nominated Account. If for any reason we cannot effect that payment, we shall hold those monies in our trust account, pending your further direction.

5.5 Where you have given to us various orders for the purchase or sale of Financial Products we shall be entitled to pay you a net amount determined upon settlement of those various orders. We may at anytime and at our sole and absolute discretion settle any trades or part of a trade either prior to or after the settlement date shown on the confirmation. Where we have orders from you for the purchase of Financial Products, we shall be entitled to retain any monies due to you for a reasonable period of time to meet that liability.

6. Electronic Communications

6.1 You must immediately report any apparent malfunction of our website to us.

6.2 We shall be entitled to rely on and you agree that you are bound by any Electronic Communication which includes your Security Identifications without any inquiry on our part as to the authority or identity of the purported sender of that Electronic Communication. We shall be entitled to rely upon any verbal or written communication from any person that we reasonably believe to be your Authorised Agent.

6.3 You agree not to contest the validity or enforceability of Electronic Communications between you and us in any legal proceedings between the parties. In the event of a dispute, the transaction log of all instructions received from you will be conclusive evidence of the communications contained in them.

6.4 You consent to the receipt of confirmations by electronic means including by email or by accessing a standing confirmation facility to obtain or view your confirmations. With respect to the standing facility you will be sent an e-mail or other form of electronic message each time there is activity on your Account. If you do not wish to use the standing confirmation facility, you must advise us. If you wish to receive your confirmations in paper form, you must notify us in writing. You acknowledge that each confirmation is subject to the Rules, directions, decisions, requirements of ASX, the ASIC Rules, the ASX Rules or Other Exchanges' operating rules, the

ASX Clear Rules and where relevant the ASX Settlement Rules, the customs and usages of ASX or other Exchange and the correction of errors and omissions.

7. Security

7.1 You must not disclose or share your Security Identifications with anyone, unless disclosure is reasonably required in the circumstances. You are absolutely responsible for the use of any Security Identifications and for retaining its security.

7.2 We make no representation or warranty as to the security of data stored on either our web server or on the web servers of parties engaged by us to provide all or part of the Service.

7.3 Upon becoming aware of a breach of security, you must immediately notify us and suspend the use of all Electronic Communications until we are satisfied that appropriate steps have been taken to ensure the security of Electronic Communications with you.

8. Computer Facilities

8.1 You acknowledge that the Service may malfunction or become temporarily unavailable due to a computer malfunction or network congestion or for some other reason. We have in place reasonable procedures to avoid unintended interruption of the Service but we do not guarantee that the Service will be available at all times. We will not be liable to you for any Loss suffered by you as a result of such an event.

8.2 We will have the right to suspend the Service at any time to perform required administrative tasks and/or scheduled maintenance or otherwise where, in our opinion, an issue has arisen that poses a threat to the continuing proper operation of any part of the system that supports the Service.

8.3 We will have the right, in our sole discretion, to immediately suspend or terminate your access to and use of the Service if you:

- (1) use or in our reasonable opinion appear to use the Service in a manner reasonably deemed inappropriate or unreasonable by us;
- (2) deliberately or recklessly disrupt the Service, cause congestion or impede others from using the Service, or attempt to do so;
- (3) use your Internet access to menace, create a nuisance or harass others or attempt to do so;
- (4) make any denial-of-service attacks on us or any other users or networks relating to us or attempt to do so;
- (5) use your Internet access to unlawfully obtain access to networks used or operated by us or attempt to do so; or
- (6) provide us with personal details, including (without limitation) name, address, bank account, email address and phone number, which we consider, in our reasonable opinion, not to be bona fide.

9. Execution Only Service

9.1 You acknowledge that:

- (1) the Service is an execution-only service and material available to you from the Service does not and is not intended to constitute personal financial product advice and, where the information relates to Financial Products and is provided by third parties, is subject to clause 12;
- (2) we will not provide you with any legal, tax, financial or accounting advice, or advice regarding the suitability or profitability of any Financial Products or investment and we do not know your current financial situation, investment objectives or particular needs. Our employees, contractors or agents are not authorised to give any such advice or recommendation and you warrant that you will not solicit or rely upon any such advice or recommendation from us or from any of our employees, contractors or agents;
- (3) it is your responsibility to obtain investment advice before making any investment decisions relying on the information provided from the Service; and
- (4) to the extent permitted by law we will have no liability (including for any negligence) with respect to the transactions (including any diminution in value) in or for your Trading Account.

10. Your General Representations and Warranties

10.1 Each time you use the Service, you warrant and represent:

- (1) that you will rely upon your own skill and judgment (or that of your independent financial advisor) when placing any order with us to buy or sell Financial Products on your behalf and assume full responsibility for those decisions;
- (2) that each trade that you will conduct using the Service is lawful and you will at all times meet all commitments on your part arising from transactions under these Conditions;
- (3) that you are not a person with whom we are not lawfully entitled to deal pursuant to any statute, law or rule or regulation in or outside Australia including, without limitation, an employee, consultant or director of another ASX Participant;
- (4) that you will comply with the Conditions, the ASIC Rules, ASX Rules or Other Exchanges' operating rules, ASX Clear Rules, ASX Settlement Rules and the rules of Other Exchanges (where applicable) and the Corporations Act when using the Service;
- (5) that you are not a minor, not subject to a bankruptcy and are not an insolvent under administration;
- (6) that you have the financial resources to settle the transactions you enter into via the Service;
- (7) that any person who provides information to us on your behalf or who takes any steps to open a Trading Account on your behalf is authorised to do so;
- (8) you have read and understood all documentation provided to you by us and acknowledge that the terms set out on our website will also apply to you; and
- (9) where you provide us with your Tax File Numbers, these numbers may be passed on by us to the provider of the Cash Management Account and to the issuers of Financial Products purchased by you and/or their agents.

11. Confirmations and Account Statements

- 11.1 You must review, upon receipt, all confirmations of transactions and all statements in relation to your Trading Account. Confirmations and all such information received by you shall be binding upon you unless, within 3 business days upon receipt, you inform us either in writing or by Electronic Communication of the fact that there is a discrepancy in the information that has been provided to you.
- 11.2 Any notice, request, demand or other communication may be made personally, by Electronic Communication or by prepaid letter to you at your last notified address, 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, by Electronic Communication upon actual receipt and if made by prepaid letter on the business day following posting. Communications made via our website shall be deemed to have been received at the time the relevant communication is placed on our website.

12. Information Providers

- 12.1 You acknowledge and understand that the Service involves the dissemination of information which is supplied by persons not controlled by us (each an Information Provider).
- 12.2 You acknowledge that we have not verified any information provided by an Information Provider, do not exert any editorial control over such information and, in relation to that information, we are acting solely in the capacity of a carrier by conveying the information directly or indirectly from the Information Provider to you or on your behalf.
- 12.3 We do not guarantee the timeliness, sequence, accuracy or completeness of any information provided by an Information Provider and all material made available to you from the Service is principally of a purely factual nature and not suitable to be acted upon and is not intended to be personal or general financial product advice.
- 12.4 You shall use the information provided by the Service only for your own use. You must not on-sell any such information nor may you replicate, alter, commercialise, disclose or make available such information to any person without the express written consent of the Information Provider.

13. Liability and Indemnity

- 13.1 Subject to those provisions of the Trade Practices Act and the Australian Securities and Investments Commission Act, and any other rights implied by law, which cannot be excluded by agreement between the parties:
- (1) we make no warranties, either express or implied, as to merchantability, fitness for a particular purpose, or otherwise (including as to accuracy, currency, availability, completeness or quality), with respect to the goods or services supplied under these Conditions and the Sponsorship Agreement (including the Service and the service provided to you by the Information Providers (as defined in Paragraph 13) and service providers; and
- (2) we exclude all liability in contract, tort (including negligence) or otherwise relating to or resulting from 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:
- (i) any inaccuracy, error or delay in or omission from any information provided to you under the Conditions and the Sponsorship Agreement (including the Service and the service provided to you by the Information Providers and service providers);
- (ii) any delays, failures or inaccuracies in the transmission of the Service to you or the service provided by Information Providers and any other service providers, transmission of your orders or instructions, confirmations, or any other communications;
- (iii) any loss or liability arising from the acts or omissions of third parties, such as your computer systems, ISPs, Information Providers and service providers;
- (iv) any unauthorised use of your Security Identifications;
- (v) any theft, alteration, addition or loss of data by third parties;
- (vi) any interception by a third party of any Electronic Communication from us to you; or
- (vii) any disclosure by us of trading activity on your account to a person you have appointed as an Authorised Agent in the application form.
- 13.2 Except where to do so would contravene any law or make any part of this clause void or unenforceable, in no event shall we be liable for any indirect, special or consequential loss or damage (including, without limitation, loss of profits or revenues) whether arising in contract, tort (including negligence) or otherwise resulting from use of the Service supplied under these Conditions or the Sponsorship Agreement.
- 13.3 Our liability shall in any event be limited to the re-supply of the Service.
- 13.4 You will indemnify us and all of our officers, employees, agents, related parties and associates against any Loss incurred by 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 Conditions or the Sponsorship Agreement.

14. Commission Disclosure

You acknowledge that we may receive commissions from issuers of Financial Products, suppliers of information services, banking services and clearing services in respect of the Service provided to you from time to time and that we are entitled to retain such commissions for our own benefit (and that we may pay commissions to person or entities who have referred you to us). You acknowledge that we may retain any interest earned on your money held in our trust accounts prior to it being paid to you or in accordance with your instructions.

15. Information and Privacy Consent

- 15.1 If we engage anyone (a service provider) to do something on our behalf (for example, a mailing house, data processor or settlement agent or an agent with respect to our compliance with the Anti-Money Laundering Rules) then you agree

that we may exchange Personal Information (as defined by the Privacy Act) with the Service Provider.

- 15.2 We may disclose Personal Information to entities other than service providers where it is required or allowed by law or where you have otherwise consented. Entities that we may be required to disclose information to include any government, regulatory body or authority that is involved in the regulation of Financial Products trading and clearing.
- 15.3 You agree that Personal Information can be used by us and any service provider for establishing your Trading Account and Cash Management Account including compliance by us with the Anti-Money Laundering Rules, ongoing administration of your Trading Account, for the purpose of effecting execution and settlement of your orders and providing the Service to you and for planning, product development and research purposes.
- 15.4 You understand that you can access most Personal Information that we hold about you (sometimes there will be a reason why that is not possible, in which case you will be told why).
- 15.5 You understand that if you fail to provide any information requested on your Application, or do not agree to any of the possible exchanges or uses of the Personal Information detailed above, your Application may not be accepted by us.
- 15.6 You agree that when your personal information changes you will promptly notify us in writing or Electronic Communication of your new details.
- 15.7 To find out what sort of personal information we have about you, or to make a request for access, please contact us.
- 15.8 You authorise the recording of any telephone conversations between us and you, with or without an audible tone device.
- 15.9 Where we terminate your access to the Service due to your failure to meet your financial obligations to us you consent to us passing your Personal Information to a credit reporting agency.
- 15.10 We may disclose your Personal Information to issuers of Financial Products that are CHESSE registered with us to facilitate a related corporate action and you consent to the issuer or their agent paying us a processing fee.
- 15.11 With respect to the Cash Management Account, you acknowledge that we will have access to information regarding the operation of this account including any account balance and you authorise us to display any of these details together with your Trading Account balance when you use our online services.

16. Anti - Money Laundering and Counter Terrorism Financing

- 16.1 You acknowledge that:
- (1) We are subject to the Anti-Money Laundering Rules, which may prohibit us from offering services or entering into or conducting transactions on your behalf. In particular, we are not required to take any action or perform any obligation on your behalf if we are not satisfied as to your identity or where we believe that by doing so we may breach the Anti-Money Laundering Rules.
- (2) The Anti-Money Laundering Rules include prohibitions against any person dealing with the proceeds of or assets used in criminal activity (wherever committed) and from dealing with any funds or assets of, or the provision of finance to any person or entity involved (or suspected of involvement) in terrorism or any terrorist act.
- 16.2 You agree:
- (1) We, or any of our agents, may delay, block or refuse to make any payment or to provide any service or otherwise decline to follow your instructions if we believe that to do so may breach any law in Australia or any other country, and will incur no liability to you as a consequence.
- (2) To provide all information and documents (including to our service providers) which are reasonably required to comply with any law in Australia or any other country, including any Anti-Money Laundering Rules. We may disclose such information and documents or information about transactions you conduct or seek to conduct with us, if required to do so by any law in Australia or any other country.
- (3) You represent and warrant to us that the payment of monies by you to us or any instructions given by you to us will not breach any law in Australia or any other country.
- (4) You acknowledge that for the purposes of compliance with the Anti-Money Laundering Rules that any Authorised Agent acts as our agent and that accordingly the Authorised Agent will provide information to us that it has collected from you with respect to compliance with the Anti-Money Laundering Rules.
- (5) You acknowledge that for the purposes of compliance with the Anti-Money Laundering Rules that any service provider acts as our agent and that accordingly the service provider will provide information to us that it has collected from you with respect to the Anti-Money Laundering Rules

17. Short Selling

- 17.1 You acknowledge that we do not allow short selling in any form which means we will not accept a sell order from you unless at the time that the order is placed you have a presently exercisable and unconditional right to vest the Financial Products that are the subject of the order in the buyer in circumstances where this right does not derive from a Covered Short Sale arrangement.
- 17.2 You warrant that with respect to each sell order placed by you that:
- (1) you have a presently exercisable and unconditional right to vest the Financial Products that are the subject of the order in the buyer; and
- (2) you have not entered into a Covered Short Sale arrangement with respect to the Financial Products that are the subject of the order.

18. Variations and Termination

- 18.1 We may vary the Conditions (including deleting, altering or adding a new provision) at any time. If we do vary the Conditions, we will give you 7 days prior notice, which notice will be either posted on our website, sent to your email address or posted to your nominated address or advised to you by some other means (the mode of

notification will be at our sole discretion). By placing an order with us after the notice period (or doing any other act that is specified in the notification given to you), you confirm your acceptance of the Conditions as varied.

- 18.2 We may make a variation without any notice where such variation is necessary to restore or maintain the security of our systems or any Trading Accounts or to comply with a regulatory requirement.
- 18.3 Acting reasonably and in good faith we may terminate your access to the Service or to your Trading Account effective immediately if, in our reasonable opinion, you have breached any of the Conditions and the breach may cause us, in our reasonable opinion, to contravene a regulatory requirement or may otherwise expose us to an unacceptable level of financial or reputational risk. Irrespective of this, we reserve the right to terminate your access to the Service or your Trading Account at any time and in our absolute discretion and for that termination to take effect immediately where acting reasonably and in good faith we form the view that continuing to allow you to have access to the Service or to your Trading Account poses a risk that we may contravene a regulatory requirement or that an unacceptable level of reputational or financial risk exists. Instructions you give after any such termination will be diverted to an AMSCOT representative and may be refused. We accept no liability for any Losses incurred by you arising directly or indirectly as a result of any such termination.
- 18.4 You may terminate this agreement by giving not less than 7 days notice in writing to us, subject to all outstanding obligations under the Conditions and any relevant Financial Products dealings being duly discharged.
- 18.5 Termination will not affect any rights or obligations accrued prior to termination.

19. GST

- 19.1 Notwithstanding any other provision of these Conditions:
- (1) if GST has application to any supply made by us under or in connection with these Conditions we may, in addition to any consideration payable under these Conditions recover from you an additional amount on account 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
- (2) without limiting clause 19.1(1), if we are not entitled to an input tax 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 referable to any supply made under or in connection with these Conditions, we will be entitled to increase any amount or consideration payable by you on account of such input tax and recover from you the amount of any such increase.
- 19.2 Any additional amount on account of GST, or on account of an amount for which we are not entitled to an input tax credit, recoverable from you pursuant to this clause is to be calculated without any deduction or set-off of any other amount and is payable by you upon demand by us whether such demand is by invoice or otherwise.
- 19.3 Words or expressions used in this clause which are defined in the *A New Tax System (Goods and Services Tax) Act 1999* have the same meaning as in that Act.

20. Successors

The Conditions shall be binding upon your heirs, executors, administrators, personal representatives and assigns. The Conditions shall inure to the benefit of us and our successors, assigns and agents. Providing such assignment could not reasonably cause you a detriment we may assign our rights and duties under the Conditions to any person without giving prior notice to you. Otherwise we may assign our rights and duties under the Conditions to any person having given you reasonable prior notice of our intention to do and giving you the option of terminating your relationship with us. You may not assign your rights and duties under these Conditions without our prior written consent, such consent to not be withheld unreasonably.

21. Force Majeure

Neither party is liable to the other for any Loss suffered by the other party due to a force majeure event.

22. Applicable Law

These Conditions are subject to the laws of Western Australia and the parties agree to submit to the non exclusive jurisdiction of the Courts of Western Australia.

PARTICIPANT SPONSORSHIP AGREEMENT (FOR CRESS)

This Agreement applies when a person or entity ("The Client") agrees to be sponsored by State One Stockbroking Ltd in the Clearing House Electronic Subregister System ("CHES")

1. INTERPRETATION

- 1.1 Any term used in this Agreement which is defined in the ASTC Settlement Rules ("the Rules") has the meaning given in the Rules. (Should You require a copy of these definitions please contact State One Stockbroking Ltd or visit the ASX website at <http://www.asxgroup.com.au/asx-settlement-operating-rules-guidance-notes-and-waivers.htm>
- "You / Your" means the party/parties to this Agreement as a Participant Sponsored Holder.
- 1.3 "State One" means State One Stockbroking Ltd ABN 95 092 989 083, Australian Financial Services Licence (AFSL) 247100 and a Participant of the ASX Group.
- 1.4 "HIN" means Holder Identification Number

2. APPOINTMENT

You appoint State One to provide, and State One agrees to provide, transfer and settlement services as Your agent in relation to Sponsored Holdings identified by the HIN notified to you in writing after the date of this Agreement, on the terms and conditions of this Agreement. You authorise State One as its agent to do any act under CHES, relating to Your Sponsored Holdings.

3. MANDATORY PROVISIONS

3.1 PARTICIPANT RIGHTS

- 3.1.1 Where You authorise State One to buy Financial Products, You will pay for those Financial Products within three (3) Business Days of the date of purchase.
- 3.1.2 Subject to Clause 3.1.3, State One is not obliged to Transfer Financial Products into the Participant Sponsored Holding, where the payment for those Financial Products has not been received, until the payment is received.
- 3.1.3 Where a contract for the purchase of Financial Products remains unpaid, after State One has made a demand of You to pay for the Financial Products, State One may sell those Financial Products that are the subject of that contract at Your risk and expense and that expense will include brokerage, GST and stamp duty.
- 3.1.4. Where State One claims that an amount lawfully owed to it has not been paid by You, State One has the right to refuse to comply with Your Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current value of the amount claimed).

3.2 PARTICIPANT SPONSORED HOLDER'S RIGHTS

- 3.2.1 Subject to Clauses 3.1.3. and 3.1.4., State One will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.
- 3.2.2 State One will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without Your express authority.
- 3.2.3 The Regulatory regime which applies to State One is the Corporations Act and Corporations Regulations, and the rules of the ASX Group, including the ASX Operating Rules, the ASTC Settlement Rules and the ACH Clearing Rules and their associated procedures. You can obtain information as to the status of State One from the Australian Securities and Investments Commission ("ASIC"), the Australian Securities Exchange Limited ("ASX"), ASX Settlement and Transfer Corporation Pty Ltd ("ASTC") and Australian Clearing House Pty Ltd ("ACH") .
- 3.2.4 You may lodge a complaint against State One with ASIC, ASX, ASTC, ACH or the Financial Ombudsman Service Ltd (FOS). You may lodge any claim for compensation with State One in the first instance and if not satisfied with State One's response, may refer the matter to FOS. You may lodge any claims in relation to the National Guarantee Fund with the Securities Exchange Guarantee Corporation Limited.

4. OTHER RIGHTS AND DUTIES

4.1 SUPPLY OF INFORMATION

- 4.1.1 You shall supply all information and supporting documentation which is reasonably required to permit State One to comply with the registration requirements, as are in force from time to time, under the ASTC Settlement Rules.

4.2 EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS

- 4.2.1 Where You arrange with ACH to lodge Financial Products in a Participant Sponsored Holding as a cover for written positions in the Australian Options Market, and inform State One of the arrangement, You authorise State One to take whatever action is reasonably required by ACH in accordance with the Rules to give effect to that arrangement.
- 4.2.2 Where You arrange with any person to give a charge over, or any other interest in, Financial Products in a Participant Sponsored Holding, authorise State One to take whatever action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.
- 4.2.3 You acknowledge that where, in accordance with this Agreement and/or Your instructions, State One initiates any action which has the effect of creating a sub-position over Financial Products in the Participant Sponsored Holding, Your right to transfer, convert or otherwise deal with those Financial Products is restricted in accordance with the terms of the Rules relating to sub-positions.
- 4.2.4 Nothing in this Agreement operates to override any interest of ACH in the Financial Products.

4.3 FEES

- 4.3.1 You will pay all Brokerage fees, GST and associated transactional costs within the period prescribed by State One.

5. NOTIFICATIONS AND ACKNOWLEDGEMENTS

- 5.1 You acknowledge that if State One is not a Participant of the ASX Group, neither ASX nor any Related Party of ASX has any responsibility for supervising or regulating the relationship between You and State One, other than in relation to the Rules relating to Sponsorship Agreements.
- 5.2 You acknowledge that if a Transfer is taken to be effected by State One under Section 9 of the ASTC Settlement Rules and the Source Holding for the Transfer is a Participant Sponsored Holding under the Sponsorship Agreement, then:
- (a) You may not assert or claim against ASTC or the relevant Issuer that the Transfer was not effected by State One or that State One was not authorised by You to effect the Transfer; and
- (b) unless the Transfer is also taken to have been effected by a Participant of the ASX Group or a Clearing Participant of ACH, You have no claim arising out of the Transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations.
- 5.3 In the event that State One breaches any of the provisions of this Agreement, You may refer that breach to any regulatory authority, including ASTC.
- 5.4 In the event State One is suspended from CHES participation, subject to the assertion of an interest in Financial Products controlled by State One, by the liquidator, receiver, administrator or trustee of State One:
- (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 Subregister; or
- (ii) from the control of State One to the control of another Participant with whom You have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10; or
- (b) where You do not give notice under Clause 5.4.(a), ASTC may effect a change of Controlling Participant under Rule 12.19.11 and You shall be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as State One's Sponsorship Agreement. Where You are deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement

with You within ten (10) Business Days of the change of Controlling Participant.

- 5.5 You acknowledge that before You executed the Sponsorship Agreement, State One provided You with an explanation of the effect of the Sponsorship Agreement and You understood the effect of the Sponsorship Agreement.
- 5.6 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 ASTC Settlement Rules, unless the Participant Sponsored Holding's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHESS Subregister.
- 5.7 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 5.6.

FOR JOINT HOLDINGS ONLY

- 5.8 You acknowledge that in the event of the death of one of the Holders, State One will transfer all Holdings under the joint Holder Record into a new Holding under a new Holder Record in the name of the surviving Participant Sponsored Holder(s), and that this Sponsorship Agreement remain valid for the new Holdings under the new Holder Record.
- 5.9 You acknowledge that in the event of the bankruptcy of one of the Holders State One will:
- (a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHESS Subregister, establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under a new Holder Record and request that ASTC 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.

6. CHANGE OF CONTROLLING PARTICIPANT

- 6.1 If You receive a Participant Change Notice from State One for 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 Clauses 6.2 or 6.3.
- 6.2 You may choose to terminate the Agreement by giving Withdrawal Instructions under the ASTC Settlement Rules to State One, indicating whether You wish to:
- (a) transfer Your Holding to another Controlling Participant; or
 - (b) transfer Your Holding to one or more Issuer Sponsored Holdings.
- 6.3 If You do not take any action to terminate the agreement in accordance with 6.2 above, and You do not give any other instructions to State One 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 State One;
 - (b) any rights of State One are transferred to the New Controlling Participant; and
 - (c) State One is released by You from any obligations arising on or after the Effective Date.
- 6.4 The novation in Clause 6.3 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 the Controlling Participant for You. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 6.5 You will be taken to have consented to the events referred to in Clause 6.4 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.
- 6.6 The Agreement continues for the benefit of State One 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 6.3 not binding or effective on the Effective Date, then the Agreement will continue for the benefit of State One until such time as the novation is effective, and State One will hold the benefit of the Agreement on trust for the New Controlling Participant.
- 6.7 Nothing in this Clause 6 will prevent the completion of CHESS transactions by State One 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 6.

7. CLAIMS FOR COMPENSATION

- 7.1 As a Participant of the ASX Group any claim for compensation can be lodged with the National Guarantee Fund which operates as a compensation arrangement for investors who may suffer loss due to default by State One in relation to equities and warrants and exchange trade options.
- 7.2 If State One breaches a provision of this Agreement and You make a claim for compensation pursuant to that breach, the ability of State One to satisfy that claim will depend on the financial circumstances of State One.
- 7.3 If a breach by State One of a provision of this Agreement falls within the circumstances specified under Part 7.5, Division 4 of the Corporations Regulations, 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).

8. TERMINATION

- 8.1 Subject to the ASTC Settlement Rules, this Agreement will be terminated upon the occurrence of any of the following events:
- (a) by notice in writing from either You or State One to the other party to the Agreement;
 - (b) upon State One becoming insolvent;
 - (c) upon termination or suspension of State One; or
 - (d) upon the giving of Withdrawal Instructions by You to State One in accordance with Rule 7.1.10(c).
- 8.2 Termination under Clause 8.1(a) will be effective upon receipt of Notice by the other party to the Agreement.

9. VARIATION

- 9.1 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASTC Settlement Rules, State One shall, by giving You no less than 7 Business Days written Notice, vary the Agreement to the extent to which in State One's reasonable opinion is necessary to remove any inconsistency.

EXPLANATION OF PARTICIPANT SPONSORSHIP AGREEMENT (FOR CHESS)

Under clause 5.5 of the Participant Sponsorship Agreement ("Agreement"), State One is required to provide an explanation of the effect of entering into such an Agreement. Please ensure you read this explanatory information and should you have any questions, contact a State One advisor.

What is CHESS?

CHESS (Clearing House Electronic Subregister System) is a computer system that registers securities. CHESS transfers legal ownership of securities between buyers and sellers. CHESS also facilitates the transfer of monies for securities.

The ASX Settlement and Transfer Corporation (ATSC), a wholly owned subsidiary of the ASX, operates CHESS.

What is the purpose of the Agreement?

Before your shares can be registered on CHESS, an agreement must be entered into with an approved CHESS sponsor (State One is an approved CHESS sponsor). The Agreement sets out the terms and conditions by which you appoint State One as a sponsor.

In this explanation:

"You / Your" means the party/parties to this Agreement as a Participant Sponsored Holder.

"State One" means State One Stockbroking Ltd ABN 95 092 989 083, Australian Financial Services Licence (AFSL) 247100 and a Participant of the ASX Group.

Explanation of the Agreement

1. Interpretation

Indication as to where meanings for terms defined can be located.

3. Mandatory Provisions

State One's Rights

You must pay State One within 3 business days of a purchase of shares. Where payment is not received, State One is not obliged to transfer these shares and if payment remains outstanding, State One may sell those shares at Your risk and expense (this includes brokerage, GST and stamp duty). Any loss arising is payable by You.

Where monies are legally owed to State One, State One can refuse to transfer Your holdings to the extent that at least 120% of the current market value remains. For example, if You owe State One \$10,000 and You currently have holdings of \$20,000 (current market value), State One can refuse to transfer \$12,000 of Your holdings.

Your Rights

State One will initiate any transfer or conversion within 2 business days and we will only do so if requested by You.

If You have any questions about State One's Australian Financial Services Licence (AFSL) You can contact ASIC for further information.

Should You have a complaint with State One and You don't believe the complaint has been dealt with by State One appropriately You can lodge a complaint with the Financial Ombudsman Service (FOS).

4. Other Rights and Duties

4.1 You must supply all information reasonably requested to allow State One to comply with requirements.

4.2.1 For exchange traded options ("options"), where You lodge holdings sponsored by State One as cover for a written position and You inform State One, You authorise State One to do whatever is required to satisfy ACH (Australian Clearing House) requirements.

4.2.2 Where You arrange a charge over holdings sponsored by State One, You authorise State One to do whatever is required to give effect to that arrangement.

4.2.3 Where a sub-position (as per Rule 14.1.3) is created through the actions of State One, in accordance with the Agreement and Your instructions, You agree that any transfer or conversions will be restricted in accordance to the Rules relating to sub-positions (e.g. acceptance of a take over offer or the lodgement of stock as collateral for an ETO position)

4.2.4 The Agreement does not override any interest that the ACH may have.

4.3 You must pay all brokerage and associated transactional costs to State One within the prescribed period.

5. Notifications and Acknowledgements

5.1 The ASX (or related party) does not have any responsibility to You if State One is **not** a Participant of the ASX Group. State One is a Participant of the ASX Group.

5.2 Where a transaction sponsored by State One occurs under Section 9 of the ASTC Settlement Rules You cannot claim that State One did not perform the transaction or that it was not authorised by You. Where a transaction is not effected by a Participant of the ASX Group, You will have no claim against the National Guarantee Fund (refer 7).

5.3 You may notify any regulatory authority, including the ASTC of any breach of this Agreement by State One.

5.4 Where State One is suspended from CHES (by virtue of liquidation, receiver, administrator or trustee) by the ASTC through issue of a Notice of Suspension, You may request that the ATSC (within 20 days) to either remove holdings sponsored by State One from CHES or that Your holdings be transferred to another sponsoring participant (a Participant Sponsorship agreement must be in place).

Where You do not instruct the ATSC within 20 days, the ATSC may provide a substitute participant on the same terms as the Agreement. The new participant must provide You with a new agreement within 10 business days.

5.5 You acknowledge that You have been provided with an explanation of the Agreement and that You understand the effect of the Agreement. If, after reading this explanatory information (and the Agreement), You do not understand the effect of entering into the Agreement, please contact a State One advisor before signing.

5.6 to 5.9

In the event that You die or become bankrupt, Your holdings will be "locked" in accordance with the Settlement Rules, unless a legally appointed representative or trustee elects to remove the holdings from CHES. A "lock" will prevent transactions involving these holdings from being entered into until unlocked. In the event of death, the Agreement will continue for up to 3 months after the "lock" is removed.

For joint accounts, where one holder dies, State One will transfer all holdings to a new account in the name of the surviving account holder. The Agreement will remain in place under the new account.

For joint accounts, where one holder becomes bankrupt, State One will (unless legally appointed representative elects to remove holdings from CHES) transfer the interests of the bankrupt person to a new account in name of bankrupt person and request that it be "locked". The remaining holdings will be transferred to a new account for the non bankrupt holder.

6. *Change of Controlling Participant*

Where notice is given to You that State One will have a change of control (e.g. taken over or sold) You may:

- Do nothing or inform State One that You will accept to the change of State One's ownership change.
In such circumstances:
 - ❖ the new controller of State One will become a party to the Agreement in place of State One;
 - ❖ all rights will be transferred to the new controller; and
 - ❖ State One will have no obligations to You from the effective date of change of control.

Before the transfer can take effect, the new controller must provide You with a notice indicating that they will act as Your Sponsoring Participant.

- Request the Agreement be cancelled by giving State One written instructions that You would like to transfer Your holdings to another broker or transfer Your holdings to one or more Issuer Sponsored Holdings.

The Agreement will continue to be in place for State One for any rights and obligations that have accrued before the change in controller takes effect (or You terminate the Agreement) and State One will be obliged to complete all CHES transactions that have arisen before this date.

7. *Claims for Compensation*

As a Participant of the ASX Group any claim for compensation can be lodged with the National Guarantee Fund which operates as a compensation arrangement for investors who may suffer loss due to default by State One in relation to equities and warrants and exchange trade options. If State One breaches a provision of this Agreement and You make a claim for compensation pursuant to that breach, the ability of State One to satisfy that claim will depend on the financial circumstances of State One. Details of the rights that You have to claim for compensation can be found under the National Guarantee Fund operated by the Securities Exchange Guarantee Corporation (SEGC) Limited under Part 7.5, Division 4 of the Corporations Regulations. The SEGC can be contacted on (02) 9227 0424 or alternatively, the SEGC have provided an explanatory booklet on the SEGC website at: <http://www.segc.com.au>

8. *Termination*

The Agreement may be terminated if:

- State One becomes insolvent;
- State One's participation on CHES is suspended / terminated; or
- Either party provides written notification that they wish to terminate

Any rights existing before termination will not be affected.

9. *Variation*

Where there is an inconsistency between the Agreement and the Settlement Rules, You will be Notified of any change to the Agreement.

Additional information on CHES can be obtained from the ASX website at:

http://www.asx.com.au/products/ches_faq.htm

ASX WARRANT AGREEMENT

This Agreement applies when a person or entity ("The Client") agrees to the following:

1. The Client has received and read a copy of the Explanatory Booklet issued by the Australian Stock Exchange Limited (the Exchange) in respect of Warrants.
2. The Client understand that neither Australian Options Market nor Options Clearing House Pty Limited have any involvement whatsoever in Warrants.
3. The Client is aware that a Warrant has limited life and cannot be traded after its expiry date.
4. The Client is aware that the Warrants do not have to standardized Terms of Issue and acknowledge that it is my responsibility to become aware of the Terms of Issue of any Warrant in which I choose to invest.
5. The Client is aware that Warrants may be subject to adjustments after their initial issue. I acknowledge that it is my responsibility to become aware of any adjustments, which may have been made to any Warrant in which I choose to invest.
6. The Client is aware that admission to Trading Status of a Warrant does not imply that the Exchange or the National Securities Exchanges Guarantee Corporation Limited gives any guarantee or warranty as to the viability of the Warrant-Issuer or Guarantor.
7. The Client acknowledges that failure of the Warrant-Issuer or the Guarantor (if applicable) to fulfill their obligations does not give rise to a claim against the exchange handling Member Organisations or the National Securities Guarantee Corporation Limited.

ASX PARTLY PAID SECURITY AGREEMENT

This Agreement applies when a person or entity ("The Client") agrees to the following:

1. The Client is aware that a Partly Paid Security is a security which may require The Client to make a further payment or payments at some time in the future.
2. The Client is aware that it is The Client's responsibility to obtain and read a copy of the prospectus, product disclosure statement or information memorandum issued by an Issuer which sets out the particular features of, and rights and obligations attaching to, a Partly Paid Security before The Client place an order to buy a Partly Paid Security.
3. The Client is aware that I/ we may be liable for further payments on a Partly Paid Security and that a failure to make a further payment by the specified date(s) may result in an Issuer of a Partly Paid Security or their associates or agents taking action, including legal action, against me/ us to recover the outstanding payments and/ or may result in the forfeiture of my entitlement to the Partly Paid Security.
4. The Client is aware that in certain circumstances The Client may be liable to make a further payment on a Partly Paid Security despite the fact that The Client may have disposed of a Partly Paid Security prior to the date that a further payment falls due.
5. The Client is aware that The Client should monitor announcements made by the Issuer of a Partly Paid Security and that it is The Client's responsibility to inform himself/ herself/ themselves of the dates or circumstances that a further payment falls due and the last day that The Client can dispose of the Partly Paid Security before I/ we am/ are liable for a further payment.
6. The Client is aware that the amount of a further payment may be unrelated to the financial performance of a Partly Paid Security and that the amount of the further payment may exceed the intrinsic value of a Partly Paid Security at the time a further payment falls due.
7. The Client acknowledges that an obligation on himself/ herself/ themselves in relation to a Partly Paid Security, including an obligation to make a further payment, does not give rise to a claim against ASX or the Securities Exchanges Guarantee Corporation Limited.