

## PART A: FNZ SECURITIES' FINANCIAL SERVICES GUIDE (FSG)

Issued by FNZ Custodians (Australia) Pty Ltd ("FNZ Securities")

ACN 624 689 694

Australian Financial Services Licence No. 507452

Date FSG issued: 13 January 2023

### 1. Purpose of this FSG

This FSG provides information about:

- (a) the services we offer you (the "Intermediary", as your agent) and includes information about the capacity in which we act when providing services to you (or the Intermediary as your agent);
- (b) our relationships and associations with other financial product issuers and potential conflicts of interest;
- (c) fees and how we are paid;
- (d) your rights as a client, including if you have a complaint;
- (e) who we are and how we can be contacted;
- (f) what financial services and financial products we're authorised to provide you;
- (g) what remuneration or other benefits we, our staff or other relevant parties receive;
- (h) how we collect and use your personal information and how you can access our Privacy Policy (see <https://www.fnz.com/privacy-policy>);
- (i) information on how complaints are dealt with, including our internal and external dispute resolution procedures; and
- (j) our compensation arrangements.

In addition to this FSG, you may, from time to time, receive from the Intermediary other documents issued by FNZ Securities, including our Best Execution Arrangements. Our Best Execution Arrangements contain important information about how your orders may be executed through a Relevant Exchange (such as ASX or Cboe) or otherwise. You should read the document summarising these arrangements carefully before deciding whether you wish to use the services that we offer.

Depending on the financial products that you wish to deal in, you may also receive a Product Disclosure Statement ("PDS") from FNZ Securities. The PDS will relate to financial products issued by FNZ Securities.

There are a number of circumstances in which FNZ Securities may not be required to provide a PDS including: where you are a wholesale investor for the purposes of the Corporations Act; where you already have a current PDS; where you hold a financial product of the same kind and you have access to current information about that kind of financial product; or where the offer is made under a distribution reinvestment plan or switching facility.

In each case, the PDS contains details about the particular product and any significant risks associated with holding the product, any amounts that you must pay, and in the case of products which will or may generate a return, information about any commission or other similar payments that will or may impact on the amount of the returns payable to you.

Unless otherwise agreed with your Intermediary, FNZ Securities will not provide you (or the Intermediary as your agent) with personal financial product advice. You should contact the Intermediary for any financial product advice which you require. FNZ Securities may, from time to time, provide you with general advice in the form of market information or general recommendations. The information we may provide does not provide advice about products suitable for your particular needs, objectives or financial circumstances. You should always consider the

appropriateness of the advice in light of your own objectives, financial situation or needs before acting on the advice.

### 2. Who is responsible for and the provider of the financial services

FNZ Custodians (Australia) Pty Ltd ("FNZ Securities", "the Company", "we", "our", "us") is a wholly owned subsidiary of FNZ Holdings Australia Pty Ltd ACN 138 819 146 ("Parent Company") and part of the FNZ Group, a global 'fintech' group of companies specialising in providing technology, custodial, administration and other support services to financial services businesses from around the world.

FNZ Securities is an Australian Financial Services Licensee under the Corporations Act (AFSL 507452). It is a participant of ASX, Cboe, ASX Clear Pty Limited (the clearing facility for transactions executed on or reported to ASX or Cboe) and ASX Settlement (the settlement facility operated by ASX Settlement Pty Limited).

FNZ Securities uses the nominee services provided by FNZ Nominee Pty Ltd ACN 654 429 740 ("FNZ Nominee"), during the transitional settlement period, in accordance with the Market Integrity Rules on behalf of clients of FNZ Securities. The Market Integrity Rules require that all financial products being held for a client during this period may only be registered under a nominee company. FNZ Nominee is the company that has been established to hold these financial products on your behalf in accordance with the Market Integrity Rules. These services are conducted under the Australian Financial Services Licence of FNZ Securities and FNZ Securities is responsible for the conduct of FNZ Nominee in respect of those services. FNZ Nominee is a wholly owned subsidiary of FNZ Securities.

### 3. What financial services will we provide to you?

FNZ Securities will, or is likely to provide general advice, execution, clearing and settlement services in relation to financial products (including financial products traded on a Relevant Exchange) which may include:

- (a) securities;
- (b) derivatives;
- (c) interests in managed investment schemes (excluding investor directed portfolio services);
- (d) debentures, stocks or bonds issued or proposed to be issued by a government;
- (e) deposit and payment products; and
- (f) foreign exchange contracts.

The provision of settlement services may also involve FNZ Securities arranging dealings in deposit and payment products to facilitate settlement. FNZ Securities may also provide CHESS sponsorship services to you.

When providing the above financial services to you we act in a principal capacity and not as a representative of any other person. When we execute a transaction (or arrange for a transaction to be executed) for you, FNZ Securities acts as your agent.

### 4. Are there any associations or relationships that might influence the services provided?

Given the nature and limited range of the financial services FNZ Securities may provide you (e.g. execution, clearing and settlement services), FNZ Securities notes that:

- (a) in relation to those services FNZ Securities does not have any relationship or association with any product providers; and
- (b) it does not consider that any relationship it has could reasonably be expected to have any influence on the way it provides these services.

## 5. How can I give my instructions about your financial products and services?

You must specify to the Intermediary exactly what you want us to do. All instructions in relation to financial products traded or otherwise dealt with on a Relevant Exchange should be given to the Intermediary who will place orders on your behalf with FNZ Securities. You must give instructions to the Intermediary by telephone, facsimile, in writing or any other means that the Intermediary agrees with you. You may not place orders directly with FNZ Securities unless you are given direct market access ("DMA") in which case you will enter your orders online, for transmission to FNZ Securities for execution. If you require the DMA Service, you should discuss this with the Intermediary.

## 6. What information do we maintain about you?

FNZ has established privacy standards and processes. We protect the personal information we collect about you by maintaining physical, electronic, and procedural safeguards that meet or exceed applicable law. We only permit personnel associated with FNZ and its service providers to have access to your personal information. We require third parties that process personal information on our behalf to follow stringent standards of security and confidentiality. We will not disclose your personal information for marketing purposes to other entities unless you agree.

We may collect your personal information for a number of purposes, which may include:

- (a) administering your membership in the Client's products;
- (b) processing receipts and payments, producing statements and other mail related services; and
- (c) meeting necessary legal and regulatory requirements

You can access most of your personal information by calling us on +61 2 9237 6670. If for some reason we are unable to provide you with access to any requested information, then we will inform you of the reason why.

## 7. How are our staff paid?

FNZ staff receive a fixed salary. Some employees have the opportunity to earn incentives or performance-based bonuses. These incentives/bonuses are based on achieving service standards and business performance targets while meeting compliance requirements. It is not possible to determine at any given time whether a staff member will receive the bonus referred to above or to quantify them. The bonuses are not generally attributable to any particular product or service.

## 8. How is FNZ paid for the services that it provides?

Brokerage, commission, fees or a combination will apply depending on the services and products you choose.

To the extent that a PDS is required for a transaction involving a particular financial product, the PDS for the financial product will disclose details of commissions, fees or other benefits received by FNZ Securities or its related companies in respect of the transaction in respect of that financial product. Fees for other services FNZ Securities provides are listed below. These fees may be paid to either FNZ Securities or to any of its related companies or another intermediary.

You do not pay commissions to FNZ Securities. The commissions, which will be recorded on transaction confirmations, are commissions payable by you to the Intermediary. FNZ Securities will collect these amounts from you and remit them to the Intermediary. FNZ Securities will charge a fee to the Intermediary for providing these services to you. This fee depends on the value and volume of trading, which we do through the Intermediary. You may request particulars of the remuneration, provided the request is made

within a reasonable time after you receive this FSG and before we provide the services to you.

## 9. What should I do if I have a complaint?

If you have a complaint related to FNZ Securities' services (as opposed to the with the services provided by the Intermediary), the first step is to contact us directly on + 61 2 9237 6670. In the first instance, the FNZ Securities Complaints Officer will try to resolve your complaint quickly and fairly. Where your complaint relates to FNZ Securities' services specifically we will ensure all enquiries and complaints are considered and dealt with in accordance with our Internal Dispute Resolution (IDR) scheme. If, however, you are not satisfied with the outcome after discussing the complaint with us, you may contact the Australian Financial Complaints Authority (AFCA). AFCA is an independent external dispute resolution body specialising in resolving disputes in the financial services industry. The contact details for AFCA are:

Australian Financial Complaints Authority  
(a) Telephone: 1800 931 678  
(b) Email: [info@afca.org.au](mailto:info@afca.org.au)  
(c) Website: [www.afca.org.au](http://www.afca.org.au)

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

## 10. What compensation arrangements do we have in place?

Our compensation arrangements comply with the legal requirements set out in Section 912B of the Corporations Act 2001 (Cth) and ASIC Regulatory Guide 126.

The FNZ Group maintains professional indemnity insurance coverage in relation to the financial services that FNZ is authorised to provide. We may rely on the wider FNZ Group's professional indemnity insurances for claims for compensation we receive. Where we are liable to make a compensation payment ourselves, we will generally do so out of existing cash-flow and other financial resources.

## 11. Contact details

Our contact details are as follows:

FNZ Custodians (Australia) Pty Ltd  
Level 1, 99 Elizabeth Street, Sydney NSW 2000  
[notifications\\_fnz\\_securities@fnz.com](mailto:notifications_fnz_securities@fnz.com)  
Ph: +61 2 9237 6670

## 12. Definitions

In this FSG:

**AFSL** means an Australian Financial Services Licence;

**ASX** means ASX Limited (ABN 98 008 624 691) or the market operated by it (as the context requires);

**Cboe** (formerly known as Chi-X) means Cboe Australia Pty Ltd (ABN 47 129 584 667) or the market operated by it (as the context requires);

**Corporations Act** means the Corporations Act 2001 (Cth) as amended from time to time;

**Intermediary** means, in the context of an arrangement where FNZ Securities is responsible for executing trades, the financial services provider who has engaged FNZ Securities to execute, clear and / or settle transactions on a Relevant Exchange;

**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;

**Relevant Exchange** means:

- (a) ASX or Cboe, or the financial markets operated by them (as the context requires); and

- (b) any other financial market (whether or not licensed under Part 7.2 of the Corporations Act) to which orders for transactions in financial products may be transmitted for execution or to which transactions are reported, or which provides clearing or settlement services in respect of transactions on such a market (whether or not licensed under Part 7.3 of the Corporations Act).

## **PART B: FNZ SECURITIES EQUITIES TERMS & CONDITIONS**

for clients of the Intermediary

**TERMS OF YOUR AGREEMENT WITH  
FNZ CUSTODIANS (AUSTRALIA) PTY LTD  
ABN 88 624 689 694 AFSL No 507452 (trading as  
and hereafter referred to as "FNZ Securities")  
Issued 13 January 2023**

### **1. Your agreement with FNZ Securities**

FNZ Securities is admitted as a Trading Participant of one or more Relevant Exchanges. FNZ Securities is also admitted as a Clearing Participant in accordance with the operating rules of ASX Clear Pty Limited ABN 48 001 314 503 (**ASX Clear**), a wholly owned subsidiary of ASX Limited ABN 98 008 624 691 (**ASX**).

By placing an Order with the Intermediary (as Your agent) to purchase or sell Traded Products by means of a Transaction, You accept and agree to be bound by the terms and conditions set out below in this document including the Schedules (**Terms and Conditions**).

If You wish to buy or sell or otherwise deal in Traded Products on a Relevant Exchange, the Intermediary will (as Your agent) communicate Your Order to FNZ Securities. FNZ Securities will, subject to these Terms and Conditions, execute that Order on Your behalf and will clear and settle the Transactions that result from the execution of Your Orders. Accordingly, FNZ Securities will carry the obligations to complete the sale or purchase, together with all the obligations which are ancillary to the completion (**Settlement Obligations**). FNZ Securities must also settle such Transactions as principal with ASX Clear or the relevant counterparty even though the Transaction was entered into on Your behalf. Accordingly, Your clearing and settlement obligations under the sale or purchase contract are owed directly to FNZ Securities and not to the Intermediary.

Methods of payment must be agreed between you and the Intermediary before the account is opened. You acknowledge that any payment due from FNZ Securities to the Intermediary (as your agent) will be paid into the Intermediary's trust account to be held in accordance with arrangements agreed between you and the Intermediary.

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, FNZ Securities 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.

For the avoidance of doubt, your primary relationship will be with the Intermediary who acts as your agent under these General Terms in respect of the execution of your Orders and the clearing and settling of Transactions by FNZ Securities.

Your primary relationship will be with the Intermediary who acts as your agent under these General Terms in respect of the execution of your Orders and the clearing and settling of Transactions by FNZ Securities.

Whenever you place an Order with the Intermediary, which is accepted by FNZ Securities, FNZ Securities carries the obligations to complete the Transaction arising from those Orders, together with all obligations, which are ancillary to the completion. Accordingly, your settlement obligations in relation to any Orders are owed by the Intermediary (as your agent) directly to FNZ Securities.

### **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; and
- b. that all Transactions are subject to the Exchange Rules, ASX Clear Rules, the directions, decisions and requirements of a 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 Traded Products approved for settlement by ASX Settlement, the ASX Settlement Rules.

### **3. Orders and instructions**

You agree that:

- a. if You wish to place any Order, You must do so with the Intermediary (such communications are to be given in the form and manner agreed with the Intermediary from time to time), and You authorise the Intermediary, as Your agent (and not as the agent of FNZ Securities), to place or give Your Order and other

instructions or information to FNZ Securities in its name as agent for you;

- b. FNZ Securities may provide communications to You through the Intermediary and not directly to You.

FNZ Securities will not act on any Orders or other instructions or information communicated directly to it by You (and not the Intermediary). You may only terminate the Intermediary's authority to act on Your behalf by terminating this agreement.

As a Participant of one or more Relevant Exchanges, subject to Your instructions, FNZ Securities is required to handle and execute Orders in accordance with the ASIC Market Integrity Rules. A copy of the FNZ Securities Best Execution Arrangements as at the date of these Terms and Conditions is attached as Schedule 2. FNZ Securities may from time to time amend its Best Execution Arrangement and make such amendments available on its website or through the Intermediary, or otherwise notify You of the amended Best Execution Arrangements. FNZ Securities will also act in accordance with the Client Order Priority and Trade Allocation Procedures, which may be updated from time to time and are available on the FNZ website at <https://www.fnz.com/fnzsecurities/AUSdisclosures>

FNZ Securities may at any time, in its absolute discretion, refuse to accept any Order from, or execute Orders for, the Intermediary as Your agent. For example, FNZ Securities may refuse to accept Your Order if it would require FNZ Securities to act otherwise than in accordance with its Best Execution Arrangement.

Subject to any instructions from You, FNZ Securities will generally execute Orders in the sequence in which they are received.

However, You acknowledge and agree that:

- a. Your Order may be automatically crossed against other orders before reaching the Market;
- b. FNZ Securities may not be aware of principal orders that are being (or may be) executed, and that direct market access arrangements and program trading may make it impossible to prevent principal orders from being executed at the same time as (or before) Your Order. Accordingly, You agree that FNZ Securities may execute principal orders where Your Order on the same terms is outstanding and that these Terms and Conditions constitute disclosure as required by the Market Integrity Rules. Unless You notify FNZ Securities to the contrary, You will be taken to have consented to FNZ Securities (and/or any of its related bodies corporate) trading as Principal with You and agree to pay such commission (if any) on such transactions, each time You place an order with FNZ Securities through the Intermediary;
- c. You will be charged the normal rate of commission by the Intermediary for Orders which are crossed with FNZ Securities' principal orders unless, if You are a retail client (as defined in the Corporations Act) and it is not permitted under the Corporations Act or the Market Integrity Rules;
- d. You do not pay commissions to FNZ Securities. The commissions, which will be recorded on transaction confirmations, are commissions payable by You to the Intermediary. FNZ Securities will collect these amounts from You and remit them to the Intermediary. FNZ Securities will charge a fee to the Intermediary for providing these services to You;
- e. an Order once accepted by FNZ Securities may not be transacted and an Order to transact an AQUA Product through the ASX Managed Fund Settlement Service is subject to acceptance by the issuer of the product and an application for issue or redemption of a product may be rejected; and
- f. an Order to transact in an AQUA Product is not traded on a Relevant Exchange and comprises an application by You to the relevant product issuer. You acknowledge and agree that:
  - i. FNZ Securities does not control and cannot procure the issue or redemption of AQUA Products or the processing of requests for issue or redemption of, or switch between, AQUA Products;
  - ii. FNZ Securities has no liability to You or the Intermediary with respect to any action or failure to take action by an issuer or other Settlement Participant in connection with a request for issue, redemption or switch of AQUA Products including (without limitation) an issuer's failure to issue or redeem AQUA Products or make available redemption monies or to deliver AQUA Products.

#### 4. Orders relating to sales

You agree that whenever You place a sale Order with the Intermediary, You must notify the Intermediary whether or not Your sale Order is a covered short sale – i.e. a sale where You have, at the time You place the sale Order with the Intermediary, a legally binding commitment from a securities lender to lend the securities to the Intermediary (as agent for You) under a Securities Lending Arrangement.

Where Your sale relates to a covered short sale, You must also inform the Intermediary at the time of placing the sale Order:

- a. the number of Traded Products to be sold that are to be delivered under the Securities Lending Arrangement;
- b. a description of the Traded Products (e.g. fully paid ordinary shares); and
- c. the name of the entity that issued the Traded Products (e.g. BHP Billiton Limited).

You acknowledge that FNZ Securities will not be permitted to execute a sale Order for You unless You have informed the Intermediary (and the Intermediary has notified FNZ Securities) whether or not the sale Order relates to a covered short sale. You agree that, each time You place a sale Order with the Intermediary and notify the Intermediary that the sale Order relates to a covered short sale, You will be taken to have warranted and represented to FNZ Securities and the Intermediary that the sale will meet the requirements and conditions of the Corporations Act, Corporations Regulations and ASIC Class Orders (if any) (as amended from time to time) relating to covered short sales, (including without limitation that You have obtained a legally binding commitment from a securities lender to lend the relevant securities to You under a Securities Lending Arrangement).

#### 5. Orders to purchase partly Paid Securities

If You place an Order to purchase Partly Paid Securities, the terms in Schedule 1 will apply to You.

#### 6. The Intermediary's use of a DMA Service

FNZ Securities may provide a direct market access service (**DMA Service**) to the Intermediary under which the Intermediary may place Your Orders directly into the Trading Platform through an electronic automated client order process. You acknowledge that if FNZ Securities provides a DMA Service to the Intermediary:

- a. There may be delays in the processing, execution, amendment or cancellation of an Order entered through the DMA Service and:
  - i. an Order may be wholly or partly filled before an instruction for its amendment or cancellation is processed; and
  - ii. The Intermediary (as agent for You) remains liable to settle the original Order, until any relevant amendment or cancellation is effected;
- b. The execution of an Order placed through the DMA Service may be delayed by filters or other electronic features of the electronic system;
- c. FNZ Securities is not responsible for the processing, execution or cancellation of any Orders submitted through the DMA Service, regardless of who enters such Orders and regardless of whether or not there is an error in the Order entry or for any delays in relation to the same;
- d. except as required by law, FNZ Securities makes no representations or warranties express or implied with respect to the DMA Service;
- e. there are significant risks in trading through a DMA Service because it is serviced by means of computer and telecommunications systems, even where generally accepted industry standards and practices are followed, including that Your data may not be protected, and there are risks that other users of the DMA Service, institutions or intermediaries may be able to see Your Orders and other communications relating to trading and execution without Your (or FNZ Securities') consent and that third parties (including persons on private networks) will have the ability to attach to Your network; and
- f. FNZ Securities may terminate the Intermediary's participation in the DMA Service at any time without notice to You.

#### 7. FNZ Securities' right to require the Intermediary to refuse to accept Orders

You acknowledge that FNZ Securities may at any time in its absolute discretion direct the Intermediary to:

- a. refuse to accept You as a client or not to accept Orders from You; or
- b. refuse to accept a particular Order from You.

#### 8. Purchases and Sales

You must ensure that payment in full is received by FNZ Securities (and not the Intermediary) before the Settlement Date and Time. FNZ Securities will not accept payment in cash.

In accordance with the provisions of the Corporations Act 2001 (Cth) (**Corporations Act**), and the regulations made under the Corporations Act, pending settlement by You (or the Intermediary as Your agent), these Terms and Conditions and the relevant Confirmation (if any) constitutes notice to You or the Intermediary that FNZ Securities may deposit the Traded Products purchased for



You or the Intermediary in a particular transaction as security for a loan if FNZ Securities has received and paid for such Traded Products on Your behalf (or on behalf of the Intermediary as Your agent).

You must procure that the Intermediary delivers to FNZ Securities all documents and security holder information (including the holder identification number or personal identification number and, if applicable, holder reference number) (**Security Holder Information**) as well as any other documents reasonably requested by FNZ Securities (or by the Intermediary on its behalf) to meet Your Settlement Obligations.

All documentation and Security Holder Information must be sent to:

**FNZ Custodians (Australia) Pty Ltd**  
**Level 1, 99 Elizabeth Street**  
**Sydney NSW 2000**

If You have entered into a Sponsorship Agreement with FNZ Securities, You will be taken to have satisfied this obligation if You ensure that sufficient Traded Products are held in Your Sponsored Holding with FNZ Securities, those Traded Products are unencumbered and, if the consent of any third party is required before FNZ Securities may withdraw those Traded Products, that consent has been obtained and communicated to FNZ Securities. You irrevocably authorise FNZ Securities to apply any Traded Products held in Your Participant Sponsored Holding to satisfy Your Settlement Obligations arising from any Transaction executed by FNZ Securities on Your behalf.

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

- the Settlement Date and Time;
- when all documents and Security Holder Information have been received by FNZ Securities in deliverable form; and
- all amounts due and payable by You (or the Intermediary as agent for You) to FNZ Securities or the Intermediary have been paid.

Unless FNZ Securities has agreed alternative arrangements with You and the Intermediary (on behalf of FNZ Securities), FNZ Securities will pay all sale proceeds directly to the Intermediary's trust account. You authorise FNZ Securities to make such payment to the Intermediary and agree that the Intermediary (and not FNZ Securities) is responsible for accounting to you for the net proceeds of any sale for you executed under these arrangements. Sale proceeds will not be paid to a third party. To the extent that any such alternative arrangements are agreed, You acknowledge and agree that FNZ Securities will have no liability for sale proceeds not being received by You.

## **9. No Advice**

You acknowledge that FNZ Securities 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 Intermediary. You must not represent to any person that FNZ Securities has given any financial product advice to You.

## **10. 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 Intermediary has no authority to extend the Settlement Date and Time.

## **11. Warranties by the client**

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

- You will be in a position to pay for any Traded Products purchased and have a presently exercisable and unconditional right to vest any Traded Products sold in the buyer, to enable settlement at the Settlement Date and Time; and
- if Your Order relates to the purchase of a Partly Paid Security, You have made arrangements (to FNZ Securities' satisfaction) to pay to FNZ Securities a sufficient amount to cover any liability arising from all possible future calls in respect of the Partly Paid Securities; and
- 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.

## **12. Confirmations**

The Intermediary will give You a written confirmation for each trade executed by FNZ Securities under these terms for the Intermediary

(as agent for you) as required by the Corporations Act and the Market Integrity Rules (**Confirmation**).

You authorise the Intermediary (on its own behalf and on behalf of FNZ Securities) to give Confirmations to You electronically to the email address notified to the Intermediary from time to time for this purpose. The Intermediary 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 Intermediary 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 FNZ Securities enters into multiple Transactions in order to complete Your Order, You authorise the Intermediary (on its own behalf and, if applicable, on behalf of FNZ Securities) to accumulate those Transactions (whether executed on the same Relevant Exchange or otherwise) on a single Confirmation and to specify the volume weighted average price for those Transactions on that Confirmation. If requested by You, the Intermediary (on its own behalf and, if applicable, on behalf of FNZ Securities) 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 Intermediary may elect not to give any Confirmations to You in relation to Transactions executed for You. If the Intermediary so elects, these Terms and Conditions are taken to be the notification required to be given by the Intermediary to You under the Market Integrity Rules.

## **13. Fees and commission**

The Intermediary will charge You commission in respect of any Transaction, which the Intermediary arranges for FNZ Securities to execute on behalf of the Intermediary (as agent for You) at the rates notified to You from time to time. In addition, FNZ Securities may charge the Intermediary (as agent for You) other fees and charges, which are incurred by FNZ Securities on behalf of the Intermediary (as agent for You), for example fail fees.

While FNZ Securities will not directly charge any commission to You in relation to the execution of a Transaction, the Intermediary may pay FNZ Securities fees and charges as agreed between them from time to time in respect of the execution of trades under these General Terms.

You acknowledge that You have been advised, when (or before) placing an Order, of FNZ Securities' fee arrangements with the Intermediary.

If (a) any deduction or withholding for or on account of any taxes or duties is required to be made from any payment by You to FNZ Securities pursuant to the services that we perform under these General Terms, or (b) any assessment or levy in respect of any taxes or duties is subsequently made on FNZ Securities, You shall pay an additional amount to us so that we receive, free from any such withholding, deduction, assessment or levy, the full amount of the payments which we would have received had no such deduction, withholding, assessment or levy been required or made. You shall make appropriate payments and returns in respect of such taxes or duties and provide us with a receipt for any taxes or duties paid.

## **14. Failure to Settle**

You acknowledge that, if You fail to ensure that the Intermediary is able to make any payment due to FNZ Securities or deliver any documents or Security Holder Information to FNZ Securities or otherwise comply with the Settlement Obligations that You owe to FNZ Securities in relation to a Transaction in accordance with these Terms and Conditions or the relevant Confirmation (or any other agreement with FNZ Securities or the Intermediary), if any (**fail to settle**), FNZ Securities may do any one or more of the following:

- charge You (or the Intermediary as Your agent) an administration fee calculated by reference to the additional cost which may be incurred by FNZ Securities (including any fail fees imposed by a Relevant Exchange or ASX Clear) as a result of Your (or the Intermediary's) failure to settle;
- levy to You (or to the Intermediary as Your agent) a default charge on the amount from time to time outstanding at a rate of up to 15.0% per annum;
- 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 (or the liability of the Intermediary as Your agent)

- to FNZ Securities or to the Intermediary and to recover its 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 FNZ Securities' 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 (or the liability of the Intermediary as Your agent) to FNZ Securities or the Intermediary and to recover its costs in so acting;
  - f. apply any cash held in your name or on your behalf (or in the name of or on behalf of the Intermediary as agent for you) in any account with FNZ Securities from which FNZ Securities is authorised to withdraw funds to reduce your liability (or the liability of the Intermediary as your agent) to FNZ Securities; or
  - g. cancel (or instruct the Intermediary to cancel) any of Your unexecuted Orders,
  - h. and You authorise FNZ Securities and each of its directors and employees as Your attorney to give instructions on Your behalf (or on behalf of the Intermediary) in respect of Your Traded Product holdings sponsored by FNZ Securities (or a related body corporate or affiliate of FNZ Securities) in CHESS (or the Intermediary's sponsored holdings which it holds as Your agent), or held by a related body corporate or affiliate of either of FNZ Securities or the Intermediary in nominee holdings, and in respect of call deposit facilities or cash management trust accounts on which either FNZ Securities or the Intermediary is authorised to give instructions, to enable FNZ Securities to realise those Traded Products or funds and apply the proceeds in reduction of Your liability (or the liability of the Intermediary as Your agent) to FNZ Securities or the Intermediary and to recover its costs in so acting.

If You fail to settle, FNZ Securities may make arrangements on Your behalf to ensure that Your Settlement Obligations (or the Settlement Obligations owed by the Intermediary as agent for You) are performed (including by buying-in or borrowing the relevant Traded Products).

If You have not met Your Settlement Obligations owed to FNZ Securities (or if the Intermediary has not met the Settlement Obligations it owes to FNZ Securities as Your agent) in respect of a Transaction executed for You by FNZ Securities by the date which is 4 Business Days after the Settlement Date and Time, it is FNZ Securities' policy (and FNZ Securities may be obliged under the ASX Settlement Rules), without any notice to You or the Intermediary (but without limiting FNZ Securities' 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 or the Intermediary as Your agent.

You must pay or reimburse FNZ Securities any such administration fees and default charges (together with any GST payable on those amounts) immediately upon demand or at FNZ Securities' option it may deduct such administration fees and default charges (and any GST) from any sale proceeds or other amounts otherwise payable to You or to the Intermediary as Your agent.

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

FNZ Securities will not be liable to You (or to the Intermediary as Your agent) for any failure by FNZ Securities to exercise (or any delay in the exercise by FNZ Securities of) any right FNZ Securities may have against You or the Intermediary, or any loss incurred by You or the intermediary as a result of FNZ Securities not exercising any of its rights against You or the Intermediary immediately, or at all, following any failure by You to comply with Your obligations. The rights described in this clause 15 are in addition to any rights that are conferred to FNZ Securities under the Exchange Rules and the ASX Clear Rules.

## 15. Cancellations

Each Relevant Exchange has the power under the Exchange Rules to cancel or amend Transactions or Crossings. You authorise FNZ Securities to, and agree that FNZ Securities may, without Your consent (or the consent of the Intermediary), 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 Intermediary in the circumstances contemplated by the Market Integrity Rules (as if the Intermediary were a Trading Participant that executed that Order to which the Transaction or Crossing relates);
- 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 (or those of the Intermediary as Your agent) referred to in clause 8 of these Terms and Conditions, and FNZ Securities' 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.

## 16. Interest on FNZ Securities' trust account

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

## 17. Assignment to the Intermediary of debts owed by You to FNZ Securities

If You have not paid any debt to FNZ Securities, You acknowledge that FNZ Securities may (by notice to You and the Intermediary) assign that debt to the Intermediary and the assigned debt will become an obligation of Yours owed to the Intermediary. In the event of such an assignment, the Intermediary (and each of its directors and employees) will have the rights and powers (and may do all the things) set out in clause 16 as if a reference to FNZ Securities were a reference to the Intermediary.

## 18. Instructions by fax or e-mail

You acknowledge and agree that:

- a. if You communicate to the Intermediary (who will pass on those communications to FNZ Securities 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 Intermediary and FNZ Securities to accept and act without any inquiry upon, communications (including, in the case of FNZ Securities, instructions provided by the Intermediary on Your behalf) provided by email and/or fax which appear to the Intermediary or FNZ Securities to have been provided by or for You; and
- e. You indemnify the Intermediary and FNZ Securities in respect of any and all claims, liabilities, direct or consequential losses, costs, charges or expenses (of any nature) incurred or suffered by the Intermediary or FNZ Securities as a result of the Intermediary or FNZ Securities acting on communications (including, in the case of FNZ Securities, instructions provided by the Intermediary on Your behalf) provided by email and/or fax.

## 19. Indemnity

You must, to the maximum extent permitted by law, at all times and from time to time, indemnify and keep each of FNZ Securities 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 for damages made against the Indemnified Person as a result of:

- a. any transaction entered into by FNZ Securities on Your behalf or on behalf of the Intermediary as Your agent;
- b. any failure by You (or the Intermediary as Your agent) to settle;
- c. any other breach by You (or the Intermediary as Your agent) of these Terms and Conditions;
- d. any breach by You (or the Intermediary as your agent) of any other agreement with FNZ Securities;
- e. any breach by You (or the Intermediary as Your agent) 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 FNZ Securities' negligence, wilful default or fraud.

## 20. Credit references

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

## 21. Information

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

## 22. Tape Recording of Conversations

You acknowledge that FNZ Securities may record telephone conversations between the Intermediary (as Your agent) and / or You, and, FNZ Securities. You also agree that FNZ Securities may use such recordings for the purposes of resolving disputes, and monitoring compliance by You or the Intermediary with regulatory and contractual obligations. If there is a dispute between You and FNZ Securities, You have the right to listen to any recording (where such a recording exists). Nothing in this agreement obliges FNZ Securities to record a conversation or keep a recording for longer than 90 days.

## 23. Complaints

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

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

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

To assist FNZ Securities to respond appropriately to complaints, You are asked to set out complaints in writing, addressed to the FNZ Securities Complaints Officer. You should include as much detail about the circumstances of Your complaint as possible, including the name(s) of any FNZ Securities staff involved. If available, copies of any background documentation should also be provided.

Alternatively, please contact us directly on +61 2 9237 6670.

Following receipt of Your complaint, the FNZ Securities Complaints Officer will acknowledge receipt of it in writing and provide an estimate of the time it will take to investigate the circumstances. The FNZ Securities Complaints Officer will fully investigate Your complaint and follow up if further information is required from You. The FNZ Securities Complaints Officer 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 FNZ Securities is a member of the Australian Financial Complaints Authority (AFCA), FNZ Securities 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**

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

**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 the Relevant Exchange. The Australian Securities and Investments Commission also has a freecall Infoline on 1300 300 630 which You may use to make a complaint and obtain information about Your rights.

## 24. Compensation arrangements

As FNZ Securities is a Participant of one or more Relevant Exchanges and a Clearing Participant of ASX Clear, You (or the Intermediary as Your agent) may be entitled to make a claim on a compensation fund (such as the National Guarantee Fund (NGF) or the Cboe Fidelity Fund) in the circumstances specified under Part 7.5 of the Corporations Act and the Corporations Regulations 2001 (Cth). For more information on the circumstances in which You (or the Intermediary as Your agent) may make a claim on a compensation fund contact:

- in relation to transactions on ASX and the NGF, You can contact ASX or the Securities Exchanges Guarantee Corporation Limited ABN 19 008 626 793; or
- in relation to transactions on another Relevant Exchange, You can contact that Relevant Exchange.

The Cboe Operating Rules require the following disclosure to be given to retail clients of FNZ Securities:

*"There are two different compensation arrangements that may provide protection for retail investors trading on Cboe (formerly known as Chi-X): NGF Arrangements or Division 3 Arrangements. This is because on 26 October 2020, Cboe became a member of the SEGC, which operates the National Guarantee Fund (NGF). When do the NGF Arrangements apply? From 26 October 2020, the National Guarantee Fund (NGF) may apply in the circumstances set out in Division 4 of Part 7.5 of the Corporations Act 2001 and Corporations Regulations 2001. Transitional arrangements apply and these are set out on the SEGC's website at [www.segc.com.au](http://www.segc.com.au). For further information on the National Guarantee Fund and what it covers, please contact SEGC, see the SEGC website and refer to Division 4 of Part 7.5 of the Corporations Regulations 2001 (Cth). When do the Division 3 Compensation Arrangements apply? Where a retail investor suffers a loss in respect of conduct, a transaction or insolvency that occurred before 26 October 2020, that loss may be covered by the Division 3 compensation arrangements. Section 11 of the Cboe Operating Rules outlines the Division 3 compensation arrangements, including the cessation of the arrangements on 25 October 2027 and the requirement, while the arrangements are in place, to make a claim no later than six months after becoming aware of the loss to which the claim relates. Section 11 also outlines that the losses covered by Division 3 are those resulting from defalcation or fraudulent misuse of your money, property or authority by a Cboe participant."*

FNZ Securities takes no responsibility for the accuracy of this disclosure. If You have any queries concerning the content of the above disclosure, please contact Cboe directly on (02) 8078 1700.

FNZ Securities has professional indemnity insurance which FNZ Securities 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.

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

## 25. Sponsorship

If You are not currently sponsored by FNZ Securities, FNZ Securities recommends that You enter into a Sponsorship Agreement with FNZ Securities to enable easy transfer of Your Traded Products under CHES (Clearing House Electronic Subregister System).

## 26. 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 Your Intermediary and give receipts to FNZ Securities in relation to any purchase or sale of Traded Products or other matters to which these Terms and Conditions relate.

## 27. Amendment

You acknowledge and agree that these Terms and Conditions may be amended by FNZ Securities (or the Intermediary as Your agent) from time to time without the need to obtain Your consent, if and to the extent that the amendment:

- a. seeks to clarify any defective or ambiguous provisions in order to ensure that these Terms and Conditions have their desired effect;
- b. does not materially adversely affect Your rights or obligations; or
- c. is otherwise reasonably considered by FNZ Securities to be minor or trivial.

Where any such amendments are made, the latest version of this document will be made available on the FNZ website at <https://www.fnz.com/fnzsecurities/AUSdisclosures>. In any other

circumstances, FNZ Securities (or the Intermediary as Your agent) will give You 10 days' notice of any amendment, after which time the amendment will become effective.

## 28. Governing law

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

## 29. Interpretation

In this document (including the Schedules), unless the contrary intention appears:

**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 amended from time to time.

**Best Execution Arrangements** means the policy issued by FNZ Securities and given to You in accordance with Part 3.8 of the ASIC Market Integrity Rules that is attached to these Terms and Conditions as Schedule 2.

**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.

**Cboe** (formerly known as Chi-X) means Cboe Australia Pty Ltd ABN 47 129 584 667.

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

**Confirmation** has the meaning given to it in clause 15.

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

**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 Cboe, has the meaning given to "error trade" in the Cboe 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.

**Intermediary** means financial services provider with whom You placed instructions to buy/sell financial products on Your behalf.

**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.

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

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

**Partly Paid Security** means a financial product quoted on a Relevant Exchange for which the holder may be liable to pay a call or instalment in accordance with the terms of issue and for which an amount remains unpaid; but does not include a Quoted Product issued by a no liability company.

**Relevant Exchange** means ASX or Cboe and, without limitation, any other exchange on which FNZ Securities 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 Cboe 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 FNZ Securities or named on the account opening or application form as the client. If that is more than one person, "You" means each of these persons separately and every two or more of them jointly. "You" includes your successors and assigns.

**Your** means belonging to the person or persons in whose name the account is opened with FNZ Securities or named on the account opening or application form as the client.

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 (including in Schedule 1 and Schedule 2 have the meanings given to them in the Exchange Rules, ASX Clear Rules or the ASX Settlement Rules. If you require a copy of these definitions, please contact us.

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 FNZ Securities as notified to you from time to time.

**FNZ Custodians (Australia) Pty Ltd**  
**A participant of ASX Group and Cboe**  
**ABN 88 624 689 694**  
**AFSL 507452**



## SCHEDULE 1

### PARTLY PAID SECURITY AGREEMENT

The following terms and conditions apply if you are to purchase Partly Paid Securities. You agree and acknowledge that You are aware that:

- a. a Partly Paid Security is a security which may require You to make a further payment or payments at some time in the future;
- b. it is Your responsibility to obtain and read a copy of the prospectus, product disclosure statement or information memorandum issued by an Issuer which sets out the particular features of, and rights and obligations attaching to, a Partly Paid Security before placing an order to buy a Partly Paid Security;
- c. You may be liable for further payments on a Partly Paid Security and that a failure to make a further payment by the specified date(s) may result in an Issuer of a Partly Paid Security or their associates or agents taking action, including legal action, against You to recover the outstanding payments and/or may result in the forfeiture of Your entitlement to the Partly Paid Security;
- d. in certain circumstances You may be liable to make a further payment on a Partly Paid Security despite the fact that You may have disposed of a Partly Paid Security prior to the date that a further payment falls due;
- e. You should monitor announcements made by the Issuer of a Partly Paid Security and that it is Your responsibility to inform Yourself of the date/s or circumstances that a further payment falls due and the last day that You can dispose of the Partly Paid Security before becoming liable for a further payment;
- f. the amount of a further payment may be unrelated to the financial performance of a Partly Paid Security and that the amount of the further payment may exceed the intrinsic value of a Partly Paid Security at the time a further payment falls due; and
- g. an obligation on You in relation to a Partly Paid Security, including an obligation to make a further payment, does not give rise to a claim against the Intermediary, FNZ Securities, a Relevant Exchange, handling Market Participants or the Securities Exchanges Guarantee Corporation Limited.

## SCHEDULE 2

### FNZ SECURITIES BEST EXECUTION ARRANGEMENTS

#### 1. Introduction

1.1 FNZ Custodians (Australia) Pty Ltd (**FNZ Securities**) is required to take reasonable steps to obtain the best outcome (**Best Execution**) for clients in accordance with Part 3.8 of the ASIC Market Integrity Rules when executing orders in equity market products. Equity market products include shares, managed investment schemes, the right to acquire by way of issue shares and managed investment schemes and CHESS depositary interests (**CDIs**).

1.2 This statement sets out FNZ Securities' approach to providing Best Execution including, the differences for retail and wholesale clients, our execution methods and how we manage client instructions.

1.3 Whilst FNZ Securities has established procedures to take reasonable steps to obtain Best Execution for clients, FNZ Securities does not guarantee that it will achieve Best Execution for every order executed.

#### 2. Best Execution arrangements for retail clients

FNZ Securities' Best Execution Arrangements for retail clients is to obtain Best Total Consideration for the executed order(s). Best Total Consideration means the best displayed price on all the order books (see section 5) plus transaction costs for a purchase and minus transaction costs for a sale. Transaction costs means costs related to the execution, clearing and settlement of a transaction and include costs of the market provider for these services.

#### 3. Best Execution arrangements for wholesale clients

FNZ Securities will take into account (if directed by a wholesale client) outcomes relevant to a wholesale client when a wholesale client provides instructions to execute an order. These include, but are not limited to, price, execution costs, speed, likelihood of execution and settlement, size, nature or any consideration relevant to the execution of the order (**Relevant Outcomes**). Unless otherwise directed, FNZ Securities' Best Execution Arrangement will be to achieve Best Total Consideration unless directed otherwise by the wholesale client.

#### 4. Specific Instructions that are inconsistent with Best Execution

4.1 Whenever FNZ Securities receives a specific instruction from or on behalf of a client, FNZ Securities will take reasonable steps to execute the order in accordance with the specific instruction. This may include instructions about the execution venue, execution time, likelihood of execution and other matters. Complying with such an instruction may prevent FNZ Securities from obtaining Best

Execution for that order. Specific instructions must be clear and unambiguous and in writing. FNZ Securities reserves the right to decline an order which includes instructions which are not consistent with obtaining Best Execution and trading rules may however prevent FNZ Securities from following the client's instructions or achieving Best Execution.

4.2. A wholesale client may provide a standing instruction to FNZ Securities including that the FNZ Securities Best Execution Arrangement does not apply to its orders. A standing instruction applies only for a 12-month period and FNZ Securities will periodically review whether it can continue to comply with the standing instruction.

#### 5. Order handling and execution venues

5.1 Orders may be executed via FNZ Securities' DMA facility or manually by FNZ Securities' DTRs.

5.2 As a participant of both the Australian Securities Exchange (**ASX**) and Cboe Australia (**Cboe**), FNZ Securities will consider the merits of both ASX and Cboe order book(s) and execute an order on the order book(s) that offers the best outcome for the client, unless directed by client to execute on a particular venue. Order books include:

- ASX TradeMatch
- ASX CentrePoint and
- Cboe market (including Cboe Hidden)

As more licensed markets emerge or order books become available, FNZ Securities will also consider the merits of placing orders on these trading venues. At present FNZ Securities does not operate internal order books (i.e. internally crossing or liquidity pools).

5.3 In instances where an order cannot be satisfied on an order book (i.e. symbol not available, no available quote/market), the execution of such orders will be routed to the primary order book that FNZ Securities considers will achieve Best Execution.

5.4 FNZ Securities may employ its smart order router (SOR) to direct orders to venues in a specific order and seek Best Execution. However, the execution achieved will depend upon the order in which the venues are visited, whether they are lit or dark, the latency involved in reaching these venues and the available volume in each of the venues. For wholesale clients FNZ Securities will accept an instruction not to use the SOR for an order.

5.5 FNZ Securities may, without notice, cease to send orders to a particular order book temporarily or indefinitely if an order book becomes unavailable. Applying reasonable discretion, FNZ Securities may also cancel unexecuted or partially executed orders that are resting in an order book that is unavailable for trading and replace them on an available order book. In the event of a technical issue with the SOR, systems or market connections FNZ Securities will, using reasonable discretion, route orders to the remaining available order books. If FNZ Securities determines that Best Execution will be best achieved by placing the Order with another broker for execution, FNZ Securities will either satisfy itself that the other broker has arrangements in place to enable us to comply with our Best Execution obligations.

5.6 Different markets may have different operating hours and may not run an opening or closing auction or similar mechanisms. Orders received by FNZ Securities to execute at "Market on Open" or "Market on Close" will be treated as having reference to ASX opening and closing auction prices until and unless other venues offer similar or equivalent market open and close pricing mechanisms which FNZ Securities will consider in obtaining Best Execution.

5.7 FNZ Securities will not re-transmit an Order it has already placed on one order book if a better price subsequently becomes available on another order book.

5.8 FNZ Securities may elect to send all the volume of an Order to only one order book that offers the best displayed price in situations where another order book also offers the best displayed price, but only for an insignificant volume.

#### 6. Demonstration of Compliance

Upon receipt of a reasonable request by a client (within 5 Business Days), FNZ Securities will make reasonable efforts to demonstrate to the client that its Order was executed in accordance with the Best Execution Arrangements.

#### 7. Notification of Changes

Best execution arrangements may change from time to time. Any material changes to this statement will be notified to you. The latest Best Execution Arrangements are available on the FNZ website at <https://www.fnz.com/fnzsecurities/AUSdisclosures>

## PART C: CHESS SPONSORSHIP

### to clients of the Intermediary

#### FNZ SECURITIES'S EXPLANATION OF CHESS SPONSORSHIP

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

This document explains the terms of your sponsorship agreement with FNZ Custodians (Australia) Pty Ltd ABN 88 624 689 694 AFSL 507452 (trading as and hereafter referred to as "**FNZ Securities**") ("**Sponsorship Terms**"). It is important that you read this document and understand it before signing a FNZ Securities account opening form or before you agree to the Participant Change Notice you receive from FNZ Securities. If you sign the account opening form or do not do anything to indicate that you do not agree to the Participant Change Notice you receive from FNZ Securities, you acknowledge that you have understood the effect of the Sponsorship Terms.

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

The Sponsorship Terms appoint us as your "Controlling Participant" on CHESS. CHESS is an electronic system that manages the settlement process by facilitating the exchange of money and shares at the same time. CHESS also administers a form of electronic registration of shareholdings so instead of Holding certificates to show that you own Financial Products, under CHESS you have Financial Products registered in your name to show that you own them. CHESS is operated by ASX Settlement Pty Ltd ABN 49 008 504 532 ("**ASX Settlement**") under the ASX Settlement Operating Rules.

FNZ Securities is admitted as a General Settlement Participant of ASX Settlement, which means that it is able to control Financial Products on CHESS for you. By agreeing to the Sponsorship Terms, you appoint FNZ Securities as your Controlling Participant to control your Financial Products on CHESS. In other words, FNZ Securities "sponsors" your Financial Products on CHESS.

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

These CHESS Sponsorship Terms contain various provisions in relation to the sponsorship of your Financial Products, including:

- (a) your appointment of FNZ Securities to act as your agent on CHESS and the obligations that arise for FNZ Securities as a result of our appointment;
- (b) the acknowledgments that you make in respect of our appointment as your Controlling Participant, including that these terms have been properly explained to you;
- (c) the information that you must provide to FNZ Securities;
- (d) what will happen if FNZ Securities is suspended from participation in CHESS;
- (e) the procedures that are to be followed if you have a complaint against FNZ Securities;
- (f) what will happen if FNZ no longer wishes to sponsor you;
- (g) how these CHESS Sponsorship Terms may be terminated; and
- (h) various important procedural and legal matters.

#### FNZ SECURITIES SPONSORSHIP AGREEMENT

##### Parties

The client named on the application form (**Client**); and  
FNZ Custodians (Australia) Pty Ltd, ABN 88 624 689 694, AFSL No. 507452 (trading as and hereafter referred to as "**FNZ Securities**").

Under these Sponsorship Terms, Financial Products held in your Holding will be registered in your name (and not in the name of the Intermediary), despite the fact that the account opened by the Intermediary for you under the General Terms and Conditions is opened in the name of the Intermediary (as agent for you) and not in your name.

References in these Sponsorship Terms to "this Sponsorship Agreement" are to these Sponsorship Terms together with clauses 19, 21, 22, 25 and 30 of the General Terms and Conditions. If for any reason this Sponsorship Agreement is terminated or novated but other parts of the General Terms and Conditions continue in operation, termination of this Sponsorship Agreement does not affect the continued operation of the General Terms and Conditions.

##### 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 (FNZ Securities 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. FNZ SECURITIES' AUTHORITY AND OBLIGATIONS

- 2.1 The Client appoints FNZ Securities 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 forms. A HIN is a number that is used to identify a Holding in CHESS. The Client authorises FNZ Securities as the Client's agent to do any act under CHESS relating to the Client's Holding.
- 2.2 Subject to clause 9, FNZ Securities 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, FNZ Securities 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 FNZ Securities to purchase Financial Products the Client will pay for that purchase within 2 Business Days from the date of the purchase.
- 2.4 If FNZ Securities demands that the Client pay for Financial Products, but the purchase price for those FOR Financial Products remains unpaid, FNZ Securities 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 FNZ Securities claims that the Client has not paid FNZ Securities an amount lawfully owed to FNZ Securities, FNZ Securities 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, FNZ Securities 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 FNZ Securities 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 FNZ Securities' status from ASIC, ASX, ASX Clear and ASX Settlement.
- 2.8 A complaint against FNZ Securities may be lodged by the Client with FNZ Securities, 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 FNZ Securities 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 FNZ Securities 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 FNZ Securities 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 FNZ Securities, 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, FNZ Securities 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 CHES 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 FNZ Securities or that FNZ Securities 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 FNZ Securities is entitled to rely on all instructions and communications provided by the Intermediary to FNZ Securities with respect to the Client's Holding sponsored under these Sponsorship Terms. FNZ Securities may also provide communications to the Intermediary (as the agent of the Client) with respect to the Client's Holding.
- 3.5 The Client acknowledges and agrees that, unless it otherwise notifies FNZ Securities, then to the extent permitted by applicable law it consents to any communications sent by FNZ Securities or any third party such as ASX (e.g. CHES Holding statements and notifications) or any product Issuers being sent electronically. The Client further acknowledges and agrees that this will mean that third parties may be provided with their email address so as to facilitate these electronic communications.
- #### 4. SECURITY, OTHER INTERESTS AND SUB-POSITIONS
- 4.1 If Client instructs FNZ Securities that a charge or other interest in Financial Products has been or is to be given to a person, then the Client authorises FNZ Securities 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
- 4.2 FNZ Securities may take steps to create or reserve a Subposition over the Client's Holding in the circumstances contemplated by clauses 4.1. FNZ Securities may also create or reserve a Subposition if the Client consents. If FNZ Securities 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 FNZ Securities any information or documents that FNZ Securities asks for to enable FNZ Securities 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 FNZ Securities 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 FNZ Securities:
- (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 FNZ Securities is advised of a Residency Indicator but FNZ Securities has been provided with a street address, then FNZ Securities 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 FNZ Securities suffers any claim, liability, direct or consequential loss (including to ASX Settlement or an Issuer) or incurs 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 FNZ Securities and keep FNZ Securities 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 FNZ Securities 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 FNZ Securities' officers, employees, advisers and agents; or
  - (d) with the Client's consent; or
  - (e) to enable FNZ Securities to enforce its rights.
- #### 6. FEES AND INDEMNITIES
- 6.1 The Client must pay FNZ Securities fees in connection with these sponsorship arrangements as advised by FNZ Securities to the Client or the Intermediary from time to time.
- 6.2 If the Client does not pay FNZ Securities an amount when it is due, FNZ Securities can charge interest on the overdue amount. FNZ Securities does this using the method and interest rate FNZ Securities determines from time to time.
- 6.3 The Client indemnifies FNZ Securities against, and the Client must therefore pay FNZ Securities on demand for liability, loss or Costs (including consequential or economic loss) FNZ Securities suffers or incurs:
- (a) in connection with FNZ Securities performing its obligations under these Sponsorship Terms; or
  - (b) in connection with FNZ Securities 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 FNZ Securities these amounts when FNZ Securities asks. FNZ Securities may also debit any of these amounts to any account the Client has with FNZ Securities even if FNZ Securities does not expressly ask the Client to pay FNZ Securities.
- 6.5 The indemnity in clause 6.3 is a continuing obligation, independent of the Client's other obligations to FNZ Securities. It continues even after these Sponsorship Terms are terminated. It is not necessary for FNZ Securities to incur expense or make payment before enforcing a right of indemnity conferred by these Sponsorship Terms.
- #### 7. SUSPENSION FROM CHES
- 7.1 If FNZ Securities is suspended from CHES participation, (subject to the assertion of an interest in Financial Products controlled by FNZ Securities, by the liquidator, receiver, administrator or trustee of FNZ Securities) 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 FNZ Securities' 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 FNZ Securities breaches a provision of these Sponsorship Terms and the Client makes a claim for compensation pursuant to that breach, FNZ Securities' ability to satisfy that claim will depend upon FNZ Securities' financial circumstances.
- 8.3 If a breach by FNZ Securities 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 FNZ Securities breaches these Sponsorship Terms, the Client may refer that breach to any regulatory authority, including ASX Settlement.

## **9. CHANGE OF CONTROLLING PARTICIPANT**

- 9.1 If the Client receives a Participant Change Notice from FNZ Securities 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 FNZ Securities indicating whether the Client wants to:
- Transfer the Client's Participant Sponsored Holding to another Controlling Participant; or
  - 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 9.2 above, and does not give any other instructions to FNZ Securities 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:
- the new Controlling Participant is a party to these Sponsorship Terms in substitution for the existing Controlling Participant; and
  - 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, FNZ Securities 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 FNZ Securities becomes insolvent;
  - if FNZ Securities' status as a Participant of CHESS is terminated or suspended; or
  - upon the giving of a withdrawal instruction by the Client to FNZ Securities 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 FNZ Securities 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 FNZ Securities 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; 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; 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, FNZ Securities 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 FNZ Securities can vary these Sponsorship Terms by giving the Client written notice of the variation. FNZ Securities will give you:
- at least 8 Business Days notice of the variation of the variation is, in FNZ Securities' 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 or Broker (as the case may be).

#### 14. SET OFF

- 14.1 FNZ Securities may set off any amount FNZ Securities owes the Client against any amount the Client owes FNZ Securities or any of FNZ Securities' related companies.

#### 15. APPLICABLE LAW

- 15.1 These Sponsorship Terms are governed by the laws in force in New South Wales. The Client and FNZ Securities 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 FNZ Securities. By returning one copy signed by the Client, the Client instructs FNZ Securities not to send to it a hard copy of these Sponsorship Terms executed by FNZ Securities. However, if the Client asks FNZ Securities to, FNZ Securities 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 CHES.

**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 the ASX declares is not a business day.

**CHES** means the 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.

**CHES 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 CHES 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 CHES 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 CHES 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, in the context of an arrangement where FNZ Securities is responsible for the execution of trades, the financial services provider, with whom you placed instructions to buy/sell Financial Products on your behalf.

**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 CHES.

**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 CHES.

**Withdrawal Instructions** has the meaning given in the ASX Settlement Rules. Generally, it means the instructions by a person who is sponsored on CHES 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.