

## **PART E: PERSHING DISCLOSURE STATEMENT**

to clients of Argonaut Securities Pty Ltd  
ABN 72 108 330 650  
AFSL No 274099.  
(BROKER)

### **TERMS OF YOUR AGREEMENT WITH PERSHING SECURITIES AUSTRALIA PTY LTD ABN 60 136 184 962 AFSL No 338264 (PERSHING)**

#### **1. Your clearing arrangements with Pershing**

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

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

If you effect a Transaction through the Broker, Pershing 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 Pershing must settle as principal with ASX Clear or the relevant counter-party, even though the Transaction may have been entered into on your behalf. Your clearing obligations and any settlement obligations are therefore owed directly to Pershing (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, Pershing has direct rights against you, including rights of sale under the Exchange Rules and ASX Clear Rules and those described in these Terms and Conditions.

#### **2. Conduct of Business**

You acknowledge and agree:

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

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

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

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

#### **4. Purchases and Sales**

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

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

All documentation and Security Holder Information must be sent to:  
**Pershing Securities Australia Pty Ltd  
Level 2, 1 Bligh Street  
Sydney NSW 2000**

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

(as the case may be) may withdraw those Traded Products, that consent has been obtained and communicated to Pershing. You irrevocably authorise Pershing to apply any Traded Products held in your Participant Sponsored Holding to satisfy your Settlement Obligations arising from any Transaction executed by the Broker on your behalf.

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

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

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

#### **5. Misdirected Market Transactions**

If at any time Transactions executed by the Broker are also to be cleared through a Clearing Participant (other than Pershing), 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 Pershing (**Misdirected Market Transaction**);
- (b) Pershing does not have any Settlement Obligations in respect of any Misdirected Market Transaction; and
- (c) Pershing will not provide you with a confirmation in respect any Misdirected Market Transaction.

#### **6. Short sales**

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

#### **7. No Advice**

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

#### **8. Settlement Date and Time**

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

#### **9. Warranties by the client**

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

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

#### **10. Settlement using BPAY facility**

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

#### **11. Confirmations**

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

You authorise Pershing (on behalf of the Broker) to give Confirmations to you electronically to the email address notified to Pershing by the Broker on your behalf from time to time for this

purpose. Pershing may not provide you with paper copies of Confirmations.

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

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

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

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

## **12. Failure to Settle**

You acknowledge that, if you fail to make any payment due to Pershing or deliver any documents or Security Holder Information to Pershing or otherwise comply with the Settlement Obligations that you owe to Pershing in relation to a Transaction in accordance with these Terms and Conditions or the relevant Confirmation, if any (**fail to settle**), Pershing 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 Pershing or the Broker (including any fail fees imposed by a Relevant Exchange or ASX Clear) as a result of your failure to settle;
- (b) levy a default charge on the amount from time to time outstanding at a rate of up to 15.0% per annum;
- (c) sell out (or procure the sell out of) any Traded Products purchased (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Pershing and to recover Pershing's costs in so acting;
- (d) buy in (or procure the buy in of) any Traded Products sold (and you are fully responsible for any loss in connection with such purchase) and recover Pershing's costs in so acting;
- (e) sell out (or procure the sell out of) any Traded Products otherwise held on your behalf (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Pershing and to recover Pershing's costs in so acting;
- (f) apply any cash held by Pershing or a related body corporate of Pershing or the Broker on your account or to which they have access, or payments received for or from you in reduction of your liability to Pershing; or
- (g) instruct the Broker to cancel any of your unexecuted Orders, and you authorise Pershing and each of its directors and employees as your attorney to give instructions on your behalf in respect of your Traded Product holdings sponsored by Pershing or the Broker (or a related body corporate of either them) in CHESS, or held by a related body corporate of either of them in nominee holdings, and in respect of call deposit facilities or cash management trust accounts on which either Pershing or the Broker is authorised to give instructions, to enable Pershing to realise those Traded Products or funds and apply the proceeds in reduction of your liability to Pershing and to recover Pershing's costs in so acting.

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

If you have not met your settlement obligations owed to Pershing in respect of a Transaction executed for you by the Broker by the date which is 4 Business Days after the Settlement Date and Time, it is Pershing's policy (and Pershing may be obliged under the ASX Settlement Rules), without any notice to you (but without limiting Pershing's discretion to take any actions):

- (a) in the case of a purchase, to execute a Transaction to close out the failed purchase (by selling the relevant Traded Products); or
- (b) in the case of a sale, to execute a Transaction to close out the failed sale (by buying-in the relevant Traded Products), and recover any resulting loss from you.

You must pay or reimburse Pershing any such administration fees and default charges (together with any GST payable on those

amounts) immediately upon demand or at Pershing's option it may deduct such administration fees and default charges (and any GST) from any sale proceeds or other amounts otherwise payable to you. The manner in which Pershing may exercise or not exercise, or the timing of or any delay in any exercise by Pershing of, any right of Pershing under this clause is not to be taken to be financial product advice by Pershing to you, and you must not represent to any person that it is financial product advice by Pershing.

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

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

## **13. Cancellations**

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

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

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

## **14. Interest on Pershing's trust account**

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

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

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

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

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

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

You acknowledge and agree that:

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

## **18. Indemnity**

You must, to the maximum extent permitted by law, at all times and from time to time, indemnify and keep each of Pershing 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 Pershing;
- (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 Pershing's negligence, wilful default or fraud.

#### 19. Credit references

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

#### 20. Information

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

#### 21. Complaints

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

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

You have the right to have any complaint about the service you have received from Pershing, or any other aspects of your dealings with Pershing, investigated and dealt with as quickly as possible in accordance with Pershing's complaints resolution procedure. To assist Pershing to respond appropriately to complaints, you are asked to set out complaints in writing, addressed to the Head of Compliance. You should include as much detail about the circumstances of your complaint as possible, including the name(s) of any Pershing staff involved. If available, copies of any background documentation should also be provided.

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

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

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

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

#### 22. Compensation arrangements

As Pershing is a Participant of one or more Relevant Exchanges, you may be entitled to make a claim on a compensation fund (such as the National Guarantee Fund (NGF) or the Chi-X Fidelity Fund) in the circumstances specified under Part 7.5 of the Corporations Act and the *Corporations Regulations 2001* (Cth). For more information on the circumstances in which you may make a claim or for

information about compensation arrangements generally, contact the Securities Exchange Guarantee Corporation Limited ABN 19 008 626 793 (in relation to queries about the NGF) or in relation to another Relevant Exchange, that Relevant Exchange.

Pershing has professional indemnity insurance which Pershing 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 AFCA scheme.

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

#### 23. Sponsorship

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

#### 24. Joint Holder

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

#### 25. Amendment

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

#### 26. Governing law

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

#### 27. 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.

**ASIC Market Integrity Rules** means the *ASIC Market Integrity Rules (Securities Markets) 2017* as amended from time to time.

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

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

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

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

**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 11.

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

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

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

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

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

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

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

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

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

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

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

**Traded Products** has the meaning given to Cash Market Products in the ASIC Market Integrity Rules (and includes an AQUA Product)

and for other Relevant Exchanges, means the cash equities products (excluding derivatives) admitted for quotation on the relevant market as described in the relevant Exchange Rules or Market Integrity Rules (as the context requires) for that Relevant Exchange.

**Trading Participant** has the meaning given to that term in the ASIC Market Integrity Rules and to Market Participant in the Chi-X, APX or NSX Market Integrity Rules.

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

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

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

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

**Pershing Securities Australia Pty Ltd**  
**A Participant of ASX Group and Chi-X**  
**ABN 60 136 184 962**  
**AFSL 338264**

## **PART F: CHESSE SPONSORSHIP**

**to clients of the Argonaut Securities Pty Ltd (BROKER)**

### **PERSHING'S EXPLANATION OF CHESSE SPONSORSHIP**

#### **1. Explanation of Chess Sponsorship Agreement**

This document explains the effect of the CHESSE (Clearing House Electronic Subregister System) sponsorship agreement (Sponsorship Terms) if you (Client) enter into the Sponsorship Agreement with Pershing Securities Australia Pty Ltd (Pershing). It is important that you read this explanation and the Sponsorship Terms and understand their content before signing the Client Application Form (which includes the Sponsorship Terms). By signing the Client Application Form and ticking the relevant box that you would like Pershing to establish a new HIN sponsored by Pershing, you acknowledge that you have understood the effect of the Sponsorship Terms. You are entitled to receive a copy of the executed Sponsorship Terms. You can request a copy of the executed Sponsorship Terms by contacting the Intermediary.

#### **2. What is the purpose of the Sponsorship Terms?**

The Sponsorship Terms appoint us as your "controlling participant" on CHESSE. CHESSE is a system of registering financial products on computer so instead of holding certificates to show that you own shares or other financial products, under CHESSE you have financial products registered in your name to show that you own them. CHESSE is operated by ASX Settlement Pty Ltd ABN 49 008 504 532 (ASX Settlement) under the ASX Settlement Rules. Only certain people may control financial products on CHESSE (we fall under one of these categories). By signing the Client Application Form and ticking the relevant box that you would like Pershing to establish a new HIN sponsored by Pershing, you appoint us as your controlling participant to control your holding of financial products on CHESSE. In other words, we "sponsor" your holdings of financial products on CHESSE.

#### **3. Explanation of the Sponsorship Terms**

##### **a. Our authority and obligations: clause 2 Sponsorship Terms**

In clause 2 you authorise us to act as your agent on CHESSE in respect of your holding(s) of the financial products identified by your HIN on Client Application Form.

Clause 2 also sets out our obligations in relation to the transfer of financial products into or out of your holding. Importantly, we will not usually initiate any transfer or conversion of financial products into or out of your holding without your express authority. However, in limited circumstances, for example, if we ask that you pay for financial products and the purchase price for those financial products remains unpaid, we may sell those financial products at your risk and expense.

Clause 2 also identifies the regulatory regime which applies to us and with whom a complaint against us may be lodged.

##### **b. Acknowledgements by you: clause 3 of the Sponsorship Terms**

Clause 3 of the Sponsorship Terms contains certain acknowledgements by you. These acknowledgments are that:

- i. you have understood the effect of these Sponsorship Terms;
- ii. if you die or become bankrupt, your sponsored holdings will be locked (the "holder record lock");
- iii. if you die, the Sponsorship Terms remain in operation, with your legal representative authorised to administer your estate for up to three months after the removal of the holder record lock;
- iv. if we are not a Market Participant of ASX, neither ASX nor a Related Body of ASX has any responsibility for supervising or regulating the relationship between you and us (we note however that we are a Market Participant of ASX);
- v. in the event of your death or bankruptcy, where a joint holding exists, we will establish a new holder record in the name of your joint holder or take steps to protect the interest of the joint holder not subject to the bankruptcy order;
- vi. if a transfer of a financial product included in your holding is effected in accordance with the ASX Settlement Rules, then:
  1. you may not assert or claim against ASX Settlement or the relevant issuer of the financial product that we were not authorised by you to effect that transfer; and
  2. unless the transfer was taken to have been effected by a Market Participant of ASX or a Clearing Participant of ASX Clear, you have no claim arising out of the transfer against the national guarantee fund under the Corporations Regulations (again we note however that we are both a Market Participant of ASX and a Clearing Participant of ASX Clear); and
- vii. Pershing is entitled to rely on all instructions and communications provided by the Correspondent to Pershing with respect to your holding. Pershing may also communicate with the Correspondent (as your agent) with respect to your holding.

**c. Security, other interests and sub-positions: clause 4 of the Sponsorship Terms**

If you instruct us to lodge financial products as cover for written position (including in a subposition) in relation to exchange traded options or advise us that an interest has been or will be created over financial products, you give us certain authorisations and acknowledgements as described in clause 4, and your ability to transfer, convert or otherwise deal with the financial products will be restricted in accordance with the ASX Settlement rules and in particular those relating to subpositions.

**d. Information: clause 5 of the Sponsorship Terms**

You must promptly give us any information or documents we ask for to enable us to perform our obligations to act as your controlling participant or comply with the ASX Settlement Rules and requirements.

**e. Security, other interests and sub-positions: clause 4 of the Sponsorship Terms**

Clause 6 states that you must pay us fees under the Sponsorship Terms as advised by us from time to time. There are currently no fees payable by you in connection with the Sponsorship Terms. In clause 6, you also indemnify us – that is, you agree to be responsible for and pay on our demand – for liabilities, losses or costs we suffer or incur:

- i. in connection with performing our obligations under the Sponsorship Terms;
- ii. in connection with us acting as your controlling participant or agent for the purposes of CHES; or
- iii. if you do something you agree not to do, or don't do something you agree to do, under the Sponsorship Terms.

Under clause 6 you also authorise us to debit any amount you owe us to any account you have with us.

**f. Suspension from CHES: clause 7 of the Sponsorship Terms**

If we are suspended from CHES participation, you may instruct ASX Settlement to remove your sponsored holdings from the CHES subregister or move them to another controlling participant in CHES. If you do not give ASX Settlement such notice within 20 business days, ASX Settlement may change your CHES sponsor.

**g. Complaint procedures: clause 8 of the Sponsorship Terms**

You have certain rights if you wish to claim compensation or make a complaint against us. In particular, if we breach the Sponsorship Terms, you may refer that breach to any regulatory authority including ASX Settlement. If we breach a provision of the Sponsorship Terms and you make a claim against us, our ability to satisfy that claim will depend on our financial position. If a breach by us of a provision of the Sponsorship Terms falls within the circumstances specified in Part 7.5, Division 4 of the Corporations Regulations, you may make a claim on the National Guarantee Fund for compensation.

**h. Change of controlling participant: clause 9 of the Sponsorship Terms**

Clause 9 contains provisions setting out what is to happen if there is a significant change to the organisational structure of our group or the whole of our business is to be transferred to another controlling participant. In particular, those provisions provide for the novation of the Sponsorship Terms to another controlling participant without the need for you to sign a new sponsorship agreement.

**i. Termination: clause 10 of the Sponsorship Terms**

The Sponsorship Terms are terminated if we become insolvent, if our participation on CHES is terminated/suspended, if either party notifies the other that it wants to terminate the Sponsorship Terms, or if you give us a withdrawal instruction under rule 7.1.10(c) of the ASX Settlement Rules. Note that while one of these events will bring the Sponsorship Terms to an end, the rights and obligations which have occurred before that time are not affected.

**j. ASX Settlement Rules: clause 11 of the Sponsorship Terms**

If there is an inconsistency between a part of the Sponsorship Terms and the ASX Settlement Rules, the ASX Settlement Rules will prevail to the extent of that inconsistency.

You have the obligation under clause 11 not to do anything to prevent or hinder us from complying with our obligations under the ASX Settlement Rules.

**k. Miscellaneous: clauses 12 to 18 of the Sponsorship Terms**

These clauses deal with several important procedural and legal matters.

Clause 12 clearly sets out the procedure for formal communications between you and us. Importantly, if you give instructions to the Intermediary, we are not obliged to act in accordance with those instructions until they are actually passed on to us. Clauses 13 and 14 set out the procedure we will follow if we want to waive or vary a provision of the Sponsorship Terms. Note that we usually need your written consent if we want to vary a provision. Clauses 15 and 16 of the Sponsorship Terms state that you are entitled to receive a copy

of the Sponsorship Terms executed by you and us, and that you instruct us not to send you a hard copy of the Sponsorship Terms executed by us. However, if you ask us at any time, we will send to you a hard copy executed by us. You can request a copy of the executed Sponsorship Terms by contacting your Adviser.

**l. Meaning of words**

At the end of the provisions section of the Sponsorship Terms is a dictionary which explains the meaning of key words which appear in the Sponsorship Terms.

If you have any questions about the Sponsorship Terms, please contact the Head of Compliance at Pershing, Level 2, 1 Bligh Street, Sydney NSW, Telephone 02 8999 4000.

## PERSHING SPONSORSHIP AGREEMENT

### Parties

The client named on the application form (**Client**); and  
Pershing Securities Australia Pty Ltd, ABN 60 136 184 962, AFSL  
No. 338264 (**Pershing**).

### 1. WHAT IS CHESS?

1.1 CHESS is a system of registering financial products on computer. It is operated by ASX Settlement under the ASX Settlement Rules. Instead of receiving a certificate in respect of your shares or other financial products, you receive a holding statement.

1.2 Only certain categories of people may control financial products on CHESS (Pershing falls within one of these categories). Other people who have financial products on CHESS need their holding "sponsored" by a "controlling participant" for the purposes of CHESS. These Sponsorship Terms relate to your appointment of us as your "controlling participant".

### 2. PERSHING'S AUTHORITY AND OBLIGATIONS

2.1 The Client appoints Pershing as its Controlling Participant for CHESS to provide transfer and settlement services as agent for the Client with respect of the Client's holding with the Holder Identification Number (HIN) identified on the Client Application Form. A HIN is a number that is used to identify a holding in CHESS. The Client authorises Pershing as the Client's agent to do any act under CHESS relating to the Client's holding.

2.2 Subject to clause 9, Pershing will not initiate any transfer or conversion into or out of the Client's holding sponsored under these Sponsorship Terms without the Client's express authority.

2.3 Subject to clause 2.4, Pershing is not obliged to transfer financial products into the Client's holding where payment for those financial products has not been received, until payment is received. If the Client authorises Pershing to purchase financial products the Client will pay for that purchase within 2 business days from the date of the purchase.

2.4 If Pershing demands that the Client pay for financial products, but the purchase price for those for financial products remains unpaid, Pershing may sell those financial products at the Client's risk and expense (including any brokerage, stamp duty, GST and other applicable charges).

2.5 If Pershing claims that the Client has not paid Pershing an amount lawfully owed to Pershing, Pershing can refuse to comply with the Client's withdrawal instructions (but only to the extent necessary to retain in the Client's holding sponsored under these Sponsorship Terms financial products with a value equal to 120% of the current market value of the amount claimed).

2.6 Subject to clauses 2.4 and 2.5, Pershing will initiate any transfer, conversion or other action necessary to give effect to withdrawal instructions within the scheduled time.

2.7 The regulatory regime which applies to Pershing is Chapter 7 of the Corporations Act, the ASIC Market Integrity Rules, the operating rules of ASX Clear and the ASX Settlement Rules. The Client can obtain information as to Pershing's status from ASIC, ASX, ASX Clear and ASX Settlement.

2.8 A complaint against Pershing may be lodged by the Client with Pershing, ASIC, ASX, ASX Clear, ASX Settlement or the Australian Financial Complaints Authority (whose postal address is GPO Box 3, Melbourne, VIC, 3001). The Client may lodge a claim for compensation with Pershing or, if the circumstances specified in Part 7.5, Division 4 of the Corporations Regulations apply, with the National Guarantee Fund.

### 3. ACKNOWLEDGEMENTS BY THE CLIENT

3.1 The Client acknowledges that:

- (a) before the Client signs these Sponsorship Terms Pershing provided the Client with an explanation of the effect of these Sponsorship Terms and the Client understood the effect of these Sponsorship Terms;
- (b) if the Client dies or becomes bankrupt, a holder record lock will be applied to all the Client's holdings sponsored under these Sponsorship Terms in accordance with rules 8.15.8 to 8.15.11 of the ASX Settlement Rules (unless the Client's legally appointed representative or trustee elects to remove those holdings from the CHESS subregister);
- (c) if the Client dies, these Sponsorship Terms are deemed to remain in operation in respect of the legally appointed representative authorised to administer the Client's estate for a period of up to three calendar months after the removal of the holder record lock pursuant to rule 8.16.3 of the ASX Settlement Rules (unless the Client's legally appointed

representative elects to remove the holdings sponsored under these Sponsorship Terms from the CHESS subregister); and  
(d) if Pershing is not a Market Participant of an Approved Market Operator, neither the Approved Market Operator, nor a Related Party of the Approved Market Operator, has any responsibility for regulating the relationship between the Client and Pershing, other than in relation to the rules relating to sponsorship agreements.

3.2 If the Client is a joint holder, the Client also acknowledges that:

- (a) if one of the joint holders dies, all holdings under the joint holder record must be transferred into new holdings under a new holder record in the name of the surviving holder(s) (these Sponsorship Terms remains valid for the new holdings under the new holder record); and
- (b) if one of the joint holders becomes bankrupt, Pershing will:
  - (i) establish a new holder record in the name of the joint holder that is bankrupt, transfer that person's interest 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 (unless the legally appointed representative of the bankrupt holder elects to remove the holdings from the CHESS subregister); and
  - (ii) establish a new holder record in the names of the other joint holders and transfer their interest into new holdings under the new holder record.

3.3 The Client acknowledges that if a transfer is taken to be effected by the Client under Section 9 of the ASX Settlement Rules and the Source Holding for the transfer is a Participant Sponsored Holding under these Sponsorship Terms, then:

- (a) the Client may not assert or claim against ASX Settlement or the relevant Issuer that the transfer was not effected by Pershing or that Pershing was not authorised by the Client to effect the transfer; and
- (b) unless the transfer was taken to have been effected by a Market Participant of an Approved Market Operator or a Clearing Participant of ASX Clear, the Client 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.

3.4 The Client acknowledges that Pershing is entitled to rely on all instructions and communications provided by the Intermediary to Pershing with respect to the Client's holding sponsored under these Sponsorship Terms. Pershing may also provide communications to the Intermediary (as the agent of the Client) with respect to the Client's holding.

### 4. SECURITY, OTHER INTERESTS AND SUB-POSITIONS

4.1 If the Client instructs Pershing that financial products are to be (lodged with or reserved by ASX Clear or ASX Settlement (including as a subposition) as cover for written positions in the market for exchange traded options operated by ASX, the Client:

- (a) authorises Pershing to reserve the financial products in the ASX Clear subposition so that the financial products come under the control of ASX Clear and are subject to the security interest granted in favour of ASX Clear to secure the performance by Pershing of its obligations to ASX Clear under and in accordance with ASX Clear Operating Rule 14.6.7;
  - (b) authorises any subsequent dealing (including without limitation, any transfer) of the reserved financial products in accordance with the ASX Settlement Rules and ASX Clear Operating Rules;
  - (c) acknowledges that the financial products will remain subject to that security interest for so long as those financial products remain reserved in the ASX Clear subposition in accordance with ASX Clear Operating Rule 14.6.7; and
  - (d) authorises Pershing to take whatever action is required by ASX Clear, ASX Settlement in accordance with the ASX Settlement Rules to give effect to that cover. Those financial products will be subject to the requirements, restrictions and effects of the ASX Settlement Rules for financial products which are lodged with or reserved by ASX Clear or ASX Settlement (including in a subposition) under the ASX Settlement Rules, and the Client is taken to have authorised any action, consequence or dealing that takes place as contemplated by the ASX Settlement.
- 4.2 If Client instructs Pershing that a charge or other interest in financial products has been or is to be given to a person, then the Client authorises Pershing to take whatever action is

reasonably required by that person in accordance with the ASX Settlement Rules to give effect to or record that interest

4.3 Pershing may take steps to create or reserve a subposition over the Client's holding in the circumstances contemplated by clauses 4.1 or 4.2. Pershing may also create a subposition if the Client consents. If Pershing does this, the Client's ability to transfer, convert or otherwise deal with the financial products will be restricted in accordance with the ASX Settlement Rules and in particular with those relating to subpositions.

## 5. INFORMATION

5.1 The Client must promptly give Pershing any information or documents that Pershing asks for to enable Pershing to:

- (a) perform its obligations or to act as the Client's "controlling participant" or agent under these Sponsorship Terms; or
- (b) comply with the requirements of ASX Settlement or the ASX Settlement Rules.

5.2 The Client must, in respect of each holder record (which exists or is to be created) for the Client, ensure that Pershing is advised of the registration details (including any applicable residency indicator).

5.3 The Client must ensure that the information referred to in clause 5.2 above is provided to Pershing:

- (a) as soon as possible after the Client places an order with a trading participant (including an order relating to FOR financial products) but in any event, not later than 2 business days prior to the scheduled settlement date of the relevant market transaction; and
- (b) if the Client's registration details have changed, as soon as possible after that time.

5.4 If the Client does not ensure that Pershing is advised of a residency indicator but Pershing has been provided with a street address, then Pershing will be taken to have been advised that, if the relevant street is:

- (a) a street located in Australia, a residency indicator of "D" (for domestic) applies with respect to that holder record; or
- (b) a street located outside Australia, a residency indicator of "F" (for foreign) applies with respect to that holder record.

5.5 If Pershing suffers any claim, liability, direct or consequential loss (including to ASX Settlement or an issuer) or incur any cost, charge or expense of any nature as a result of the Client providing (or procuring the provision) or being taken to provide inaccurate registration details, or failing to provide (or procure the provision of) accurate registration details, the Client must on demand fully indemnify Pershing and keep Pershing fully indemnified in respect of such claim, liability, loss, cost, charge or expense:

- (a) as soon as possible after the Client places an order with a trading participant (including an order relating to FOR financial products) but in any event, not later than 2 business days prior to the scheduled settlement date of the relevant market transaction; and
- (b) if the Client's registration details have changed, as soon as possible after that time.

5.6 Information or documents the Client gives to Pershing may be disclosed:

- (a) to any person for these purposes;
- (b) if required by any regulatory authority (including ASX Settlement) or if allowed or required by law; or
- (c) to Pershing's officers, employees, advisers and agents; or
- (d) with the Client's consent; or
- (e) to enable Pershing to enforce its rights.

## 6. FEES AND INDEMNITIES

6.1 The Client must pay Pershing fees in connection with these sponsorship arrangements as advised by Pershing to the Client or the Intermediary from time to time.

6.2 If the Client does not pay Pershing an amount when it is due, Pershing can charge interest on the overdue amount. Pershing does this using the method and interest rate Pershing determines from time to time.

6.3 The Client indemnifies Pershing against, and the Client must therefore pay Pershing on demand for liability, loss or costs (including consequential or economic loss) Pershing suffers or incurs:

- (a) in connection with Pershing performing its obligations under these Sponsorship Terms; or
- (b) in connection with Pershing acting as the Client's "controlling participant" or agent for the purposes of CHES; or
- (c) if the Client does something that the Client agrees not to do, or don't do something that the Client agrees to do, under these Sponsorship Terms.

6.4 The Client must pay to Pershing these amounts when Pershing asks. Pershing may also debit any of these amounts

to any account the Client has with Pershing even if Pershing does not expressly ask the Client to pay Pershing.

6.5 The indemnity in clause 6.3 is a continuing obligation, independent of the Client's other obligations to Pershing. It continues even after these Sponsorship Terms are terminated. It is not necessary for Pershing to incur expense or make payment before enforcing a right of indemnity conferred by these Sponsorship Terms.

## 7. SUSPENSION FROM CHES

7.1 If Pershing is suspended from CHES participation, (subject to the assertion of an interest in financial products controlled by Pershing, by the liquidator, receiver, administrator or trustee of Pershing) the Client has the right, within 20 business days of ASX Settlement giving notice of the suspension, to give a notice to ASX Settlement requesting that the Client's holdings sponsored under these Sponsorship Terms be removed either:

- (a) from the CHES subregister; or
- (b) pursuant to rule 12.19.10 of the ASX Settlement Rules from Pershing's control to the control of another Sponsoring Participant with whom the Client has entered into a valid sponsorship agreement.

Under rule 12.19.11 of the ASX Settlement Rules, if the Client does not give ASX Settlement such a notice, ASX Settlement may effect a change of controlling participant, in which case the Client will be deemed to have entered into a new sponsorship agreement with the substitute controlling participant on the same terms as these Sponsorship Terms. Where the Client is deemed to have entered into a new sponsorship agreement in accordance with this clause, the controlling participant must enter into a sponsorship agreement with the Client within 10 Business Days of the change of controlling participant.

## 8. COMPLAINT PROCEDURES

8.1 Except as referred to in clause 8.2, no external compensation arrangements apply to the Client in relation to this sponsorship agreement.

8.2 If Pershing breaches a provision of these Sponsorship Terms and the Client makes a claim for compensation pursuant to that breach, Pershing's ability to satisfy that claim will depend upon Pershing's financial circumstances.

8.3 If a breach by Pershing of a provision of this falls within the circumstances specified under Part 7.5, Division 4 of the Corporations Regulations, the Client may make a claim on the National Guarantee Fund for compensation.

8.4 If Pershing breach these Sponsorship Terms, the Client may refer that breaches to any regulatory authority, including ASX Settlement.

## 9. CHANGE OF CONTROLLING PARTICIPANT

9.1 If the Client receives a Participant Change Notice from Pershing of the 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, the Client is under no obligation to agree to the change of controlling participant, and may choose to do any of the things set out in clauses 9.2 or 9.3.

9.2 The Client may choose to terminate these Sponsorship Terms by giving withdrawal instructions under the ASX Settlement Rules to Pershing indicating whether the Client wants to:

- (a) transfer the Client's Participant Sponsored Holding to another controlling participant; or
- (b) transfer the Client's Participant Sponsored Holding to one or more Issuer Sponsored Holdings.

9.3 If the Client does not take any action to terminate the agreement in accordance with clause 9.3 above, and does not give any other instructions to Pershing which would indicate that the Client does not agree to the change of controlling participant then, subject to clause 9.8, on the Effective Date these Sponsorship Terms will have been taken to have been 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 these Sponsorship Terms in substitution for the existing controlling participant; and
- (b) the existing controlling participant is released by the Client from any obligations arising on or after the Effective Date.

9.4 The novation in clause 9.3 will not take effect until the Client has 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.

- 9.5 The Client 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 these Sponsorship Terms 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 These Sponsorship Terms continues for the benefit of the existing controlling participant in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in clause 9.3 not binding or effective on the Effective Date, then these Sponsorship Terms will continue for the benefit of the existing controlling participant until such time as the novation is effective, and the existing controlling participant will hold the benefit of these Sponsorship Terms on trust for the new controlling participant.
- 9.7 Nothing in clauses 9.1 to 9.6 will prevent the completion of CHESS transactions by the existing controlling participant where the obligation to complete those transactions arises before the Effective Date and these Sponsorship Terms will continue to apply to the completion of those transactions, notwithstanding the novation of these Sponsorship Terms to the new controlling participant under clauses 9.1 to 9.6.
- 9.8 If the new controlling participant is not accredited under the ASX Settlement Rules to facilitate the settlement of AQUA Products and the Client's holding contains AQUA Products, Pershing will convert the AQUA Product holdings to Issuer Sponsored Holdings.
- 10. TERMINATION**
- 10.1 Subject to the ASX Settlement Rules, these Sponsorship Terms are terminated:
- if either party notifies the other in writing that it wants to terminate these Sponsorship Terms (in which case these Sponsorship Terms are terminated from the time the notice is received unless a later time is specified in this notice);
  - if Pershing becomes insolvent;
  - if Pershing's status as a Participant of CHESS is terminated or suspended; or
  - upon the giving of a withdrawal instruction by the Client to Pershing in accordance with rule 7.1.10(c) of the ASX Settlement Rules.
- 10.2 The termination of these Sponsorship Terms does not affect any rights or obligations that have accrued before that time.
- 11. ASX SETTLEMENT RULES**
- 11.1 These Sponsorship Terms are subject to the ASX Settlement Rules. The Client must not do anything that would prevent or hinder Pershing from complying with its obligations under the ASX Settlement Rules.
- 11.2 If these Sponsorship Terms are inconsistent with the ASX Settlement Rules, the ASX Settlement Rules prevail to the extent of the inconsistency.
- 12. MISCELLANEOUS**
- 12.1 Unless otherwise required or permitted by Pershing or by the ASX Settlement Rules, notices and other communications (each a Notice) under these Sponsorship Terms must be signed by or on behalf of the person giving it, addressed to the person to whom it is to be given and:
- delivered to that person's address;
  - sent by pre-paid mail to that person's address;
  - transmitted by facsimile to that person's address; or
  - transmitted by electronic mail to that person's address.
- 12.2 A Notice given to a person in accordance with this clause is treated as having been given and received:
- if delivered to a person's address, on the day of delivery if a Business Day, otherwise on the next Business Day;
  - if it is sent by pre-paid mail on the third Business Day after posting;
  - if transmitted by facsimile to a person's address and a correct and complete transmission report is received, on the day of transmission if a Business Day, otherwise on the next Business Day; and
  - if transmitted by electronic mail to a person's e-mail address and a correct and complete transmission report is received, on the day of transmission if a Business Day, otherwise on the next Business Day.
- 12.3 Where the Client is a joint holder, Pershing may treat a notice or other communication (including instructions) signed or received from one of the joint holder's as binding on all of them.
- 13. COMMENCEMENT OF PROVISIONS, WAIVER AND VARIATION**
- 13.1 Pershing can vary these Sponsorship Terms by giving the Client written notice of the variation. Pershing will give you:
- at least 8 business days notice of the variation of the variation is, in Pershing's reasonable opinion, to remove any inconsistency between these Sponsorship Terms and the ASX Settlement Rules; and
  - at least 20 business days notice in other cases.
- 13.2 Subject to clause 13.1, a provision of these Sponsorship Terms, or a right created under it, may not be waived or varied except in writing signed by the party or parties to be bound.
- 13.3 Where this agreement contains provisions which come into effect by operation of the ASX Settlement Rules on a particular date (**provision effective date**) and the provision effective date is after the date of the agreement, those provisions only have effect from the provision effective date. You can obtain details of any such provisions and effective dates from the Intermediary.
- 14. SET OFF**
- 14.1 Pershing may set off any amount Pershing owes the Client against any amount the Client owes Pershing or any of Pershing's related companies.
- 15. APPLICABLE LAW**
- 15.1 These Sponsorship Terms are governed by the laws in force in New South Wales. The Client and Pershing submit to the non-exclusive jurisdiction of the courts of New South Wales.
- 16. COPIES OF THESE SPONSORSHIP TERMS**
- 16.1 The Client is entitled to receive a copy of these Sponsorship Terms executed by Pershing. By returning one copy signed by the Client, the Client instructs Pershing not to send to it a hard copy of these Sponsorship Terms executed by Pershing. However, if the Client asks Pershing to, Pershing will provide the Client at any time with a hard copy of these Sponsorship Terms executed by both parties.
- 17. MEANING OF WORDS**
- ASX Clear** means Australian Clearing House Pty Limited ABN 48 001 314 503.
- ASIC** means the Australian Securities and Investments Commission.
- ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532) and its agents appointed under the ASX Settlement Rules.
- ASX Settlement Rules** means the business rules of ASX Settlement for CHESS.
- ASX** means ASX Limited ABN 98 008 624 691.
- bankrupt** means being in a state of "bankruptcy" as that term is defined in the ASX Settlement Rules.
- business day** has the meaning given in the ASX Settlement Rules. Generally, it means any day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and a day that Australian Stock Exchange Limited declares is not a business day.
- CHESS** stands for Clearing House Electronic Subregister System and has the meaning given in the ASX Settlement Rules. It is a system of registering financial products on computer.
- CHESS subregister** has the meaning given in the ASX Settlement Rules. Generally, it means that part of a register of financial products that is administered by ASX Settlement.
- controlling participant** has the meaning given to it in the ASX Settlement Rules. Generally it means a person who has the capacity in CHESS to transfer financial products in and out of a sponsored holding.
- conversion** has the meaning given in the ASX Settlement Rules. Generally, it means the movement of financial products from one holding on one subregister to another holding on another subregister without a change in legal ownership.
- costs** includes charges and expenses (including stamp duty and other government charges); and costs, charges and expenses in connection with legal and other advisers on a full indemnity basis.
- financial products** has the meaning given in the ASX Settlement Rules.
- FOR financial products** has the meaning given in the ASX Settlement Rules. In general, it refers to financial products which, because of legislation or a governing instrument, must not be owned beyond a specified limit by foreign persons.
- holder record** has the meaning given in the ASX Rules. Generally, it means the details recorded by securities clearing house in CHESS for the purpose of operating one or more holdings.
- holder record lock** has the meaning given in the ASX Settlement Rules. Generally, it means the facility in CHESS for preventing financial products from being deducted from a holding.
- holding** has the meaning given in the ASX Settlement Rules. Generally, it means a holding of financial products by a person, including, when introducing an example does not limit the meaning of the word to which the example relates to that example of examples of a similar kind.

**Intermediary** means the entity identified as the "Correspondent" or "Intermediary" in the Pershing Equities Terms & Conditions in the Client Application Form.

**issuer** has the meaning given in the ASX Settlement Rules.

**market transaction** has the meaning given in the ASX Operating Rules.

**Registration Details** has the meaning given in the ASX Settlement Rules. In general, it refers to the Client's name, address and a Residency Indicator.

**residency indicator** has the meaning given in the ASX Settlement Rules. In general, it refers to a code (being "D" for domestic, "F" for foreign and "M" for mixed) used to indicate the status for the purposes of the relevant legislation or governing instrument of the ultimate beneficial owner of FOR Financial Products in a holding on CHESS

**scheduled time** has the meaning given in the ASX Settlement Rules. The scheduled time varies depending on the act to which it relates.

**subposition** has the meaning given in the ASX Settlement Rules. Generally, it means an arrangement under which activity relating to the financial products may be restricted and access to the financial products given to a person other than the Client's normal sponsor.

**trading participant** has the meaning given in the ASX Settlement Rules.

**transfer** has the meaning given in the ASX Settlement Rules. Generally, it means a transfer of financial products to or from a holding on CHESS.

**withdrawal instructions** has the meaning given in the ASX Settlement Rules. Generally, it means the instructions by a person who is sponsored on CHESS for the withdrawal of financial products from the sponsored holdings.

Certain definitions refer to the ASX Settlement Rules. The Client should read those rules for the full terms of the definitions. The definition may change from time to time if the ASX Settlement Rules are changed.

The singular includes the plural and vice versa.

A reference to:

a document (including the ASX Settlement Rules) or agreement includes any variation or replacement of it;

law means common law, principles of equity, and laws made by parliament (and laws made by parliament include regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them); and any thing includes the whole and each part of it

## **PART G: PERSHING DIRECT DEBIT REQUEST AND SERVICE AGREEMENT**

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### **DIRECT DEBIT REQUEST**

If you complete Section 13 on the Application Form and sign the Application Form in the manner required, you:

- (a) request and authorise Pershing (Debit User Identification number 483229) to arrange for any amount which you owe to Pershing from time to time to be debited through the Bulk Electronic Clearing System and paid to Pershing from the account you have nominated the Application Form;
- (b) authorise Pershing to debit in accordance with the Direct Debit Agreement the account nominated by you in the Application Form with any amount Pershing 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 Part 13 of the Application 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 Pershing.

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

**Direct Debit** means the direct debit request which you make to Pershing by completing Part 13 of the Application Form and signing the Application Form.

**Financial Institution** means a financial institution with whom Pershing has a direct debit facility arrangement. Please contact your adviser to check whether Pershing 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 Section 13 of the Application Form and signing the Application Form in the manner prescribed, you authorise Pershing 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 Pershing 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, Pershing 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 Pershing; 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 Pershing 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 Pershing is liable to pay goods and services tax (**GST**) on a supply made in connection with this agreement, then you agree to pay Pershing 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 Pershing to debit the Account by providing notice to your financial adviser.
- 4.3 Pershing may make changes or terminate these arrangements at any time by giving 14 days notice in writing to you.

#### **5. DISPUTE**

## PART H: PERSHING DERIVATIVES CLIENT AGREEMENT

between a client of the  
Argonaut Securities Pty Ltd  
ABN 72 108 330 650  
AFSL No 274099.  
(BROKER)

and  
PERSHING SECURITIES AUSTRALIA PTY LTD  
ABN 60 136 184 962 AFSL No. 338264 (Pershing)

### 1. INSTRUCTIONS

#### 1.1 ASX Derivative Products

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

- (a) Options Market Contracts (sometimes referred to as Exchange Traded Options); and
- (b) other kinds of derivatives traded on ASX, but not including Futures Market Contracts (**ASX Derivative Products**).

#### 1.2 Authorisation of additional ASX Derivative Products

If the Client gives instructions to the Broker to deal in an ASX Derivative Product in which the Broker is not authorised to deal under this clause, those instructions are taken to vary this agreement to authorise the Broker to deal in that ASX Derivative Product under this clause.

#### 1.3 Right to refuse to deal

The Client acknowledges that:

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

#### 1.4 Authority to act on instructions

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

### 2. CLEARING ARRANGEMENTS AND RELATIONSHIP WITH ASX AND ASX Clear

#### 2.1 Clearing Agreement between the Broker and Pershing

The Broker is a Market Participant of ASX and is a party to a Clearing Agreement with Pershing for the purposes of the ASX Operating Rules and the ASX Clear Rules.

Pershing is a Clearing Participant of ASX and a General Participant of ASX Clear.

#### 2.2 Nature of Pershing's obligations [**ASX Clear Minimum Term 4**]

The Client acknowledges that:

- (a) notwithstanding that Pershing or the Broker may act in accordance with the instructions of, or for the benefit of, the Client, any Derivatives Contract arising from any order submitted to ASX is entered into by the Broker as principal; and
- (b) upon registration of a Derivatives Contract with ASX Clear in the name of Pershing, Pershing incurs obligations to ASX Clear as principal, even though the Derivatives Contract may have been entered into on the Client's instructions.

#### 2.3 Obligations of Client owed to Pershing

On execution of a Derivatives Transaction in an ASX Derivative Product by the Broker on behalf of the Client, the Client owes obligations to Pershing in relation to that Derivative Transaction including the obligations set out in this agreement.

Where the Client owes an obligation to deliver funds, security or information to Pershing that obligation will not be satisfied by delivery to the Broker.

#### 2.4 Misdirected Transactions

The Client acknowledges that, if at any time Derivatives Transactions executed by the Broker are also to be cleared through a Clearing Participant (other than Pershing):

- (a) the Broker may, incorrectly or otherwise, direct a Derivatives Transaction which it has executed on the Client's behalf to a Clearing Participant other than Pershing (**Misdirected Transaction**);
- (b) Pershing will not carry the settlement obligations in respect of any Misdirected Transaction; and

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

### 6. ACCOUNTS

Pershing 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 Pershing are correct by checking them against a recent Account statement.

### 7. CONFIDENTIALITY

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

- (c) Pershing will not give the Client a confirmation in respect any Misdirected Transaction.

#### **2.5 Rights of Client [ASX Clear Minimum Term 4]**

The Client acknowledges that any benefit or right obtained by Pershing upon registration of a Derivatives Contract with ASX Clear by novation of a contract under the ASX Clear Rules or any other legal result of registration is personal to Pershing and the benefit of that benefit, right or legal result does not pass to the Client. The Client has no rights, whether by way of subrogation or otherwise, against ASX or ASX Clear in relation to any transactions by Pershing (or the Broker or any other Market Participant or Clearing Participant) in any Derivatives Contract.

#### **2.6 Appointment as agent [ASX Clear Minimum Term 10]**

The Client irrevocably appoints severally ASX Clear, and every director, manager and assistant manager for the time being of ASX Clear, at the option of ASX Clear (as applicable) to do all acts and execute all documents on the Client's behalf for the purpose of exercising the powers conferred on ASX Clear under ASX Clear Rule 15 including, the power to transfer or close out Derivatives Contracts if Pershing commits an event of default.

#### **2.7 Application of ASX Operating Rules and ASX Clear Rules [ASX Clear Minimum Term 1]**

The Client and Pershing agree that the terms of their relationship in respect of Derivatives Contracts, and any dealings between them concerning Derivatives Contracts are subject to, and that they are bound by the Corporations Act, the ASX Operating Rules, the ASX Clear Rules and the procedures, customs, usages and practices of ASX, ASX Clear and their related entities, as amended from time to time, in so far as they apply to Derivatives Contracts.

### **3. MARGIN CALLS AND COVER**

#### **3.1 Pershing may call for funds or security [ASX Clear Minimum Term 6]**

Pershing may call for payment of money or the provision of other security (**Pershing Cover**) which Pershing considers, in its absolute discretion, appropriate in connection with the obligations incurred by Pershing in respect of Derivative Contracts entered into for the account of the Client. The Client acknowledges that Pershing is entitled to call for Pershing Cover under this clause 3.1 of an amount or value which exceeds the amount of the Cover which Pershing is required to provide to ASX Clear in respect of the Derivative Contracts registered with ASX Clear in a Client Account in respect of the Client. The time by which the Client must pay any amount called or provide security is of the essence. The Client must pay the amounts, or provide the relevant security, within 24 hours of the call for payment.

#### **3.2 Application of funds or financial products to satisfy calls**

The Client authorises Pershing to withdraw or otherwise apply funds or financial products held on the Client's behalf to partially or fully satisfy such calls.

#### **3.3 Authority to provide Cover**

If the Client makes money or financial products available to Pershing as Pershing Cover (whether by delivery to Pershing or application by Pershing under this agreement), the Client:

- (a) warrants that the Client is legally entitled and authorised to do so, and that the Pershing Cover is free from all Encumbrances;
- (b) undertakes that the Pershing Cover will not become subject to any Encumbrance at any time other than in favour of ASX Clear; and
- (c) authorises Pershing to pay the money and/or make the financial products available to ASX Clear as Cover.

#### **3.4 Interest on Cover**

No interest is payable on moneys or other security provided by the Client to Pershing under this clause.

#### **3.5 Pershing may use moneys as Cover**

Pershing may itself provide money or other financial products to ASX Clear as Cover for its Clearing Obligations and Pershing will retain any interest it receives on such moneys.

### **4. COMMISSIONS AND FEES [ASX Clear Minimum Term 8]**

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

Commission is payable to Pershing on a contract executed by Pershing for the transfer of Underlying Financial Products following the exercise of a Derivatives Contract. Pershing will pass on part of that commission to the Broker.

Commission charged by the Broker to the Client is also collected by Pershing on behalf of the Broker. Pershing will account to the Broker for such commission after deducting fees which Pershing charges to the Broker.

### **5. MONEYS AND DEFAULT**

#### **5.1 Client funds and property [ASX Clear Minimum Term 15]**

Pershing must deal with any money and property paid or given to Pershing in connection with the Pershing/Client relationship in accordance with the Corporations Act and the ASX Clear Rules.

#### **5.2 Combination, deposit and use of funds [ASX Clear Minimum Term 15]**

- (a) The Client acknowledges that the Client's monies and the monies of other clients of Pershing may under the ASX Clear Rules be combined and deposited by Pershing in a trust account or clients' segregated account. The Client acknowledges that all monies credited to the clients' segregated account maintained by Pershing may be used by Pershing to meet the default of any client of Pershing.
- (b) Despite clause 5.2(a), Pershing agrees that it will only pay the Client's monies into a trust account.

#### **5.3 Set Off**

Pershing is entitled to set off any monies received from the sale of financial products on the Client's behalf against any monies due to Pershing by the Client on any account.

#### **5.4 Default [ASX Clear Minimum Term 7]**

If:

- (a) the Client fails to pay, or provide security for, amounts payable to Pershing or fails to perform any obligation arising pursuant to the exercise or settlement of a Derivatives Contract;
- (b) the Client becomes bankrupt or enters into a composition or arrangement for the benefit of creditors or, being a company, a liquidator is appointed to the Client or an administrator, receiver, receiver and manager or official manager is appointed over all or a part of the Client's property or an encumbrancer or its agent takes possession of all or part of the Client's property or the Client enters into any scheme of arrangement with creditors under Part 5.1 of the Corporations Act;
- (c) the Client makes any representation that is incorrect or misleading in any material way with the result that loss or damage is, or is likely to be, suffered by Pershing;
- (d) in the absence of the Client making alternative arrangements, the Client is at any time not contactable by the Broker immediately in order for Pershing to obtain instructions or call for payment of money or the provision of other security;
- (e) the conduct of the Client is such that a reasonably prudent correspondent would be of the view that the Client would be unable to comply with all the Client's obligations under this agreement, including strict compliance with any time limits;
- (f) the Client fails to complete a contract for the transfer of Underlying Financial Products following the exercise of an Derivatives Contract;
- (g) a guarantee or other security provided by the Client to Pershing is withdrawn or becomes ineffective and other replacement security acceptable to Pershing is not provided;
- (h) the Client "fails to settle" for the purpose of the terms of the Client's agreement with Pershing set out in the Disclosure Statement (if any) provided to the Client by the Broker in respect of the clearing and settlement of transactions in financial products quoted on ASX or other Market Transactions; or
- (i) any other event occurs which Pershing and the Client have agreed in this agreement constitutes a default, (each a **default**), Pershing may, in addition to any other rights which it may have against the Client, without giving prior notice to the Client, take any action, or refrain from taking action, which it considers reasonable in the circumstances in connection with Derivatives Contracts registered in the Client Account or otherwise entered into for the account of the Client (including, Derivatives Contracts arising from those contracts) and, Pershing may:
  - (j) enter into one or more transactions (whether on-market or by private contract, together or in lots for cash or credit and for a price or prices upon such terms and conditions in all respects as Pershing sees fit) to effect the close out of one or more Derivatives Contracts in accordance with the ASX Clear Rules;
  - (k) exercise one or more Derivatives Contracts in accordance with the ASX Clear Rules;
  - (l) enter into or execute any Cash Market Transaction or Derivatives Transaction (including a Futures Market Contract) as Pershing sees fit, whether or not the Client is permitted under clause 1;
  - (m) sell or cause to be sold:
    - (i) any or all of the Client's property, including any security lodged with Pershing (whether the property or security had been lodged with Pershing in connection with this

agreement or for any other reason) or held by Pershing or its Related Bodies Corporate on behalf of the Client or in a Holding in respect of which Pershing, its nominee company or a Related Body Corporate of Pershing is the Controlling Participant; and

- (ii) any financial products held by Pershing in an account for the Client or otherwise held (including any financial products in a Holding in respect of which Pershing, its nominee company or a Related Body Corporate of Pershing is the Controlling Participant);
- (n) exercise any other power, right or remedy which Pershing may have under this agreement or in law or equity;
- (o) exercise or cause to be exercised any other rights conferred by the ASX Operating Rules, the ASX Clear Rules or this agreement or perform any other obligations arising under the ASX Operating Rules, the ASX Clear Rules or this agreement in respect of any Derivatives Contracts or Derivatives Transactions;
- (p) charge an administration fee calculated by reference to the additional cost which may be incurred by Pershing as a result of the default;
- (q) levy a default charge on the amount of up to 15% per annum;
- (r) apply any cash held by Pershing or the Broker on the Client's account or to which they have access (including any amount held), or payments received from the Client or in reduction of the Client's liability to Pershing; or
- (s) instruct the Broker to cancel any of the Client's unexecuted orders, and the Client must account to Pershing as if those actions were taken on the instructions of the Client and, is liable for any deficiency and is entitled to any surplus which may result.

In relation to any of the rights exercisable for the benefit of Pershing in the event of a default, the Client authorises Pershing and each of its directors and employees as the Client's attorney to give instructions on behalf of the Client in respect of the Client's holdings of financial products in a in respect of which Pershing, its nominee company or a Related Body Corporate of Pershing is the Controlling Participant, or held by Pershing, its nominee company or by their Related Bodies Corporate in nominee holdings, and in respect of call deposit facilities or cash management trust accounts on which they are authorised to give instructions, to enable Pershing to realise those financial products or funds and apply the proceeds in reduction of the Client's liability to Pershing and to recover Pershing's costs in so acting.

The Client must pay or reimburse Pershing any such administration fees and default charges (together with any GST payable on those amounts) immediately upon demand or at Pershing's option it may deduct such administration fees and default charges (and any GST) from any proceeds of sale, or proceeds from the close out or exercise of rights in relation to a Derivatives Contract, or other amounts otherwise payable to the Client.

Pershing will not be liable to the Client for any failure by Pershing to exercise (or any delay in the exercise by Pershing of) any power under this clause, or any loss incurred by the Client as a result of Pershing not exercising any of its powers under this clause 5 immediately, or at all, following an event of default by the Client. The Client acknowledges that Pershing, in exercising any of its rights under this clause 5.4, is entitled to act to protect its own interests and is under no obligation to subordinate the protection of its own interests to those of the Client.

#### **5.5 Effect of liquidation of contract following default**

Upon close out of any Derivatives Contract in accordance with clause 5.4, the Client is liable to pay to Pershing any amount owing to Pershing in respect of that contract. If the Client fails to make that payment within the time specified by Pershing (which time is of the essence), Pershing may deal with any of the Client's money or other property held by Pershing and apply the proceeds against that amount.

#### **5.6 Assignment to the Broker of amounts owing**

If the Client has not paid any amount due to Pershing under this agreement, in addition to its rights under clause 5.4, Pershing may assign that debt to the Broker and the assigned debt will become an obligation of the Client's to the Broker.

#### **5.7 Method of Payment**

Where money is payable to Pershing by the Client (for example where Pershing has called for payment of money under clause 3.1 or has notified the Client of commissions and fees in accordance with clause 4), the Client:

- (a) is not permitted to make payment in cash; and
- (b) will be entitled to make payment from a cheque or savings account by BPAY, where the relevant document provided by the Broker (such as a confirmation or notice as the case may be) bears a Biller Code. Payment by this means will only be

acceptable to Pershing if the Client quotes the relevant Biller Code and its BPAY reference number.

#### **5.8 Release**

In consideration of Pershing entering into this agreement with the Client, the Client releases Pershing (and its related bodies corporate and their respective directors, officers, employees and agents) (the **Released Parties**) in respect of all present or future claims the Client may have against the Released Parties or any of them arising out of or in connection with the exercise by Pershing of any of its rights under this clause 5.

#### **6. ACKNOWLEDGMENTS AND WARRANTIES**

##### **6.1 Change of Participant [ASX Clear Minimum Term 16]**

If the Client receives a Participant Change Notice from Pershing and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Participant, the Client is under no obligation to agree to the change of Participant, and may choose to do any of the things set out below.

The Client may choose to terminate this agreement in accordance with clause 10.1 or by giving instruction to Pershing, indicating that the Client wishes to transfer its Derivatives Contracts to another Participant.

If the Client does not take any action to terminate this agreement and does not give any other instructions to Pershing which would indicate that the Client does not agree to the change of Participant then, on the Effective Date, this agreement will have been taken to be novated to the new Participant and will be binding on all parties as if on the Effective Date:

- (a) the new Participant is a party to these this agreement in substitution for Pershing;
- (b) any rights of Pershing are transferred to the new Participant; and
- (c) Pershing is released by the Client from any obligations arising on or after the Effective Date, and the Client will also be taken to have consented to and authorised:
- (d) the transfer to the new Participant of all the Client's open Derivatives Contracts as at the Effective Date so that they will be registered with ASX Clear in the new Participant's name;
- (e) the payment or transfer to the new Participant (or a Controlling Participant or nominee nominated by the new Participant) on the Effective Date of all money and other security (including all Pershing Cover) provided to Pershing under this agreement before the Effective Date to be held by the new Participant (or by the nominee or in a Holding in respect of which the new Participant (or another Controlling Participant nominated by the new Participant) is the Controlling Participant as the case may be) under clause 3 of this agreement as novated,

and, if the Client has executed before the Effective Date a Registered Holder Collateral Cover Authorisation under which the Client authorised a Controlling Participant to reserve (or withdraw) financial products registered in the Client's name in the ASX Clear Subposition as Collateral Cover for obligations in respect of Derivatives Contracts registered with ASX Clear in Pershing's name in a Client Account in respect of the Client, the Client is also taken to have appointed the new Participant and each director, secretary and officer of the new Participant for the time being as the Client's attorney to complete and execute a Registered Holder Collateral Cover Authorisation under which the Client authorises that Controlling Participant to reserve (or withdraw) financial products registered in the Client's name in the ASX Clear Subposition as Collateral Cover for obligations in respect of Derivatives Contracts registered with ASX Clear in the new Participant's name in a Client Account in respect of the Client.

The novation cannot take effect until the Client has received a notice from the new Participant confirming that the new Participant consents to acting as the Participant for the Client. The Effective Date may as a result be later than the date set out in the Participant Change Notice.

The Client will be taken to have consented to the events referred to above by the doing of any act which is consistent with the novation of this agreement to the new Participant (for example by giving an instruction to the new Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.

This agreement continues for the benefit of Pershing in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation not binding or effective on the Effective Date, then this agreement will continue for the benefit of Pershing until such time as the novation is effective, and the existing Participant will hold the benefit of this agreement on trust for the new Participant.

Nothing in this clause 6.1 will prevent the completion of Derivatives Transactions or Derivatives Contracts by Pershing where the obligation to complete those transactions or contracts arises before

the Effective Date and this agreement will continue to apply to the completion of those contracts, notwithstanding the novation of this agreement to the new Participant under this clause 6.1.

### **6.2 Explanatory Booklet and other documents [ASX Clear Minimum Term 3]**

The Client has received and read a copy of the current explanatory booklet published by ASX in respect of each ASX Derivative Product. This does not apply in relation to a Client that is a Wholesale Client.

The Client acknowledges that it has read and understood the documents (if any) given to it under ASX Clear Rule 7.1.1(b).

### **6.3 Risk and investment in ASX Derivative Products [ASX Clear Minimum Term 3]**

The Client acknowledges that trading in ASX Derivative Products incurs a risk of loss as well as a potential for profit.

The Client acknowledges that it has given consideration to its objectives, financial situation and needs and has formed the opinion that dealing in ASX Derivative Products is suitable for its purposes.

### **6.4 Dealing as Principal and Pershing taking opposite position [ASX Clear Minimum Terms 5 and 17]**

The Client acknowledges that Pershing may, in certain circumstances permitted under the Corporations Act and the ASIC Market Integrity Rules, or the ASX Clear Rules, take the opposite position in a Derivatives Contract, either acting for another client or on its own account. The Client acknowledges that it may only transact in Derivative Transactions if it is not a U.S. person as that term is defined in Rule 902(k) of Regulation S under the Securities Act 1933 (United States).

### **6.5 Confirmations**

The Client acknowledges that any confirmation (contract note/daily statement) dispatched electronically to the Client by Pershing on its own behalf or on behalf of the Broker is subject to:

- (a) the terms and conditions of this agreement;
- (b) the ASIC Market Integrity Rules, ASX Operating Rules, directions, decisions and requirements of ASX and where relevant, the ASX Settlement Rules;
- (c) the customs and usages of the Market (as defined in the ASIC Market Integrity Rules); and
- (d) the correction of errors and omissions.

### **6.6 Cancellation of trades**

The Client authorises Pershing, and agrees that Pershing may, without the Client's consent, cancel or amend (or request or agree to the cancellation or amendment of) any Derivatives Contract to which a confirmation relates:

- (a) if ASX exercises its power under the ASX Operating Rules to cancel or amend (or require the cancellation or amendment of) the Derivatives Transaction or Derivatives Contract; or
- (b) in the event of an Error (as defined in the ASX Operating Rules) or otherwise in the circumstances contemplated in the ASX Operating Rules.

The obligations of Pershing and the Client relating to the settlement of a transaction cease to apply in respect of a cancelled transaction from the time it is cancelled.

## **7. INFORMATION**

### **7.1 Provision of Information [ASX Clear Minimum Term 2]**

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

### **7.2 Tape recording of conversations [ASX Clear Minimum Term 9]**

The Client agrees that Pershing may record telephone conversations between the Client and Pershing. The Client also agrees that Pershing may use such recordings for the purposes of resolving disputes, and monitoring compliance by the Client, or the Broker with their regulatory and contractual obligations. If there is a dispute between the Client and Pershing, the Client has the right to listen to any recording of those conversations. Nothing in this agreement obliges Pershing to keep a recording longer than 90 days.

## **8. ALLOCATION (GIVE UP)**

### **8.1 Pershing must consent to any give up**

The Client acknowledges that Pershing is obliged as principal and has the Clearing Obligations in respect of all transactions in relation to ASX Derivative Products which are executed by the Broker on behalf of the Client, unless, in relation to a specified Derivatives Contract (**Allocated Trade**):

- (a) the Client has consented to the allocation of the Derivatives Contract to another Participant;
- (b) Pershing has consented to the allocation of the Derivatives Contract to that other Participant;

- (c) Pershing has provided that consent prior to the Derivatives Contract being registered with ASX Clear;
- (d) that other Participant has accepted the allocation of that Derivatives Contract in accordance with the ASX Clear Rules; and
- (e) that other Participant has entered into a Client Agreement with the Client which complies with the ASX Clear Rules.

### **8.2 Pershing ceases to have Clearing Obligations following give up**

Clauses 3.1 and 5.4 do not apply in relation to an Allocated Trade, where the Client directs that trades be allocated to a Participant (who is not Pershing) for registration in the relevant Client Account of that other Participant and the other Participant accepts the allocation of those trades for registration, and the trade is allocated by Pershing to the other Participant in accordance with the ASX Clear Rules.

## **9. INDEMNITY**

The Client agrees to indemnify and keep indemnified Pershing from all claims, losses, liabilities, damages and costs (including legal costs on a solicitor and client basis) whatever and however arising suffered or incurred by Pershing directly or indirectly arising out of or in connection with:

- (a) Pershing acting as Clearing Participant for the purposes of the ASX Operating Rules and as General Participant for the purposes of the ASX Clear Rules as contemplated by this agreement;
- (b) the performance by Pershing of its obligations under this agreement;
- (c) any failure by the Client to strictly comply with, or to perform any of its obligations under, this agreement;
- (d) any representation or warranty given by the Client under this agreement proving to be untrue or incorrect; or
- (e) any Allocated Trade.

## **10. TERMINATION OF AGREEMENT**

### **10.1 Termination by notice [ASX Clear Minimum Term 11]**

Either the Client or Pershing may terminate this agreement at any time by giving notice in writing to the other. Termination will be effective upon receipt of the notice by the other party.

### **10.2 Effect of termination [ASX Clear Minimum Term 12]**

Termination does not affect the existing rights and obligations of the Client or Pershing at or prior to termination. Upon termination of this agreement, Pershing will close out all Derivatives Contracts held by Pershing for the account of the Client, unless, in accordance with a direction from the Client, the registration of those contracts are transferred to another Participant in accordance with the ASX Operating Rules or ASX Clear Rules.

## **11. AMENDMENT**

### **11.1 Revised Terms prescribed by ASX Clear [ASX Clear Minimum Term 13]**

If ASX Clear prescribes amended minimum terms for a Client Agreement for the purposes of the ASX Clear Rules (**New Terms**), to the extent of any inconsistency between this agreement and the New Terms, the New Terms will override this agreement and apply as if the Client and Pershing had entered into an agreement containing the New Terms.

### **11.2 Pershing to provide Client with copy of changes [ASX Clear Minimum Term 14]**

Pershing will provide a copy of the New Terms to the Client as soon as practicable after ASX Clear or ASX prescribes the New Terms.

## **12. SET OFF**

Without limiting clause 5.3, Pershing may, without notice to the Client, combine any account that the Client holds at any branch or office (in Australia or elsewhere) of Pershing with, or set off any amount in any currency that is or may become owing in any currency by Pershing (or any Related Body Corporate or Pershing) to the Client against, any amount owing by the Client to Pershing (or any Related Body Corporate of Pershing). For this purpose Pershing may:

- (a) change the terms (including the repayment date) of any account or other payment obligation between the parties;
- (b) convert amounts into different currencies in accordance with Pershing's usual practice; and
- (c) do anything (including execute any document) in the name of the Client that Pershing considers necessary or desirable.

This clause 12 overrides any other document or agreement to the contrary.

## **13. NOTICES**

Any confirmation, statement or other written notice (including legal process) served by Pershing on the Client, or served by the Client on Pershing pursuant to this agreement will be deemed to have been duly served and received:

- (a) if given by hand, at the time left at the relevant party's last known place of residence or business;

- (b) if given by mail, 2 Business Days after it is posted where the recipient party's last known address is in Australia, and ten Business Days after it is posted by airmail where the recipient party's last known address is outside Australia;
- (c) if given by telex, upon receipt of the recipient party's answer back;
- (d) if given by telegram, six hours after dispatch to the recipient party;
- (e) if given by facsimile transmission, at the time of transmission to the recipient party's last known facsimile number, or upon acknowledgment by the recipient party; or
- (f) if given electronically, upon receipt of a confirmation of delivery by the party giving the notice of the electronic mail message to the last known electronic mail address of the recipient party.

Unless otherwise specified in this agreement, notices served by Pershing on the Client need not be in writing. In particular, a call under clause 3.1 may be made by telephone to the Client by Pershing or by the Broker on Pershing's behalf.

Pershing may arrange for any notice to be given by Pershing to the Client under this agreement or the ASX Clear Rules to be given to the Client by the Broker acting as Pershing or Pershing Nominee's agent. Pershing may also provide the Broker with a copy of any such communication or notice given to the Client by (or on behalf of) Pershing.

The Client hereby indemnifies Pershing against any liability, damage, cost or expense incurred by Pershing arising out of Pershing acting (or declining to act) upon a facsimile request or instruction received by Pershing whether directly or through a request made of an officer or employee of any Related Body Corporate of Pershing from the Client or any person purporting to be the Client or the Client's Authorised Representative or agent. Pershing may reserve the right to refuse any instruction transmitted by facsimile.

#### 14. AUTHORITY

The Client acknowledges that the Client is either:

- (a) acting as principal; or
- (b) acting as an intermediary on another's behalf and is specifically authorised to transact the ASX Derivative Products, by the terms of:
  - (i) an Australian financial services licence under the Corporations Act held by the Client;
  - (ii) a trust deed (if the Client is a trustee); or
  - (iii) an agency contract.

#### 15. REPRESENTATIONS AND WARRANTIES AS TO CAPACITY

The Client represents and warrants to Pershing that:

- (a) where the Client is a body corporate, the Client is (and will remain) duly incorporated under the laws of the place of its incorporation and has full power and authority to enter into this agreement and deal in ASX Derivative Products, and any person executing this agreement has full power and authority to execute this agreement on behalf of the Client;
- (b) where the Client is a partnership, the Client has full power and authority to enter this agreement and to deal in ASX Derivative Products, and the person executing this agreement has full power and authority to execute this agreement on behalf of the Client;
- (c) where the Client is a natural person, the Client has legal capacity to execute this agreement; and

in any of the above cases, where the Client enters this agreement as trustee, the Client has full power and authority as such trustee to enter this agreement and to deal in ASX Derivative Products and has the right to be indemnified out of the assets of the relevant trust in respect of all and any of its obligations and liabilities under this agreement.

#### 16. INSTRUCTIONS AND AUTHORISED REPRESENTATIVES

##### 16.1 Powers of Authorised Representatives

The Client agrees that each of the persons stated in the application form (or otherwise notified by the Client to Pershing) to be an Authorised Representative of the Client has power for and on behalf of the Client and in the Client's name to:

- (a) give instructions to Pershing in relation to Pershing Cover of the Client or in relation to the Derivatives Transactions or Derivatives Contracts including to directing or consenting to dealing by Pershing in any Pershing Cover, Derivatives Transactions of Derivatives Contracts of the Client and any application of the proceeds of any such dealing;
- (b) request and accept drawings;
- (c) do all other acts and things (including completing, executing and delivering documents) as the Authorised Representative

thinks necessary or desirable to give effect to the above powers or otherwise in connection with this agreement; and

(d) appoint other persons (each a "Delegate") with power to exercise all or any of the powers of the Authorised Representative conferred by this clause 16.

##### 16.2 Ratification of Decisions

The Client agrees to ratify and confirm anything done by the Authorised Representative or a Delegate in the exercise of the above powers.

##### 16.3 Revocation of Power

The Client may revoke an Authorised Representative's powers by notice in writing to Pershing. A declaration by an Authorised Representative to the effect that his or her powers have not been revoked is conclusive evidence of that fact and binding on the Client.

##### 16.4 Indemnity

The Client hereby indemnifies each of Pershing against any liability, damage, cost or expense incurred by Pershing arising out of it acting upon an oral request received by it whether directly or through a request made of an officer or employee of any Related Body Corporate of Pershing from the Client or any person purporting to be the Client or the Client's Authorised Representative or agent.

#### 17. NO ADVICE

##### 17.1 Pershing does not provide financial product advice

The Client acknowledges that Pershing does not provide financial product advice, and Pershing does not accept responsibility for any financial product advice given to the Client by the Broker, and the Client must not represent to any person that Pershing has given any financial product advice to the Client.

If the Client is to trade in ASX Derivative Products on the basis of advice given to the Client by the Broker, the Client must provide the Broker with:

- (a) all information (and documentation) regarding the Client's financial situation, investment objectives and particular needs sufficient and necessary for the Broker to give informed financial product advice;
- (b) any relevant new information (and documentation) as soon as it becomes available; and

details of or any change in the Client's financial situation, investment objectives and particular needs as soon as such change occurs.

##### 17.2 Manner in which Pershing exercises its rights is not to be taken to be advice

Pershing has various rights under this agreement, including:

- (a) the right under clause 3 to require the Client to provide Pershing Cover; and
- (b) various rights under clause 5 if a default occurs in relation to the Client.

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

#### 18. GENERAL

##### 18.1 Costs and Taxes

The Client will pay Pershing on demand all stamp duty or any other tax or duty imposed by state or federal legislation and registration fees (if any) payable on or in connection with this agreement or any transaction contemplated by this agreement and any documents executed under or in connection with this agreement or any transaction contemplated by this agreement and all legal costs (on a solicitor and own client basis) and expenses of or in connection with the enforcement or attempted enforcement of this agreement and all costs and expenses including financial institutions duty and debits tax (whether payable directly by Pershing or payable by Pershing by way of reimbursement to the party liable to pay the same) in relation to all transactions (including payments, receipts and banking thereof) and all matters connected with or arising out of or contemplated by this agreement.

##### 18.2 Entire agreement

This agreement contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this agreement and has no further effect.

##### 18.3 Statements by Pershing

A statement by Pershing on any matter relating to this agreement (including any amount owing by the Client) is conclusive unless clearly wrong on its face.

##### 18.4 Exercise of rights

No failure or delay on the part of Pershing in exercising any right, power or remedy under this agreement and no course of dealing between Pershing and the Client shall operate as a waiver of any breach or default by the Client nor shall any single or partial exercise of any such right, power or remedy preclude any further or other exercise of that or any other right, power or remedy.

## 18.5 Amendments

Except as provided in this agreement (including in clause 11):

- (a) this agreement may only be amended in writing;
- (b) Pershing may amend this agreement at any time by giving written notice to the Client; and
- (c) an amendment will take effect on and from the date specified by Pershing in the notice being a date not less than 10 Business Days after the date of the notice.

## 18.6 Assignment

The rights and obligations of the Client under this agreement are not capable of assignment. Pershing may assign or transfer its rights under this agreement or in relation to any Pershing Cover without the consent of the Client and free from any rights of set-off or counterclaim. Subject to the ASX Settlement Rules, Pershing may assign or transfer its rights under this agreement without the consent of the Client and free from any rights of set-off or counterclaim.

## 18.7 Giving effect to agreement

Each party must do anything (including sign or give effect to any document) that Pershing may reasonably require, to give full effect to this agreement or the transactions contemplated by this agreement (including the provisions of clause 5).

The Client appoints Pershing and each officer of Pershing for the time being (each an **Attorney**) jointly and each of them severally to be the attorney of the Client with power in the Client's name and on behalf of the Client to execute any document or sign any agreement on the Client's behalf necessary or to give full effect to this agreement or the transactions contemplated by this agreement.

## 18.8 Trust provisions

Where the Client enters into this agreement as trustee of a trust this agreement will bind that person both in its personal capacity and in its capacity as trustee of that trust and the Client represents and warrants to Pershing that:

- (a) it can be indemnified out of the assets of the trust for all liabilities incurred under this agreement;
- (b) it will remain the owner of the Pershing Cover unless it disposes of them in accordance with this agreement;
- (c) Pershing can be subrogated to its right of indemnity;
- (d) the transactions contemplated by this agreement are for the benefit and in the best interests of the beneficiaries of the trust; and
- (e) it has properly exercised its trust powers and has full authority under the trust to enter into the document containing this agreement.

## 18.9 Joint and several liability

If the Client constitutes more than one person then each of those persons is jointly and severally bound by this agreement and Pershing are entitled to act on the instructions of any one of those persons.

## 18.10 Supervening legislation

Any present or future legislation which operates to vary the obligations of the Client in connection with this agreement, Pershing Cover with the result that Pershing's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

## 18.11 No withholding

All payments to be made to Pershing must be made without deduction or withholding. If the Client is obliged by law to deduct or withhold any amount from any payment to be made under this agreement the Client will concurrently pay to Pershing such additional amount as will result in Pershing receiving the full amount which would have been received if the deduction or withholding had not been made.

## 18.12 Currency

All payments under this agreement are to be made in Australian dollars, except as Pershing otherwise agrees. If for any reason (including any judgment or order) any amount payable by the Client under this agreement is received or recovered by Pershing in another currency which, upon conversion of the other currency into Australian dollars, is less than the amount which would have been received by Pershing if paid in Australian dollars, then the Client must as an independent obligation indemnify Pershing on demand against the deficiency.

## 18.13 Recovery of GST

If GST has application to any Supply made under or in connection with this agreement, Pershing may in addition to any amount or consideration payable to it under this agreement, recover from the Client an additional amount on account of GST, such amount to be calculated by multiplying the amount or consideration payable by the Client to it at the prevailing GST rate.

Any additional amount on account of GST recoverable from the Client under this clause shall be calculated without any deduction or

set-off of any other amount and is payable by the Client upon demand of Pershing, whether such demand is by invoice or otherwise. To the extent that any party to the Terms ("the Supplier"), is or becomes liable to pay GST in connection with any Supply made under this agreement;

- (a) the Supplier may add an amount in respect of that GST to the agreed price of the supply;
- (b) any party paying consideration for the Supply will pay the agreed price plus the amount in respect of GST; and
- (c) where required by the GST Law, the Supplier will issue a tax invoice which enables the person receiving the invoice, if permitted by the GST Law, to claim an input tax credit or refund of GST.

## 18.14 Governing law

This agreement are governed by the law in force in New South Wales and the Client, Pershing submit to the non-exclusive jurisdiction of the courts of New South Wales and courts which may hear appeals from those courts.

## 19. DEFINITIONS AND INTERPRETATION

### 19.1 Definitions

In this agreement unless the contrary intention appears:

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

**ASIC Market Integrity Rules** means the *ASIC Market Integrity Rules (Securities Markets) 2017*.

**Allocated Trade** has the meaning given to it in clause 8.1.

**ASX** means ASX Limited ABN 98 008 624 691 or, where the context requires, the market operated by it.

**ASX Clear** means ASX Clear Pty Limited ABN 48 001 314 503.

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

**ASX Derivative Product** has the meaning given to it in clause 1.

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

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532 and its agents appointed under the ASX Settlement Rules.

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

**Authorised Representative** means each of the persons stated in the application form (or subsequently notified by the Client to Pershing in a form acceptable to Pershing) to be an Authorised Representative of the Client.

**Banking Day** means a day (other than a Saturday or Sunday) on which banks are open for business in Melbourne.

**Business Day** means a day that is both a Trading Day under the ASX Operating Rules and a Business Day under the ASX Clear Rules.

**Cash Market Transaction** has the meaning given to it in the ASX Operating Rules

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

**Client** means the client named in the Client Application Form.

**Controlling Participant** has the meaning ascribed to it by ASX Settlement Rules and includes a person who upon a change of Controlling Participant would be a Controlling Participant.

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

**Derivatives Contract** means a Derivatives Market Contract or Derivatives CCP Contract (each as defined in the ASX Clear Rules) or the corresponding contract between the Broker and the Client or the Broker, as the context requires.

**Derivatives Transaction** has the meaning given to Derivatives Market Transaction in the ASX Operating Rules and where the context requires includes the sale or purchase of financial products following the exercise of a Derivatives Contract.

**Encumbrance** means any Security Interest, notice under sections 218 or 255 of the *Income Tax Assessment Act 1936* (Cth) or under any similar provision of a State, Territory or Commonwealth law, profit a prendre, equity, interest, garnishee order, writ of execution, right of set-off, assignment of income or monetary claim, and any agreement to create any of them or allow them to exist.

**Futures Market Contract** has the meaning given to it in the ASX Operating Rules.

**GST** means a goods and services tax or any similar tax imposed in Australia.

**GST Law** has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

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

**Order** means an order or instruction in respect of a client or the Broker as principal (as the case may be) in relation to a Derivatives Transaction, and includes, without limitation, an order or instruction to:

- (a) open or close a position in relation to a Derivatives Contract;
- (b) submit an Exercise Notice to ASX Clear in relation to a Derivatives Contract; and

(c) buy or sell an Underlying Financial Product.

**Pershing Cover** has the meaning given to it in clause 3.1.

**Related Body Corporate** has the meaning given to it in section 50 of the Corporations Act.

**Security Interest** means any bill of sale (as defined in any statute), mortgage, charge, lien, pledge, hypothecation, title retention arrangement, trust or power, as or in effect as security for the payment of a monetary obligation or the observance of any other obligation.

**Supply** has the meaning given to it in the GST Law.

**Underlying Financial Product** has the meaning given to it in the ASX Operating Rules.

Other words and phrases defined in the ASX Operating Rules, the ASX Clear Rules or the ASX Settlement Rules have the meaning given in the corresponding rules. The Client may inspect a copy of these rules at Pershing's offices on request.

## 19.2 Interpretation

In this agreement unless the contrary intention appears:

- (a) each gender includes the other genders;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) a reference to this agreement or another agreement includes any variation or replacement of them;
- (d) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (f) a reference to any thing (including any amount and Pershing Cover) is a reference to the whole and each part of it and a reference to a group of persons (including the Client) is a reference to all of them collectively, to any two or more of them collectively and to each of them individually;
- (g) if an example is given of anything (including a right, obligation or concept), the example does not limit the scope of that thing. For example, a reference to "including" means "including without limitation"; and
- (h) the singular includes the plural and vice versa.

## 19.3 Headings

Headings are for convenience only and do not affect the interpretation of this agreement.

## 19.4 Banking Days

If any payment falls due on a non-Banking Day it will be made on the succeeding Banking Day.

## 19.5 Clients

Where the Client comprises more than one person, the obligations of those persons under this agreement shall be joint and several, a notice or demand given to one such person shall be deemed to have been given to all such persons, and, unless expressly agreed with Pershing to the contrary, each such person shall be deemed to be the agent of the others.

# PART I: PERSHING PRIVACY POLICY AND CLIENT STATEMENT

This policy applies to information collected by Pershing Securities Australia Pty Ltd and its related bodies corporate (including Pershing Australia Nominees Pty Ltd) ("Pershing" or "we"). It outlines how we collect and use personal information that we hold about you in accordance with the Privacy Act.

## What personal information is collected?

We only collect personal information that is reasonably necessary for us to provide services. If you do not provide the information that we ask for, we may not be able to provide the products or services you have requested. We may collect information such as your name, address, phone number, email address, tax file number, bank account details, other information that may be required for identification purposes, information about your investments and transactions and other information related to the services we provide.

## How personal information is collected?

We will generally collect your personal information from your financial adviser or stockbroker in the course of you applying to open an account with your financial adviser or stockbroker and Pershing and transacting on that account. By using Pershing services you consent to Pershing collecting your information from your financial adviser or stockbroker or other person or entity who provides services to you. We may also collect information directly from you, such as when you provide the information by phone, email or in an application form or when you deal with us as a key contact or employee of a client or counterparty of Pershing.

## Use and disclosure of your personal information

Pershing may use your personal information for the primary purpose of providing securities trading and settlement services to you, as well as for related purposes such as:

- to verify your identity or transactions which you may enter into with us;
- to administer and manage the provision of our products and services;
- to provide you with offers of other Pershing products or services;
- to comply with laws and regulatory requirements including complying with any request made by a governmental authority or regulator, including in connection with legal proceedings or the prevention or detection of fraud and crime;
- to comply with Pershing's risk management policies and procedures;
- conducting due diligence as part of a pre-employment screening or acceptance of your account with Pershing; or
- another purpose related to the primary purpose.

For the purposes we have described, we may disclose your personal information:

- to our suppliers (including service and content providers), contract and service providers, professional advisers, dealers and agents;
- to government agencies or individuals responsible for the investigation and resolution of disputes or complaints covering your use of our services and facilities including for example ASIC, AUSTRAC or the OAIC;
- other parties involved in the administration of your investments including stock exchanges, product issuers, investment registries or mailing houses;
- anyone to whom our assets or business (or any part of it) is transferred (or offered to be transferred, subject to confidentiality provisions);
- other entities in the wider Pershing group; or
- where you have otherwise consented or as otherwise required or authorised by law.

## Access and correction and updating personal information

Generally, we will provide you with access to your personal information that we hold within a reasonable time of a request unless an exception applies under the Privacy Act. If you believe the personal information that Pershing holds is inaccurate, incomplete or out-of-date and we agree we will amend it. If we disagree with you about the accuracy, completeness or currency of our records, then you have the right to request that we note your disagreement in our records. You should keep us informed of any changes to your information by notifying us in writing (which may be through your financial adviser or stockbroker). We may also ask you to review, confirm and advise of us changes to your personal information.

## Storage and security of information

Pershing stores personal information in a combination of computer storage facilities, paper-based files and other records. We will take reasonable steps to protect personal information from loss, misuse, unauthorised access, modification or disclosure.

## Cross-border disclosure of personal information

We may transfer personal information to related bodies corporate and unaffiliated service providers in locations beyond Australia (including, but not limited to, the United States, India and the United Kingdom) in the course of storing that information and when using or disclosing it for one of the purposes referred to above. When transferring personal information to foreign jurisdictions, Pershing may take steps to ensure the overseas recipient of the information does not breach the Australian Privacy Principles in relation to the information. However, Pershing may be unable to ensure the overseas recipient does not breach the Australian Privacy Principles in relation to your information. This may mean for information sent overseas you do not have the protections of or any redress under the Privacy Act or in the foreign jurisdiction for any breach. The overseas recipient may not be subject to privacy obligations equivalent to those under the Privacy Act and could be compelled by foreign law to make disclosure of the information. By using Pershing services you consent to Pershing making the disclosure to overseas recipients on this basis.

### BNY Mellon's Pershing and GDPR

Pershing is a wholly owned subsidiary of Pershing Group LLC, a Bank of New York Mellon Company, headquartered in New Jersey, USA.

Privacy laws in Europe have changed with the introduction by the European Union of its General Data Protection Regulation (**GDPR**). BNY Mellon's Pershing has updated its EMEA Privacy Notice to provide more information on how your personal information is processed when you use Pershing's products or services. The revised EMEA Privacy Notice includes more details about the types of personal information collected, including:

- the categories of personal information processed;
- The lawful basis for such processing;
- The organizations with which personal information is shared;
- International transfers of personal information; and
- How long personal information is retained.

The revised EMEA Privacy Notice also explains the rights you have over your personal information, how you can exercise these rights and whom you can contact if you have any questions.

The revised EMEA Privacy Notice, which became effective May 25, 2018, can be found online at

<https://www.bnymellon.com/emea/en/privacy.jsp>.

### Contacting us and complaints

If you wish to contact us for any purpose regarding this policy including making complaint about the way we have handled your personal information (including if you think we have breached the Privacy Act) you may do so to our Head of Compliance in writing, by mail or fax to the address or fax number set out at the end of this policy. When you contact us, include your email address, name, address and telephone number and clearly describe your complaint. Our Head of Compliance will investigate the complaint and respond to you promptly. If you consider that we have failed to resolve the complaint satisfactorily, and you are an individual located in Australia, you can complain to the Office of the Australian Information Commissioner.

### Changes to this policy

This policy is subject to change from time to time as Pershing considers necessary. We will publish material changes by making them available to you through your financial advisor or stockbroker or elsewhere updating the policy in the places it is published including in our standard forms and documents.

## PERSHING SECURITIES AUSTRALIA PTY LTD

### Head of Compliance

Level 2, 1 Bligh Street  
Sydney NSW 2000

Ph: 02 8999 4000

Fax: 02 8999 4099

## PART J: PERSHING'S FINANCIAL SERVICES GUIDE (FSG)

Issued by Pershing Securities Australia Pty Ltd

ABN 60 136 184 962

Australian Financial Services Licence No. 338264

Date FSG was prepared: [1 March 2019]

### 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 Pershing 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>Correspondent</b>	Your Broker or Financial Intermediary, as the case may be.
<b>ETOs</b>	Exchange Traded Options
<b>Financial Intermediary</b>	An AFSL holder who has engaged Pershing to execute and clear transactions on a Relevant Exchange.
<b>FSG</b>	Financial Services Guide
<b>IDPS</b>	Investor Directed Portfolio Services
<b>International Securities Trader</b>	A Pershing group entity or a third party authorised to provide securities dealing and/or custody services on an international market.
<b>MDA</b>	Managed discretionary accounts, being a service which a Correspondent may provide to you under which you authorise the Correspondent to manage an investment portfolio on your behalf and to make investments decisions in relation to the portfolio in accordance with an investment program agreed with you.
<b>PDS</b>	Product Disclosure Statement
<b>Pershing, we, us, our</b>	Pershing Securities Australia Pty Ltd ABN 60 136 184 962; AFSL No. 338 264
<b>Pershing Nominees</b>	Pershing Australia Nominees Pty Ltd ACN 137 911 730, a wholly owned subsidiary of Pershing, or another nominee company appointed by Pershing
<b>Relevant Exchange</b>	ASX or Chi-X or any other securities exchange on which Pershing transacts, or the financial markets operated by them (as the context requires).

### 2. Purpose of this FSG

This FSG provides information about:

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

This FSG has been prepared by Pershing and was prepared on [1 March 2019] to assist you in deciding whether to use the services we provide. You should read it carefully and make sure you understand it.

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

### 3. Who is Pershing?

Pershing is licensed under the Corporations Act (Australian Financial Services Licence (**AFSL**) No 338 264) to provide financial services and is a Trading Participant of ASX, a Participant of Chi-X, 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**). Pershing may become a participant of other Relevant Exchanges from time to time. Pershing is a wholly owned subsidiary of Pershing Group LLC, a Bank of New York Mellon Company, headquartered in New Jersey, USA.

Pershing has authorised the distribution of this FSG.

#### 4. The services offered by Pershing

Pershing is authorised under its AFSL to:

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

Pershing provides/arranges to provide execution, clearing, settlement and nominee services. You have received a copy of this FSG because the Correspondent has arranged for Pershing 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**

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

For this purpose, you will become a client of Pershing and you will owe your settlement obligations in respect of that transaction directly to Pershing 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 Pershing provides and the terms of your agreement with Pershing in respect of the those services.

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

Pershing may also be engaged by a Financial Intermediary to provide to clients of the Financial Intermediary, execution and clearing services in securities and interests in managed investment schemes. This means that Pershing will execute or facilitate the transaction on a Relevant Exchange for you and clear and settle those transactions. Pershing may also settle for you transactions not executed on a Relevant Exchange (e.g. primary market transactions or off market transactions).

As a client of one of those Financial Intermediaries, you may effect a transaction in securities or interests in managed investment schemes on a Relevant Exchange by providing instructions to the Financial Intermediary. The Financial Intermediary will then, as your agent, communicate your instructions to Pershing who may then execute the transaction on a Relevant Exchange for you or facilitate settlement of the transaction. For this purpose, you will become Pershing's client. In addition, Pershing will also clear all transactions in securities or interests in managed investment schemes that Pershing has executed on your behalf under this arrangement. Accordingly, Pershing will be responsible for the settlement obligations in respect of those transactions. For this purpose, you will become a client of Pershing and you will owe your settlement obligations in respect of those transactions directly to Pershing and not to the Financial Intermediary.

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

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

Pershing may also be engaged by a Broker to clear the transactions in ETOs executed on ASX by the Broker. If you are a client of one of those Brokers and you effect a transaction in an ETO on ASX through the Broker, Pershing (as clearer) will be responsible for the settlement obligations in

respect of that transaction. For this purpose, you will become a client of Pershing and you will owe your settlement obligations in respect of that transaction directly to Pershing, not to the Broker. If you are a client of one of those Brokers, and wish to trade in ETOs on ASX through it, you will need to enter into a Derivatives Client Agreement with Pershing.

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

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

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

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

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

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

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

##### e) **Clearing services for transactions in Exchange Traded Options "given up" to Pershing on ASX**

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

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

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

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

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

Pershing 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, Pershing will be responsible for the settlement obligations in respect of those transactions. For this purpose, you will become

a client of Pershing and you will owe your settlement obligations in respect of those transactions directly to Pershing and not to the Correspondent or the International Securities Trader.

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

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

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

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

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

**h) Settlement and nominee services – MDA accounts**

Pershing may be engaged to provide settlement and nominee services as described in paragraph 4 **Error! Reference**

**source not found.** above to clients of the Correspondent in connection with the provision to the Client by the Correspondent of managed discretionary account (**MDA**) services. In that event, Pershing will be responsible only for the following services:

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

The Correspondent will be responsible for the following:

- management of your Investments based on an investment program agreed between you and the Correspondent, including the making of all investment decisions on your behalf in connection with your Investments;
- arranging for transactions to be executed on a Relevant Exchange for you by a Trading Participant of a Relevant Exchange (other than Pershing and the Correspondent);
- giving instructions to Pershing 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 Pershing 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 Pershing.

**i) CHES Sponsorship services**

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

**j) Nominee and custody services**

Pershing may, in its absolute discretion, arrange for its wholly owned subsidiary, Pershing Nominees and/or another entity to provide nominee and other custody services for clients of the Correspondents for whom it provides clearing

services and other clients. If you want Pershing to arrange for Pershing Nominees to provide nominee or custody services to you, you will need to enter into an agreement for this purpose. Where Pershing provides nominee services the financial products held by Pershing on your behalf may be held in the same account in which Pershing Nominees holds securities for other persons.

**k) Other services**

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

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

**5. Capacity in which Pershing acts**

The capacity in which Pershing 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**

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

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

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

We act as principal (and not as agent for the Financial Intermediary) in relation to the clearing and settlement of such transactions. However, there may be certain activities which we will perform as agent for another person (such as the despatch by us of confirmations to clients as agent for the Financial Intermediary that arranged for the execution of the transaction). In clearing the transaction, Pershing acts as agent for the client for whom the transaction was executed. However, we will owe the settlement obligations in respect of that transaction to ASX Clear as principal.

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

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

In order to provide these services to you, Pershing (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 Pershing which enables Pershing to ultimately call upon you to satisfy these obligations).

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

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

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

The rights of Pershing against the ASX Group in respect of any transaction in ETOs executed on ASX for which

Pershing has the settlement obligations will be personal to Pershing, and the benefit of those rights will not pass to the client for whom the transaction was executed. Accordingly, in clearing the transaction and being the registered holder of the ETO, Pershing acts as principal and not as an agent or trustee for the client. However, Pershing will owe corresponding obligations to the client as a principal.

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

Pershing acts as principal in relation to the execution of your orders which are communicated to it by the Financial Intermediary for execution on ASX on your behalf. We act as principal (and not as agent for the Financial Intermediary) in relation to the clearing and settlement of such transactions. Pershing also acts as principal in respect of transactions in ETOs executed on ASX on your behalf for which Pershing accepts the "give up". However, there may be certain activities which Pershing will perform as agent for another person (such as the despatch by Pershing of confirmations to clients as agent for the Financial Intermediary who arranged for that transaction to be executed). The rights of Pershing against the ASX Group in respect of any transaction in ETOs executed on ASX for which Pershing has the settlement obligations will be personal to Pershing, and the benefit of those rights will not pass to the client for whom the transaction was executed. Accordingly, in clearing the transaction and being the registered holder of the ETO, Pershing acts as principal and not as an agent or trustee for the client. However, we will owe corresponding obligations to the client as a principal.

**f) Settlement and nominee services**

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

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

**g) Sponsorship services**

Pershing acts as principal in providing sponsorship services to clients.

**h) Nominee and custody services**

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

**i) Other services**

Pershing 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 Pershing, you must contact the Correspondent (and not Pershing directly).

**7. How we are remunerated**

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

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

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

You or the Correspondent may be charged fail fees by Pershing 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.

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

You may also be charged brokerage or commission or other fees by Pershing on a contract for the transfer of underlying securities following the exercise of an ETO at a rate determined by Pershing and advised to you from time to time. All or part of this fee or commission may be passed on to the Correspondent.

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

**b) Remuneration for CHESSE sponsorship services**

Pershing may charge you a fee for providing you with CHESSE sponsorship services. You will be advised in writing of the fee (if any) to be charged by Pershing before you agree to receive CHESSE sponsorship related services from Pershing. Pershing may also charge the Correspondent fees relating to the provision of CHESSE sponsorship services to you, and the Correspondent will be advised in writing of the fee (if any) to be charged by Pershing.

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

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

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

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

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

Pershing may also receive commissions, trailing commission or other benefits from other entities. As a guide, Pershing 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 Trusts Providers	Ongoing commissions can range from 0.15% pa to 0.65% per annum on balance invested
Foreign Exchange	A percentage of the fee charged by the International Securities Trader in entering foreign exchange contracts to facilitate settlement of an international securities transaction. Pershing may charge to clients an amount for transactions in foreign currencies which is between 0.1% and 1.0% of the relevant Australian dollar transaction amount.
Stock lending fees	Where Pershing is facilitating securities lending to cover short sales requested by you or your Correspondent, Pershing may receive fees or interest from the relevant securities lender.

**9. How our representatives are remunerated**

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

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 Pershing.

**10. Referral fees**

Pershing will not pay a third party a fee for referring you to us. Similarly, Pershing will not be paid a fee for referring you to the Correspondent.

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

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

**12. Documents you will receive when you go through Pershing's client application process**

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

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

**b) Execution and clearing services**

You will receive our Equities Client Terms which will contain more information relating to the execution and clearing services provided by Pershing and the terms and conditions of those services where Pershing is to execute and clear transactions on

a Relevant Exchange for you. You will also be provided with a summary of our Best Execution Policy, which explains how we handle and execute your orders, as required under the *ASIC Market Integrity Rules (Securities Markets) 2017*.

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

**c) Transactions in ETOs**

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

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

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

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

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

**f) CHES Sponsorship Services**

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

**g) Nominee and custody services**

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

**h) Advice**

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

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

**13. Dispute Resolution and Complaints**

Pershing 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 Pershing is not at an acceptable level, you have the right to complain and this complaint will be dealt with as promptly as possible. Pershing will aim to resolve any complaint quickly and fairly.

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

**Pershing Securities Australia Pty Ltd**  
**Head of Compliance**  
**Level 2, 1 Bligh Street**  
**Sydney NSW 2000**  
**Ph: 02 8999 4000**  
**Fax: 02 8999 4099**

You should try to include as much detail about the circumstances of the complaint as possible including the names of any Pershing employees involved and include any supporting documentation. Following receipt of your complaint, Pershing's Head of Compliance will acknowledge receipt of your complaint in writing and provide you with an estimate of the time it will take to investigate the issues you have raised. A full investigation will be undertaken which will include reviewing all the supporting documentation, speaking to you and interviewing relevant Pershing employees. You will be provided with a detailed written response once the investigation of the complaint has been finalised.

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

AFCA's contact details are:

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

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

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

**14. Compensation Arrangements**

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

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

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

**15. Privacy**

Pershing 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.

Pershing 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). Pershing will not disclose your information to any other person except where that disclosure is authorised or permitted by the Australian Privacy Principles or by law.

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

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

If you have any questions about privacy, please contact Pershing's Privacy Officer by writing to the address in section 16 below. A copy of the relevant Pershing privacy policy can be obtained by visiting the following website:

<http://www.bnymellon.com/australia/en/privacy.html>

**16. Contact Details**

Our contact details are as follows:

**Pershing Securities Australia Pty Ltd**  
**Level 2, 1 Bligh Street**  
**Sydney NSW 2000**  
**Ph: 02 8999 4000**  
**Fax: 02 8999 4099**