

# Important Information Guide

## IMPORTANT NOTICE

All of the Information contained within this document are for Clients who use *PhillipCapital's* execution and settlement services in respect of Australian and International Financial products via their Financial Service Provider.

## Content

- *PhillipCapital* Terms and Conditions
- Extended Hours Trading -Material Risk Disclosure (US Market Only)
- Direct Debit Service Agreement
- Automated Client Order Processing Terms and Conditions (ACOP)
- *PhillipCapital* Financial Service Guide (FSG)

## Additional Policies

It is recommended that you also read the following policies available on our website ([www.phillipcapital.com.au](http://www.phillipcapital.com.au))

- *PhillipCapital* Privacy Policy
- *PhillipCapital* Best Execution Policy

### *PhillipCapital* Contact Details

Toll Free 1800 214 264  
Number:

Email: [info@phillipcapital.com.au](mailto:info@phillipcapital.com.au)

Website: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

#### **Phillip Capital Limited (*PhillipCapital*)**

ABN: 14 002 918 247

AFSL No: 246827

#### **Phillip Securities (Aus) Limited (PSAL)**

ABN: 95 092 989 083

AFSL No: 247100

#### **Head Office:**

Level 5, 45 William Street,

Melbourne VIC 3000

Telephone No: +61 3 8633 9800

#### **Branch:**

Level 7, 220 St George Terrace

PERTH WA 6000

Telephone No: +618 9288 3388

## Important Note:

### Execution and Settlement services.

These Terms & Conditions are for Clients who only use the Securities execution and settlement services provided by PhillipCapital.

Your Financial Service Provider (FSP) has an Intermediary Agreement for PhillipCapital to provide you execution and settlement services for Securities. These Terms & Conditions are for Clients who use PhillipCapital's execution and settlement services in respect of Securities via their FSP. You are a Client of PhillipCapital for the sole purpose of PhillipCapital providing you execution and settlement services for Securities.

### No Personal Advice

Under these Terms & Conditions, PhillipCapital does not provide any Client with any personal advice in respect of any financial product, security trade or any of your financial product holdings or any financial matter. PhillipCapital will only provide limited general advice.

### Terms & Conditions are part of your Agreement with PhillipCapital

These Terms & Conditions are part of your Agreement with PhillipCapital when you open an Account with PhillipCapital.

### Financial Services Guide and the Terms & Conditions

Although we have provided you our Financial Services Guide which refers to the various services PhillipCapital provides, these Terms & Conditions apply specifically where your FSP has an Intermediary Agreement with PhillipCapital and for PhillipCapital to provide you execution and settlement services for Securities. If there are any inconsistencies between these Terms & Conditions and the FSG these Terms & Conditions prevail.

## Definitions

"PhillipCapital" means Phillip Capital Limited ABN 14 002 918 247 AFSL 246827 (PCL) and Phillip Securities (Aus) Limited ABN 95 092 989 083 AFSL 247100 (PSAL)

"Account" means an account held by the Client at PhillipCapital.

"Adviser" means a representative of the FSP (Financial Service Provider) appointed by you. The Adviser is an Authorised Person of you the Client.

"Authorised Person" means either your Adviser or your FSP (Financial Service Provider).

"Client" or "you" or "your" means the person whose details appear on the Client Account Form.

"FSP" means Financial Service Provider (otherwise known as "Intermediary") being the holder of an Australian Financial Services Licence, and is duly appointed and authorised by you the Client. The FSP is an Authorised Person of you the Client.

"IC Account Form" means Intermediary Client Account Form.

"Intermediary Agreement" means an agreement between your Financial Service Provider (FSP) and PhillipCapital

"International Custodian" means any person PhillipCapital appoints to hold your International Securities in accordance with these Terms & Conditions.

"International Securities" means securities listed on a global securities exchange and includes but is not limited to stocks, shares, units, bonds, debentures or other debt securities, notes, rights, units, options and any other instruments representing rights to receive purchase or subscribe for same.

"Proscribed Person" means a person who appears to PhillipCapital either

- (a) to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth)

- (b) to be in breach of the laws of any jurisdiction relating to money laundering or counterterrorism
- (c) to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction or
- (d) to act on behalf, of or the benefit of, persons listed in the above sub-clauses (a), (b) and (c).

"Securities" means any means securities listed on any securities exchange (either in Australia or Global) and includes but is not limited to stocks, shares, units, bonds, debentures or other debt securities, notes, rights, units, options and any other instruments representing rights to receive purchase or subscribe for same.

"Terms & Conditions" means these terms and conditions.

### 1. Client of FSP and PhillipCapital

- (a) In consideration of PhillipCapital providing your FSP and your Adviser with access to PhillipCapital's dealing facilities (in accordance with an Intermediary Agreement between PhillipCapital and the FSP) to enable your FSP and Adviser to deal on your behalf on your Account and in accordance with your instructions to your FSP or Adviser, and as relayed to PhillipCapital, you acknowledge you become the Client of both the FSP (your primary contact) and PhillipCapital, and agree to and acknowledge these Terms & Conditions.

- (b) You are a Client of PhillipCapital for the principal purpose of PhillipCapital providing you execution and settlement services for Securities.

### 2. Agree to the Terms and Conditions

- (a) By instructing your FSP or your Adviser to deal for you on your Account, you are taken to have agreed to these Terms & Conditions which form part of the IC Account Form.
- (b) As a Client of PhillipCapital for the principal purpose of PhillipCapital providing you execution and settlement services for Securities, you agree that under the Terms & Conditions of this Agreement PhillipCapital will not provide you any personal advice in respect of any financial product, security trade or any of your financial product holdings or any financial matter. From time to time, PhillipCapital may provide general advice such as providing you access to research, portfolios proposals as requested by your FSP.

### 3. Authorised Persons on Client Account

- (a) By signing the IC Account Form you are appointing your FSP and/or your Adviser as Authorised Persons to act on your Account.
- (b) Once the Authorised Persons have been appointed, unless PhillipCapital receives written notice of the revocation of the authority or of your death or incapacity, PhillipCapital is entitled to assume and accept the authenticity of any instruction by any Authorised Person as constituting an instruction given by you.
- (c) By appointing an Authorised Person to act for and on your behalf on the Account in your name, you acknowledge that you are aware of this arrangement with PhillipCapital and agree that

PhillipCapital will only accept dealing instructions and corporate actions instructions on your Account from your appointed Authorised Persons.

### 4. More Than One person constitutes the Client

- (a) If more than one person constitutes the Client, then they are jointly and severally bound by these Terms & Conditions and

each of those persons has full authority to operate the Client's Account and **PhillipCapital** may act on the instructions of any one of those persons.

- (b) If more than one person constitutes the Client as part of a joint account, they agree that they have assumed joint and several liability for any monies payable to **PhillipCapital** by the Client and that **PhillipCapital** may pursue recovery against one or any or all of them at its discretion.

## 5. Banking Details

- (a) The banking and settlement details are below, however for International Securities, please also refer to the below under International Trading (Clause 7) "Payment and Settlement International Securities".

- (i). **Cash Management Trust** – There may be the requirement of a separate authorisation by you to allow **PhillipCapital** to settle transactions on your behalf. **If this is the case, please attach the appropriate authority.**
- (ii). **Direct Credit and Debit**- By allowing **PhillipCapital** to directly credit and/or debit your account when settling securities transactions executed on ASX, Cboe and global markets, you will ensure the fastest and most secure method of settlement. (see next section)
- (iii). **BPAY or PayID**- If you have elected to settle your purchases via the BPAY or PayID facilities you must schedule payment prior to 6.00 pm the day before market settlement to ensure your transaction settles on time. The BPAY or PayID facilities details will be listed on your Confirmation.

## 6. Direct Credit Facility and Direct Debit Request

- (a) **PhillipCapital** offer clients a **Direct Credit Facility** for payments of sale proceeds. There is no additional charge for making use of both Direct Credit Facility. The Direct Credit Facility operates as follows:

- (i). Except for contracts which have failed to settle by the specified date, payment will be made on the settlement date by electronic transfer and cleared funds should be available in your bank account no later than 48 hours after settlement date.
- (ii). Your bank account statement will be narrated to identify direct credits received from PCL or PSAL depending on the type banking facility utilised.

- (b) **Direct Debit Facility**: If you complete the Direct Debit Request Form you:

- (a) request and authorise PSAL (Debit User Identification number 244449) and/or PCL (Debit User Identification number 532202) to arrange for any amount which you owe to **PhillipCapital** from time to time to be debited through the Bulk Electronic Clearing System and paid to **PhillipCapital** from the account you have nominated in the IC Account Form;
- (b) Authorise **PhillipCapital** to debit in accordance with the Direct Debit Agreement the account nominated by you in the IC Account Form with any amount FinClear or **PhillipCapital** may debit or charge you; and
- (c) acknowledge having read and understood, and agree to be bound by, the terms in the Direct Debit Request Service Agreement.

## 7. Interest on Trust Account Balance

Regulations and settlement processes require us to hold your

funds in Trust Accounts. For International trading, Regulations allow us to hold your funds in Trust Accounts outside Australia for limited periods, when applicable. **PhillipCapital** may earn interest on your funds held in Trust accounts which we are entitled to retain (Corporations Regulation 7.8.02 (7)).

## 8. Directors Indemnity

Where you execute the IC Account Form in the capacity of a director or officer of a body corporate ("the Client") you agree;

- (a) That you are personally indemnifying **PhillipCapital** against any liability incurred as a consequence of any dealing on any Account whatsoever established by the Client as well as any liability or loss arising from, and any cost, damages, charges and expenses incurred in connection with
  - (i). Any failure by the Client to pay **PhillipCapital** any monies which are due and payable by the Client on any Account whatsoever of the Client; and
  - (ii). Any failure by the Client to fulfil its obligations to **PhillipCapital**.
- (b) the indemnity shall be a principal and continuing obligation and shall be in addition to and not merge with, or be affected by, any other security held by **PhillipCapital**, now or in the future, notwithstanding any rule of law or equity, or any statutory provision to the contrary.

## 9. Joint and several liability & Regulatory obligations

- (a) When more than one person executes the IC Account Form in the capacity of a **director or officer** of the Client, or if they are an **individual as part of a joint account**, they agree that they have assumed joint and several liability for any monies payable to **PhillipCapital** by the Client and that **PhillipCapital** may pursue recovery against one or any or all of them at its discretion.
- (b) In your capacity of a **director or officer of a body corporate**, and not **PhillipCapital**, will be responsible in meeting any **regulatory obligations** you may have as a director of an Australian regulated company, including but not limited to, general law, the Corporations Act, ASIC Policy, ASX Market Listing Rules, ASX Corporate Governance.

## 10. AML /CTF Act obligations.

You acknowledge and agree:

- (a) in order for **PhillipCapital** to meet its obligations under the Anti-Money Laundering and Counter- Terrorism Financing Act 2006 and associated Rules ("**AML/CTF obligations**"), **PhillipCapital** is required to obtain appropriate identification from you in order to verify your identity;
- (b) **PhillipCapital** may at any time request further information from you or your FSP relating to your identity and/or the source of monies credited or to be credited to the Account and you agree to provide your FSP or **PhillipCapital** with additional information to meet **PhillipCapital**'s request. If you do not provide **PhillipCapital** the information as requested, or there is a delay in you providing this information not your FSP, **PhillipCapital** may not be able to open an Account, or may suspend operation of the Account.
- (c) **PhillipCapital** is not liable for any loss incurred by the Client as a result of any action of **PhillipCapital** which either delays an Account being opened or results in an Application being declined, when these actions are necessary for **PhillipCapital** to comply with its AML/CTF obligations;

- (d) you are not aware and have no reason to suspect that:
- (i) the monies used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement; or
  - (ii) the proceeds of transactions will be used to finance any illegal activities; and
  - (iii) you are a politically exposed person or organisation.

## 11. Privacy Consent

- (a) **PhillipCapital** may disclose your information to our related bodies corporate or alliance partners to enable you to be advised about products or services offered by them or a third party with whom they have an arrangement.
- (b) Apart from disclosure to the Australian Securities and Investments Commission or to the Australian government and regulatory bodies where they are entitled to demand such information under applicable laws and regulations, where otherwise permitted by law or where you have agreed to the disclosure in these Terms and Conditions, we will keep your confidential information in confidence.

Our Privacy Policy is available at: [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

## 12. Information you provide

- (a) You warrant that the information provided by you in the IC Account Form or as notified to **PhillipCapital** from time to time is complete and accurate and can be relied upon by **PhillipCapital** in the absence of any written notification to the contrary. Where insufficient or incorrect information is provided and an Account has not been properly established, **PhillipCapital** reserves the right to refuse an order and/or not execute a transaction. You agree to notify **PhillipCapital** immediately, but no later than seven (7) in writing of any change to personal information that may be relevant to any dealing or proposed dealing with or on behalf of you by **PhillipCapital**.
- (b) Where applicable, you warrant that you have disclosed to **PhillipCapital**, your status as a Proscribed Person as defined under ASIC Market Integrity Rules (Security Markets) 2017.
- (c) You agree that **PhillipCapital** is not responsible for any missed opportunities to deal or execute in any market during the time it takes **PhillipCapital** to follow its internal procedures in order to assess your application to open an Account, accept or reject it, and (if the former) to open an Account.
- (d) Where applicable, you agree that you, and not **PhillipCapital**, will be responsible in meeting any regulatory obligations you may have as a director of an Australian regulated company, including but not limited to, general law, the Corporations Act, ASIC Policy, ASX Market Listing Rules, ASX Corporate Governance.

## 13. Jurisdiction

These Terms and Conditions are governed by the laws of Victoria and Western Australia.

## 14. Orders

- (a) You acknowledge understand that **PhillipCapital** will not receive orders directly from you to buy or sell or otherwise deal with Securities.
- (b) You acknowledge and understand that you must place all orders to buy or sell Securities or otherwise deal with Securities through your FSP or Adviser.

- (c) Depending on the commercial arrangement between **PhillipCapital** and your FSP or adviser, you will be provided with the appropriate facility to place orders, i.e. electronically via a platform, by phone or email;
- (d) Orders to buy or sell Securities received by **PhillipCapital** from your FSP or adviser:
- (i). may only be valid for terms that we determine from time to time and within the maximum terms allowed on the relevant securities exchange;
  - (ii). may be rejected or refused, for any reason, however without limiting the circumstances in which we may reject or refuse to arrange may include:
    - there are insufficient cleared funds deposited in your account;
    - application of the relevant market rules requires it; and
    - where securities required for settlement of a trade are not available.
- (e) You must also provide your FSP or Adviser with any information that **PhillipCapital** reasonably request in order to accept your orders to buy or sell Securities. You are responsible for ensuring the accuracy and completeness of your order.
- (f) Trading in Securities are day only limit orders, unless your FSP has an agreement in place with **PhillipCapital** to access Advanced Orders services.

## 15. Advanced Orders

- (a) Advanced orders means:
- (i). **Stop Limit order** is a conditional order to sell securities once it reaches a certain price. Once triggered a Stop Limit order becomes a Limit Order at the Limit price defined. Any fill is dependent on available liquidity at the time of trigger. This type of order is used in an attempt to minimise a clients losses and doesn't require the client to be actively watching the market;
  - (ii). **Good Till Date (GTD)** is a conditional order that remain in the market until the market closes on a defined date.
  - (iii). **Good Till Cancelled (GTC)** is a conditional order that remains active in the market until you decide to cancel it.
  - (iv). **Market order** is an order to buy or sell securities at the current Bid or Offer price. It is important to remember the last traded price is not necessarily the price at which a market order will be executed at.
  - (v). **Amend order functionality** allows you to change limit price, number of units, defined date (GTD) or to cancel.
- (b) Should your FSP provide you with Access to Advanced Order, you acknowledge that **PhillipCapital** may not provide all Advanced Orders across all available market;
- (c) You have read and understood **PhillipCapital's** ACOP terms and conditions within this document;
- (d) You understand Advanced Orders are provided under the same terms as detail above in Section 13; and
- (e) **PhillipCapital** reserves the right to amend or remove Advanced Orders at any time without reference to you.

## 16. Delays in processing

- (a) You acknowledge that **PhillipCapital** will make all reasonable attempts to:
- (i). enter instructions received on your behalf from your FSP or Adviser to buy or sell Securities as quickly as possible and will not be liable for any claims for lost opportunity should delays be experienced.
  - (ii). effect any instruction to cancel or amend orders to buy or sell Securities as quickly as possible; and
  - (iii). inform your FSP or Adviser when orders to buy or sell Securities are filled prior to an amendment or cancellation instruction being cancelled.
- (b) If an order to buy or sell Securities is filled prior to a cancellation or amendment instruction, you will accept the transaction(s) on the original terms.
- (c) If you have concerns in relation to your order to buy or sell Securities, you will make all reasonable attempts with your FSP or Adviser to verify whether the order has been received, approved and effected prior to taking any further action.
- (d) You agree to be bound by the Terms and Conditions of all orders to buy or sell Securities placed by your FSP or Adviser, as if, they had been placed by yourself.
- (e) If, acting reasonably, and if **PhillipCapital** consider there is a dispute between **PhillipCapital**, your FSP and/or Adviser about an order to buy or sell Securities or instruction given to us, for example, the number of Securities you have asked us to buy, or the bid price for shares, we may take, without prior notice to your FSP or Adviser, any action which in our reasonable opinion we consider necessary to close any open position the subject of the dispute, for example, by selling shares.

## 17. Execution and Order variation or cancellation

- (a) **PhillipCapital** will use our reasonable endeavours to execute or arrange execution of your FSP or Adviser instructions received on your behalf.
- (b) You agree we will not be responsible for delays or errors in the transmission or execution of orders to buy or sell Securities received from your FSP or Adviser, and you acknowledge that there are international time differences and timing of public holidays or other similar observances may lead to delays in receipt of instructions and execution by us or our International Custodians. You also agree that neither we nor our employees, contractors or International Custodians are responsible for any loss whether direct or consequential, and whether in connection with a cash account or otherwise, that you suffer or incur in connection with your Intermediated business dealings with **PhillipCapital** or our International Custodians (where applicable).

## 18. Default and recovery

In the event that your account is overdue and is referred to a collection agency and/or a law firm for debt recovery, you will be liable for all costs that are incurred including legal costs.

## 19. PhillipCapital

### Phillip Securities (Aus) Limited (PSAL)

PSAL will execute, settle and clear all your Australian Securities transaction, and as such:

- (i). will act as your CHESS Sponsoring Participant if you elect to be CHESS sponsored,
- (ii). will Issue Confirmations of Australian listed securities,

- (iii). will be the identify as the entity which has debited or credited your nominated bank account; and
- (iv). will be the nominated Bpay entity should you elect to settle purchases using that facility.

### Phillip Capital Limited (PCL)

PCL will execute, settle and be the custodian for all your international securities transactions in global markets, and as such:

- (i). will issue Confirmations of international securities;
- (ii). will be the identify as the entity which has debited or credited your nominated bank account;
- (iii). will be the nominated PayID entity should you elect to settle purchases using that facility; and
- (iv). will arrange foreign currency (FX) transactions on your behalf to facilitate settlement of international securities.

### Phillip Securities Pte Ltd ("PSPL")

To facilitate International Securities transactions in global markets, **PCL** has appointed PSPL, its related company in Singapore, to provide trade execution facilities, and to act as International Sub-Custodian to settle and hold International Securities and Foreign Currency (FX) on your behalf.

## 20. Confirmations

- (a) In the event that you are a wholesale Client (as defined in the Corporations Act) for the purposes of the ASIC Market Integrity Rules, unless you request they be provided, we may elect not to give any Confirmations to you in relation to Transactions executed for you.

When you provide an electronic address ("email address") to **PhillipCapital**, you authorise **PhillipCapital** to dispatch electronic Confirmations to the email address provided. It is your responsibility to ensure that the email address you provide to **PhillipCapital** is up to date, operational and available for receipt of electronic Confirmations. You must advise **PhillipCapital** of any change to your email address as soon as practicable after the change is made. In the absence of an email address, Confirmations in paper-based form will be sent to the registration address provided by you. Additional charges may apply for the production and postage of paper-based Confirmations.

- (b) Where we enter into multiple transactions on an Australian market, in order to complete an order, you authorise us to accumulate those transactions on a single Confirmation and to specify the volume weighted average price for the transactions. Should we choose to transact on additional markets we may accumulate transactions undertaken on different exchanges where this is in accordance with our best execution policy. If requested by you, we will give you a statement of all the individual prices of the relevant transactions which are accumulated and averaged in a Confirmation.

## 21. PhillipCapital discretion to act on Client instructions

- (a) Whilst your Authorised Person may instruct **PhillipCapital** to deal on your Account, **PhillipCapital** has discretion to accept or decline such instructions at any time without the need to provide any reason. **PhillipCapital** also reserves the right to decline to act on behalf of you when either the original instruction from the Authorised Person is more than one calendar month old or where the relevant securities have been subject to a trading halt or suspension from trading and your has not subsequently reconfirmed your instruction.



## 22. Termination

- (a) Either you or **PhillipCapital** may terminate the agreement between us governed by these Terms & Conditions by giving not less than seven (7) days' prior written notice to the other.
- (b) Subject to our other rights under these Terms & Conditions, upon termination of the agreement:
  - (i). any previously arising rights and obligations of either of us will not be affected;
  - (ii). we and where appropriate our International Custodian may enter into transactions to settle or otherwise extinguish,
  - (iii). or off-set obligations incurred by us or them in relation to the Securities prior to termination;
  - (iv). we agree to take all necessary steps to vest control of the Securities in you (or as you otherwise direct in writing), subject to payment by you of all charges and expenses and those of our International Custodians (where applicable) incurred as a result of termination of the agreement between you and **PhillipCapital**.
- (c) Subject to any lien which we may exercise under these Terms & Conditions or your written instructions, on termination of the services including International Securities services we provide, you must give us instructions regarding the transfer or sale of your Securities within a reasonable time and if you do not provide us with instructions within a reasonable time we will convert your International Securities to Certificated International Securities. If this is unable to be completed for whatever reason, we will sell any affected International Securities on your behalf and credit the proceeds to your Settlement Account. The termination of the International Securities service does not affect outstanding obligations under these Terms and Conditions which remain undischarged at the time of termination.
- (d) If we receive written instructions from you for withdrawal of International Securities we will, subject to there being sufficient International Securities available in your account, initiate any registration, transfer or other action necessary to give effect to those withdrawal instructions.

## International Trading

### 1. Laws and Rules

- (a) If you wish to trade in International Securities, you are bound by the local laws, rules, customs, usages and practices including as to taxation of the country and the operator of the licensed or nominated financial market.
- (b) You agree that in the event of inconsistency between these Terms & Conditions and the procedures, rules, customs, usages and practices of the operator of the relevant financial market, the latter will prevail to the extent of any transactions quoted on an approved licensed or nominated market and settled and cleared accordingly.

### 2. No benefit from Australian National Guarantee Fund

- (a) If you trade in International Securities you will not receive the benefit of coverage under the Australian National Guarantee Fund.

### 3. International Custodian Arrangements

You expressly agree to the following arrangement for the holding of your International Securities

- (a) **PCL** has a custody agreement ("Custody Agreement") with an International Custodian(s) (see page 4 "17 PhillipCapital) to enable the provision of custodial services in relation to your International Securities. ("**International Securities**") and Foreign Currency (FX) ("**FX**") together International Securities and FX are referred to as "**International Financial Products**".
- (b) **PCL** has an omnibus account ("Omnibus Account") which is held with our International Custodian. The Omnibus Account is an account in which your International Financial Products are held along with other Clients International Financial Products and are pooled together rather than designated separately. **PCL** maintains a register of each the individual Clients' International Financial Products in the Omnibus Account.
- (c) Upon a Client buying or holding any International Financial Products, the International Securities are held on your behalf in custody via the **PCL** Omnibus Account with **PCL**'s appointed International Custodian.
- (d) You consent to the International Custodian engaging at their discretion a sub-custodian who may in turn engage a sub-sub-custodian. By entering into custody arrangements, your International Securities will be held by the International Custodian (or sub-custodian or sub-sub custodian as relevant) on your behalf.
- (e) With this custodial arrangement, you retain beneficial ownership but not legal ownership of your International Securities. This means that the name of the relevant Custodian rather than your name or **PCL**'s name will appear on the share registry of the entity you hold International Financial Products.
- (f) Upon your request, we will acknowledge the manner in which the International Financial Products are held.

### 4. International Financial Products. Various

- (a) **PCL** is prohibited from taking or granting a charge, mortgage, lien or other encumbrance over, or in relation to, the International Securities held under the custody arrangement unless it is: (i) for expenses and outlays made within the terms of our agreement with you other than any unpaid fees of the licensee; or (ii) in accordance with the Client's written instructions
- (b) **PCL** maintains a record of your International Financial Products being held which includes; the transactions and when the transactions were authorised and who holds the International Financial Products. Information is made available to the client when requested.
- (c) **PCL** will apply verification procedures for the appropriately frequent reconciliation and checking of your International Financial Products.
- (d) **PCL** will report to the Client in respect of your International Financial Products on a periodic basis.
- (e) **PCL** exercises reasonable care in selecting our International Custodian(s) and we will advise you the details of the International Custodian (as it has done earlier in these terms & Conditions) and any other custodian **PCL** engages.
- (f) On termination of the agreement you have with **PCL** and subject to any lien in accordance with the agreement with **PCL** or written instructions of the Client, the International Financial Products must be transferred to the Client or otherwise be transferred as the Client (via its Authorised Person) lawfully directs within a reasonable time
- (g) **PCL** has and maintains adequate arrangements to enable it to provide the services under the Client agreement and any contingency for which it should reasonably plan

- (h) **PCL** will keep any information of a confidential nature in confidence, apart from any disclosure to Australian Securities and Investment Commission or as permitted by law or by the Client.
- (i) You do not have the right to obtain physical delivery of those International Financial Products where those securities are registered in the name of our appointed Custodian on your behalf.
- (j) The entity paying a dividend or distribution in respect of any securities will automatically deduct any withholding tax in the applicable country where the entity is registered. **PCL** is not responsible for any incorrect taxes withheld by third parties and it is the responsibility of the Client to seek back tax monies from the tax authorities in the relevant jurisdictions.
- (k) Neither **PCL** nor the International Custodian will advise you of any general meeting held by any entity which may be relevant to your International Securities, and you will not hold **PCL** or its International Custodian liable for any matter in relation to any general meeting.
- (l) Clients who hold International Securities will not be entitled to vote in respect of any entity which may be relevant to your International Securities and you will not hold **PCL** or its Custodian liable for any matter in relation to any vote.
- (m) Our International Custodian may exercise any rights that we or any other International Custodian may have under these Terms and Conditions.
- (n) Unless instructed in writing by your FSP, all International Financial Products sold through us by you will be released from safe custody on your behalf as long as there is sufficient International Securities available for release.
- (o) You agree to indemnify us and our International Custodian against any actions, claims, demands, proceedings, costs, damages, expenses, liabilities and losses including legal costs paid, suffered or incurred in connection with these Terms & Conditions except where caused by our gross negligence or wilful misconduct.

## 5. Appointment of **PCL**

- (a) You agree and understand that your FSP has appointed **PCL** to execute, arrange, or arrange facilities for execution of trades in International Securities and to arrange associated settlement and custody services.
- (b) You agree and acknowledge that your FSP or your Adviser will provide **PCL** with an electronic address and authorise **PCL** to send a Confirmation of any transactions, or any notice to you and your FSP, electronically to the latest such address advised to us. Any dealings between **PCL** and our International Custodian, or between you and our International Custodian, may also be subject to the Terms and Conditions or trading rules of our International Custodian.
- (c) You warrant that:
  - (i). you are authorised to enter into these Terms & Conditions and to authorise us to act on your behalf in Securities transactions, and
  - (ii). your securities are free of any security interest or encumbrance, and you agree that in our discretion we or our International Custodians may decline to hold on your behalf any International Securities of yours affected by any such security interest, encumbrance or other restriction.

## 6. Liability

- (a) **PCL** acknowledges that it is liable to the Client if there is a loss to the Client due to a failure by **PCL** or its International Custodian it directly or indirectly engages to hold your International Securities, in which the Client has a beneficial interest, to comply with the duties under our agreement with you in respect of holding the International Securities or a failure to observe reasonable standards generally applied for holding your International Financial Products subject to any provision of **PCL** limiting its liability resulting from failure of any International Custodian it appoints if that Custodian is insolvent and **PCL** has not failed to take reasonable care in engaging and monitoring compliance by the appointed International Custodian.
- (b) Notwithstanding the previous sub clause:
  - (i). While **PCL** will use reasonable care in selecting our International Custodian, to the maximum extent of the law, **PCL** is not liable for any losses incurred by you by reason of any act, omission, fraud or negligence of the International Custodian or in relation to the holding of or dealing with your International Financial Products by the International Custodian.
  - (ii). To the maximum extent of the law, **PCL** will not be liable to you if you suffer loss in respect of your International Financial Products due to a failure by the International Custodian to comply with its duties under these Terms and Conditions and any other agreement relating to the holding of your International Securities or to observe reasonable standards generally applied by providers of custodial or depository services for holding property such as International Financial Products.
  - (iii). **PCL** will not be liable to the extent that the loss arises from the insolvency of the International Custodian and we have taken reasonable care in engaging and monitoring compliance by that International Custodian.
  - (iv). You agree **PCL** will not be liable to you for any loss resulting to you caused by any inaccuracy in the information or advice supplied by price quoting services.

## 7. Payment and Settlement – International Securities

- (a) If you wish to trade in International Securities, **PCL** will only permit trading where you have cleared funds in your nominated bank account, relevant currency or as arranged with your FSP.
- (b) **PCL** is not obliged to transfer financial products purchased where payment for them remains outstanding.
- (c) All transactions are settled in accordance with the transacting Nominated Licensed Market. Due to the fund clearance time difference, you agree that the fund settlement date might differ from the securities settlement date.
- (d) The payment of any taxes and other expenses payable are part of your settlement obligations. You authorise **PCL** to deduct all amounts in respect of any transactions completed on your behalf by **PCL** from funds in your nominated bank account or FX positions on settlement date.
- (e) **PCL** may offset any funds in your nominated bank account or FX positions against any amount you owe under the terms of this agreement.
- (f) Your money may be passed by **PCL** to a settlement agent, over the counter, counterparty or broker. Your money may also be transferred to another person such as an exchange or clearing



house where we believe is appropriate. You agree that we may pass client money to someone who is located outside Australia.

- (g) You acknowledge that with International Securities, the legal and regulatory requirements relating broker, settlement agent, over-the-counter counterparty may be different in countries from that of Australia and that this money may be treated in a different manner from that which would apply if it was held in Australia.

## 8. Conversion of currency

- (a) Unless you or your FSP provide instructions to the contrary, all proceeds of sales of International Financial Products on your behalf will be held in the domestic currency received within Custody.
- (b) **PCL** will only convert currencies held on your behalf in Custody if we receive a valid instruction to do so. Upon receipt of a valid instruction **PCL** will convert the relevant currency to AUD and pay the proceeds to your nominated bank account.
- (c) You acknowledge that there may be delays in processing currency conversions due to International Time Zones, and settlement cut-off times (which may vary for each currency). If Instructions are received after cut-off time, they will be processed the next business day.
- (d) You acknowledge that dividends and interest payments held in Custody may be credited to your account up to two months after the date the dividend or interests is received by any agent or sub-custodian of **PCL**.
- (e) You acknowledge that **PCL** has commercial arrangements in place to participate in wholesale Foreign Exchange (FX) markets, and it may participate in the buy/sell spread.

## 9. Corporate actions

- (a) Neither **PCL** nor the International Custodian will advise you of any corporate action of any entity which may be relevant to your International Securities and you will not hold **PCL** or its Custodian liable for any matter in relation to any corporate action. Corporate action includes but is not limited to takeovers, bonus issues, stock splits, consolidations, rights issues, or buybacks).
- (b) If you wish to take action with regard to a corporate action you must contact your FSP or Adviser who will deal with your instructions in accordance with the Intermediary Agreement between your FSP and **PCL**; however, you acknowledge the following standards will apply in the absence of any other instructions;

**PCL** is not obliged to

- (i). notify you of any proposed corporate actions by entities you have an interest in;
- (ii). provide you with any notice of a general meeting of an Entity of International Securities and you are not entitled to exercise voting rights in relation to any International Securities or to attend any such general meeting;
- (iii). provide you with copies of annual reports or company announcements of an entity of International Securities. You may request that **PCL** obtain copies of particular documents and if we are able to do so such documents will be provided upon payment of our specified fee; and
- (iv). advise you of the details of any new issues resulting in any entitlement accruing on the International Securities held for you agree that you will independently source such information. We may at our sole discretion, sell

your entitlement and credit the proceeds to your bank account where the issue is renounceable or let your entitlement lapse if the issue is non-renounceable;

**PCL** Will not

- (i). participate in any dividend reinvestment plans on securities held in custody on your behalf.
- (ii). pay you a cash amount equivalent to any dividend; and
- (i). act on your instructions if specifically provided at company meetings held by entities of International Securities.

Notwithstanding all of the above sub-clauses, **PCL** will not be held liable for any refusal or failure to act on a corporate action.

- (c) **PCL** is entitled to charge you additional fees related to any Corporate actions it undertakes and where applicable;
- (d) **PCL** may sell any odd lot you receive as a result of a corporate action depending on the relevant market and instructions being received from your FSP or Adviser. If an odd lot is sold you will receive confirmation of the trade and net proceeds will be credited to the relevant domestic currency holding.

## 10. No trading with partly paid securities

**PCL** will not allow trading in International Securities where the entity issues partly paid securities and your trading instructions relate to those partly paid securities.

## 11. Taxation and personal details

- (a) You authorise **PCL** to provide your personal details and details of International Securities held in safe custody on your behalf to comply with any applicable legislation, order from a statutory authority or market operator or the terms and constitution of an issuer.
- (b) Trading in International Financial Products may expose you to liability for taxation in other countries.
- (c) At **PCL**'s request, you must complete and sign documents (including taxation and residency declarations) required in connection with taxation requirements of those countries, as directed by your FSP or Adviser
- (d) In all cases, you are responsible for obtaining your own independent investment, legal and taxation advice in connection with trading in International Financial Products.
- (e) You agree for your FSP or Adviser to provide **PCL** with all information we may reasonably request in writing concerning you and your use of the International Financial Products trading services. We may report this information to regulatory authorities, execution, custody or market data providers, as we determine in our sole discretion.

## 12. Limiting access

You agree that **PCL** reserves the right to immediately remove or limit your access to the facilities described in these Terms & Conditions should your usage constitute a breach of these Terms & Conditions or otherwise be considered by us in our discretion to be unreasonable. You agree that:

- (a) if you or a signatory appears to be a Proscribed Person, then **PCL** may immediately refuse to process or complete any transaction or dealing of yours; suspend the provision of a product or service to you; refuse to allow or to facilitate any of your assets held by us to be used or dealt with; refuse to make any asset available to you to any other proscribed person or entity or terminate these arrangements with you. We will be under no liability to you if we

do any or all of these things. Our rights under this clause are in addition to all other rights we may have; and

- (b) If we exercise our rights above you must pay **PCL** any damages, losses, costs or expenses that we incur, including without limitation, administrative costs and/or costs of sale or purchase of any transaction or deal put in place for the purposes of meeting our obligations under these Terms & Conditions.

### 13. Vary Terms and Conditions

- (a) **PCL** may from time to time vary these Terms & Conditions to:
  - (i). add, change or remove any concessions or benefits;
  - (ii). adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, or ombudsman service regulator;
  - (iii). accommodate changes in the needs or requirements of our clients, such as new product features or services;
  - (iv). correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities;
  - (v). bring **PCL** into line with our competitors, industry or market practice or best practice in Australia or overseas; or
  - (vi). reflect changes in technology or **PCL** processes including our computer systems.
- (b) Each of the changes in paragraphs (i) to (vi) above is a separate right and this clause is to be read as if such change was a separately expressed right. Without limiting our rights under paragraphs (i) to (vi), we may from time to time vary any of the Terms & Conditions for reasons other than the ones mentioned above (e.g. due to unforeseen events). If we vary these Terms & Conditions the changes shall apply to all dealings between you and us on and from the day on which the variation takes effect. We will give not less than seven (7) days' notice to you at the postal or electronic address last notified to us by you, or at our website.
- (c) In the event that you appear to be a Proscribed Person, **PCL** will not be responsible for any loss, liability or costs incurred by you where we are unable to receive or act on your instructions.

- (d) **PCL** may accept International Securities from another party free of payment without your specific instruction and deposit those International Securities into your account.
- (e) We cannot accept instructions to sell International Securities on your behalf where those securities provided are in the form of certificates.
- (f) The agreement with you does not disclose all of the risks and other significant aspects involved in trading in International Securities. Please contact your FSP if you have any questions.
- (g) In the event of the default of any bank in respect of your International Securities, your money may be treated differently from the position that would apply if the money was held in Australia.

### 14. Purchases and Sales on Global Markets

- (a) In the case of transactions executed on Global Markets for International Securities, you must have cleared funds available to **PCL** in your nominated bank account or relevant domestic currency in Custody at the time an order is placed by your FSP or Adviser.
- (b) **PCL** reserves its right to refuse to:
  - (i). complete an order in circumstances where you have not met your settlement obligations.; or
  - (ii). transfer any International Securities purchased where payment for them remains outstanding
- (c) **PCL** does not charge any direct fees on FX conversions, however, it will be participating in the FX buy/sell spread to recover its costs.
- (d) Unlike transaction executed on the Australian markets, you will not receive physical delivery of International securities you purchase. Details of your holdings will be available electronically either on **PCL's** or your FSP's portal (where applicable). You are also entitled to ask your FSP to provide a statement of your holdings at any time.

You should consider the following points before engaging in extended hours trading. "Extended hours trading" means trading outside of "regular trading hours." "Regular trading hours" generally means the time between 9:30 a.m. and 4:00 p.m. (United States of America) Eastern Standard Time

- (a) **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.
- (b) **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- (c) **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- (d) **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- (e) **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security; and
- (f) **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

## Direct Debit Request Service Agreement

### Definitions

See page 1 of these Terms and Conditions and the below.

In this Direct Debit Service Agreement:

**Account** in this section of the Terms and Conditions (Direct Debit Service Agreement) means the account identified as the direct debit account in the Direct Debit Request Form, but only if that account is held with a Financial Institution.

**Banking day** means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia, or where there is a public holiday simultaneously in Victoria and New South Wales.

**Client** or **you** means the person whose details appear on *PhillipCapital's* Intermediary Client Account Form, or the Direct Debit Request Form.

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

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

**Direct Debit** means the direct debit request between you and us by completing and signing Direct Debit Request Form, or the *PhillipCapital* Intermediated Client Account form.

**DDR** means the Direct Debit Request form you have completed to authorise the appropriate debit user.

**Direct Debit User** means *PhillipCapital* or FinClear.

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

**FSP** means Financial Service Provider or Intermediary authorised by you.

**PCL** means Phillip Capital Limited ABN 14 002 918 247, Debit User ID 532202, and for the purpose of this agreement your executing broker.

**PSAL** means Phillip Securities (Aus) Limited ABN 95 092 989 083, Direct Debit User ID 244449

**PhillipCapital** means PSAL and PCL.

**PhillipCapitalus** or **we** means the Debit User you have authorised by requesting a DDR.

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

### 1. PhillipCapital

Please note, for international only trading accounts PCL will debit your account via Citibank. For domestic trading, PSAL will debit your account via National Australia Bank.

### 2. Debiting the Client's Account

- 2.1 By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited through the Bulk Electronic Clearing System and paid to us from the account nominated by you on the DDR form. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.
- 2.2 We will only arrange for funds to be debited from the Account as authorised in the direct debit request.
- 2.3 If the Debit Day falls on a day that is not a Banking day, we may direct Your Financial Institution to debit the account on the following Banking day. If you are unsure about the day on which the Account has or will be debited, you should ask your Financial Institution.

### 3. Your Obligations

- 3.1 By completing the Direct Debit Request you authorise us to arrange for funds to be debited from the Account and you warrant and represent that you are duly authorised to request the debiting of payments from the nominated bank account.
- 3.2 We will only arrange for funds to be debited from the Account as authorised in the direct debit request.
- 3.3 If the Debit Day falls on a day that is not a Banking day, we may direct Your Financial Institution to debit the account on the following Banking day. If you are unsure about the day on which the Account has or will be debited, you should ask Your Financial Institution.

### 4. Your Obligations

- 4.1 It is your responsibility to ensure that there are sufficient clear funds available in the Account to allow a Debit Payment to be made in accordance with the DDR.
- 4.2 If there are insufficient funds in the Account to meet a Debit Payment:
  - (a) you may be charged a fee and/or interest by Your Financial Institution;
  - (b) you may also incur fees or charges imposed or incurred by us; and
  - (c) you must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in the Account by an agreed time so that we can process the Debit Payment.
- 4.3 You should check the Account statement to verify that the amounts debited from the Account are correct.
- 4.4 If we are liable to pay goods and services tax (GST) on a supply made in connection with this agreement, then you agree to pay us on demand an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

### 5. Changes

- 5.1 You may request deferment of, or alteration to, suspension of these direct debit arrangements or stop any debit item by providing the appropriate signed written instructions to your FSP.
- 5.2 You may also cancel your authority for us to debit the Account by providing the appropriate notice to your FSP.
- 5.3 We may make changes or terminate these arrangements at any time by giving 14 days notice in writing to you.

### 6. Dispute

- 6.1 If you believe that there has been an error in debiting the Account, you should notify your FSP or FinClear directly on (02) 8999 4000 and confirm that notice in writing as soon as possible by faxing to (02) 8999 4099 or positing to GPO Box 5343, Sydney NSW 2001, or
- 6.2 If we conclude as a result of our investigations that the Account has been incorrectly debited we will arrange for Your Financial Institution to adjust the Account accordingly. We will also notify you via your FSP in writing of the amount by which the Account has been adjusted.
- 6.3 If we conclude as a result of our investigations that the Account has not been incorrectly debited we will provide you with reasons and any evidence for this finding.

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

## 7. Accounts

We recommend that you:

- (a) confirm with Your Financial Institution whether direct debiting through the Bulk Electronic Clearing System (BECS) is available from the Account as direct debiting may not be available on all accounts offered by Your Financial Institution; and
- (b) check that the Account details provided to us are correct by checking them against a recent Account statement.

## 8. Confidentiality

8.1 We will keep any information (including Account details) in your Direct Debit confidential. Please see our Privacy Policy at [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

- 8.2 We will only disclose information that we have about you:
- (a) to the extent specifically required by law; or

- (b) for the purposes of this Direct Debit Agreement (including disclosing information in connection with any query or claim); or

- (c) as permitted by the Terms.

## 9. Notice

- (a) If you wish to notify us in writing about anything in this agreement you should write to your FSP.
- (b) We may send notices either electronically to your email address or the ordinary post to the address you have given us; and
- (c) If sent by mail, communications are taken to be received on the day they would be received in the ordinary course of post.

## 10. Governing Law

These terms are governed by the laws in force in Western Australia or Victoria, Australia.

## 1. Automated Client Order Processing (ACOP)

Automated Client Order Processing (**ACOP**) is also known as Straight Through Processing or Direct Market Access. **PhillipCapital** offers the ACOP service (**ACOP Service**) for Traded Products across both domestic (PSAL) and international markets (PCL); excluding OTCs, ASX24 Derivatives and Futures traded on ASX24 and any other markets.

**Definitions.** See page 2 of these Terms and Conditions and section 1.9 in this ACOP section.

If we provide you with authority to the ACOP Service to enable you to conduct ACOP, the following terms and conditions apply:

### 1.1 Definitions

See page 2 of these Terms and Conditions and the below.

This ACOP section is part of the Terms and Conditions:

**“Authorised Persons”** for this part of the Terms and Conditions (ACOP); means a person who is nominated by the client and permitted by **PhillipCapital** to submit Orders through the ACOP Service using the Security Information provided by **PhillipCapital** and includes as the context requires where the person using the ACOP Service is the Client.

**“ACOP Service”** means the automated client order processing service to be provided by **PhillipCapital** to the Client in accordance with the Automated Client Order Processing Terms and Conditions in this document under which the Client is able to enter Orders directly into the Trading Platform relating to Traded Products.

**“Applicable Rules”** means being but not limited to Corporations Act, the Corporations Regulations the ASIC Market Integrity Rules, and any other applicable or relevant laws, regulations, customs and usages.

**“DMA”** means Direct Market Access to a live underlying market exchange.

**“DMA trading platform”** means the online system through which the Client is able to connect to the ACOP Service and where applicable includes:

- (a) The software and hardware applicable to that system;
- (b) Any trade Facilitation Software.

**“ETO’s”** means Exchange Traded Options limited to financial products tradable on the Australian Stock Exchange (ASX).

**“Filters”** means the restrictions **PhillipCapital** imposes whether by automated or manual means, to limit the Client’s ability to place Orders through the ACOP Service.

**“Order”** means an order for the purchase or sale of (or other dealing in) Traded Products made through the ACOP Service using the Security Information provided to the Client and, as the context requires, includes (without limitation) an Order or instruction to amend or cancel an existing order submitted through the ACOP Service.

**“Security Information”** means the Client login details (user code, user name and password) given to the Client by **PhillipCapital** in connection with the use of the ACOP Service.

**“Trade Facilitation Software”** means software provided by **PhillipCapital** to the Client for the purpose of the Client creating Orders including trading algorithms (including trading algorithms procured from a third party for use by the Client).

**“Trading Limits”** means the limits that **PhillipCapital** may place on the Orders that may be submitted and/or the trades that may be

undertaken through the ACOP Service.

**“Trading Platform”** has the meaning given to that term in the ASIC Market Integrity Rules and for other Securities Exchanges has the meaning given to it in the relevant Exchange Rules or Market Integrity Rules (as the context requires) for that Securities Exchange.

**“Traded Product”** means financial products traded on a recognised exchange limited to Equities, Exchange Traded Funds (ETF), Warrants, Index Derivates and ETO’s.

Words used in these Automated Client Order Processing Terms and Conditions in this document have the meaning ascribed to them in

the Terms and Conditions Australian and International Equities unless the context requires otherwise.

### 1.2 Access to the trading system

#### 1.2.1 Authorised Persons

**PhillipCapital** will have absolute discretion about who is approved as an Authorised Person. Only Authorised Persons are permitted to enter orders and the Client agrees to indemnify **PhillipCapital** for any losses incurred directly or indirectly as a result of unauthorised access to the DMA trading platform.

#### 1.2.2 Access by Authorised Persons only

No person other than an Authorised Person may at any time submit an Order for the Client (whether as principal or as agent for the Client) through the ACOP Service using the Security Information provided by **PhillipCapital** to the Client. **PhillipCapital** may in its discretion at any time, limit the number of Authorised Persons who are permitted to submit Orders for the Client through the ACOP Service. The Client must not authorize, allow or permit any person other than an Authorised Person to access or use the ACOP Service using the Security Information. The Client acknowledges and agrees that **PhillipCapital** may in its absolute discretion:

- (a) refuse to approve as an Authorised Person any person nominated by the Client for the purpose of submit an Order for the Client on the DMA trading platform ;
- (b) revoke its approval of an Authorised Person at any time; and
- (c) from time to time test whether an Authorised Person has adequate knowledge of the ACOP Service and the legislation including the Market Integrity Rules, directions, decisions and requirements of a Securities Exchange relevant to the type of order submissions facilities given to the Authorised Person by **PhillipCapital**.
- (d) the Client must notify **PhillipCapital** immediately an Authorised Person ceases to be authorised by the Client to access the ACOP Service on the Client’s behalf.

#### 1.2.3 Licence

The Client has limited, non-exclusive, revocable, non transferable and non sub-licensable license to use the ACOP Services and DMA trading platform. **PhillipCapital** may provide certain portions of the ACOP Services and DMA trading platform under license from third parties (which are protected under copyright, trademark and other intellectual property laws and other applicable law), and the Client and Authorised Persons will comply with any additional restrictions on the usage that **PhillipCapital** may communicate to the Client and Authorised Persons from time to time, or that are otherwise the subject of an agreement between the Client and such licensors.



## 1.2.4 ACOP Services and DMA trading platform to Client

**PhillipCapital** is providing the ACOP Services and DMA trading platform to the Client only for the Client's internal use and own purposes, and subject to these Terms and Conditions. You may not sell, lease, or provide, directly or indirectly, the ACOP Services and DMA trading platform or any portion of them to any third party except as permitted by these Terms and Conditions. You will protect and not violate those proprietary rights in the ACOP Services and DMA trading platform and honour and comply with **PhillipCapital's** reasonable requests to protect **PhillipCapital's** and **PhillipCapital's** third party service providers' contractual, statutory and common law rights in the ACOP Services and DMA trading platform. If the Client becomes aware of any violation of **PhillipCapital's** third party service providers' proprietary rights in respect of the ACOP Services and DMA trading platform, the Client will immediately notify **PhillipCapital** in writing.

## 1.2.5 Data and Information

The Client will supply **PhillipCapital** with all information **PhillipCapital** may reasonably request in writing concerning the Client and the Client's use of the ACOP Services. The Client will provide any consent that **PhillipCapital** may reasonably request with the provision of information to **PhillipCapital** by the Client or on the Client's behalf. **PhillipCapital** may report information obtained under this paragraph to regulatory authorities or to third party providers, as **PhillipCapital** determines in our reasonable discretion to be necessary. The Client consents and agrees to comply with any of our Privacy Policies.

## 1.2.6 Market Data **PhillipCapital** provides the Client

With respect to any market data or other information that **PhillipCapital** or any other third-party service provider provides to the Client in connection with your use of the ACOP Services and DMA trading platform:

- (a) **PhillipCapital** and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect;
- (b) **PhillipCapital** and any such provider are not responsible or liable for any actions that the Client take or do not take based on such data or information;
- (c) the Client will use such data or information solely for the purposes set forth in the Terms and Conditions and any Client Agreement;
- (d) Such data or information is proprietary to **PhillipCapital** and any such provider and the Client will not retransmit or disclose such data or information to third parties except as required by applicable law or regulation; and
- (e) the Client will use such data or information solely in compliance with all applicable laws, rules and regulations.

## 1.2.7 Security Information

The Client acknowledges that they are responsible for ensuring security in respect of the DMA trading platform and that the Security Information is confidential and agrees that it is responsible for maintaining its confidentiality. The Client agrees that it must:

- (a) only use the Security Information in accordance with these terms;
- (b) not disclose the Security Information, or any part of it, to any person or persons, including its employees, contractors, agents and consultants, other than to an Authorised Person;
- (c) ensure that at all times every Authorised Person maintains the confidentiality of the Security Information;
- (d) notify **PhillipCapital** immediately it becomes aware that any

Security information has been or may be used or disclosed in a manner that is not consistent with these terms; and

- (e) regularly review and, if necessary, upgrade the security of its network through which it accesses the ACOP Service to ensure that only Authorised Persons are able to access or use the ACOP Service.

## 1.3 Use of the DMA trading platform

### 1.3.1 The Client acknowledges that :

- (a) the ACOP service is accessible through the DMA trading platform;
- (b) neither **PhillipCapital** nor any related body corporate or affiliate of **PhillipCapital** makes any representation or warranty, express or implied, to the Client or to any other person regarding the DMA trading platform, or provides any guarantee with respect to the DMA trading platform, including without limitation, with respect to the operation, functionality, effectiveness, accuracy, reliability, merchantability, quality or fitness for purpose;
- (c) **PhillipCapital** and any related body corporate and affiliates are not in any way responsible or liable to the Client or any person claiming through the Client, for any loss that results from the Client's use of the DMA trading platform or from any failure, error or defect of or in the DMA trading platform;
- (d) the Client is solely responsible for assessing the adequacy of the DMA trading platform and for deciding whether or not to access it; and
- (e) it is the Client's responsibility to obtain at its own expense, all hardware and software to be used by the Client in connection with use of the ACOP Service.
- (f) the Client will be solely responsible for any losses, damages or costs that the Client may incur as a result of errors made by, or the failure of, the software or equipment that the Client use to access the ACOP Services and DMA trading platform. Where **PhillipCapital** or **PhillipCapital** affiliates provide, or arrange for the Client to have, access to or use of third party services and facilities, this is for the Client's convenience only. **PhillipCapital** and **PhillipCapital's** affiliates accept no liability for, and make no representations or warranties concerning the provision of such access or such use.

## 1.4 Orders submitted through the ACOP Service

### 1.4.1 Permission to submit Orders using Security Information

The Client acknowledges and agrees that it, and/or any Authorised Person, is permitted to submit Orders through the ACOP Service only if it or they do so using the Security Information.

### 1.4.2 Responsibility for submitting Orders

The Client:

- (a) determines the time at which Orders are submitted through the ACOP Service
- (b) is responsible for all Orders submitted through the ACOP Service using the Security Information, regardless of who enters such Orders and regardless of whether or not there is an error in the Order entry;
- (c) is bound by any agreement entered into on its behalf in reliance on such Orders;
- (d) is liable for any reasonable expense incurred by **PhillipCapital** in reliance on such Orders; and
- (e) accepts the sole risk and responsibility for Orders submitted

by it through the ACOP Services including any Order submitted in error.

#### 1.4.3 Order Priority

The Client acknowledges that all Orders submitted by it through the ACOP Service are, subject to any Filters, entered on a Trading Platform in the sequence in which they are received and otherwise as expeditiously as practicable, and this may result in **PhillipCapital's** principal orders being satisfied ahead of an Order.

#### 1.4.4 Acknowledgement about resubmitting purged orders

The Client acknowledges that Orders purged from a Trading Platform by the relevant Securities Exchange will not be resubmitted to that Trading Platform by **PhillipCapital**.

#### 1.4.5 No pre-arranged Orders

The Client undertakes to ensure that any Orders placed through the ACOP Service which match opposite orders placed by **PhillipCapital** in a trading Platform either as agent or as principal, will be of an accidental nature, meaning that no pre-arrangement of the matched orders will have taken place with **PhillipCapital**, and will not detract in any way from the Client's Orders transacting in a Trading Platform under strict rules of time and price priority.

### 1.5 Trading Rules

#### 1.5.1 Trading Limits for ACOP

**PhillipCapital** may at any time through the ACOP Service impose, and from time to time vary, ACOP Trading limits. Without limitation, **PhillipCapital** may impose ACOP Trading Limits on any or all of the following:

- (a) the value or number of any buy Orders or trades;
- (b) the value or number of any sell Orders or trades;
- (c) the available cleared funds;
- (d) the securities;
- (e) the net value of any buy Orders or trades less sell Orders or trades;
- (f) the gross value of any buy Orders or trades and any sell Orders or trades;
- (g) the value of any Order or trade;
- (h) the value of any Order submitted by one or more Authorised Person, or trade undertaken by such a person; and
- (i) the available global markets.

The Client must comply and ensure that every Authorised Person complies with all applicable ACOP Trading Limits.

#### 1.5.2 Prohibited Orders

The Client must ensure that:

- (a) every Authorised Person accesses the ACOP Service in a way that ensures fairness, efficiency and ongoing protection of market integrity
- (b) it does not place an Order through the ACOP Service such that the beneficial ownership of the financial products which are the subject of the Order would not change if the Order was executed;
- (c) it does not place any Order through the ACOP Service known as "short selling";

(d) it does not take any action, fail or take any action or place any Order through the ACOP Service where that Order (or the resulting transaction) would violate or cause or result in the Client or **PhillipCapital** violating any applicable law or regulation, including without limitation, any applicable law or regulation in relation to:

- (i) market manipulation, false trading, market rigging, fictitious transactions, wash trading or matching or orders;
- (ii) insider trading
- (iii) front running;
- (iv) fraud;
- (v) creation of a disorderly market or otherwise prejudicing the integrity or efficiency of the market; or
- (vi) misleading or deceptive conduct; and
- (e) every Order is submitted in accordance with these terms or any policy or operational guideline
- (f) published by **PhillipCapital** from time to time in relation to the ACOP Service,

#### 1.5.3 Filters

**PhillipCapital** may impose Filters to restrict the placement of any Orders or the execution of any trades through the ACOP Service, including (without limitation) Filters for the object to:

- (a) prevent a breach of the provisions set out in this paragraph 1.4;
- (b) prevent Orders being registered with a Trading Platform where the price at which the Order is submitted through the ACOP Service is too far from the prevailing market price for the relevant security or financial product;
- (c) ensure that the ACOP Services does not interfere with the efficiency and integrity of the market conducted by a Securities Exchange;
- (d) ensure that the ACOP Service does not interfere with the proper functioning of any Trading Platform; or
- (e) facilitate compliance with and prevent breaches of the Applicable Regulations.

**PhillipCapital** has, and accepts, no responsibility or liability to the Client or any person claiming through the Client for failing to submit such Orders to a Trading Platform.

#### 1.5.4 Delays

The Client acknowledges that there may be delays in the processing or execution of an Order placed through the ACOP Service, and:

- (a) an Order may be wholly or partly filled before an instruction for its amendment or cancellation is processed;
- (b) the Client remains liable to **PhillipCapital** to settle the original Order, until any relevant amendment or cancellation is effected; and
- (c) **PhillipCapital** will not be liable for any loss or damage to the Client by reason of any delay in processing any Order submitted through the ACOP Service.

#### 1.5.5 **PhillipCapital** takes no responsibility

The Client acknowledges that **PhillipCapital** takes no responsibility for the processing, execution or cancellation of any Orders placed through the ACOP Service or for any delays in relation to the same.

## 1.6 Reconciliation

The Client is responsible for reconciling end-of-day Confirmations against its records on any given trading day, and must communicate to **PhillipCapital**, any discrepancies found in this reconciliation before the market opens on the next trading day. The Client acknowledges that **PhillipCapital** is not responsible in any circumstances for the losses of any kind of the Client that occur through errors that go undetected as a result of the failure of the Client to perform this reconciliation.

## 1.7 PhillipCapital warranties and liabilities

### 1.7.1 No Representations or warranties about ACOP Service

Subject to those provisions of the Competition and Consumer Act (Cth) and any other rights implied by law which cannot be excluded by agreement between the parties, **PhillipCapital** makes no representations or warranties express or implied, including, without limitation, any implied warranties as to merchantability, quality or fitness for a particular purpose or otherwise (including as to accuracy, currency, availability, completeness or quality) with respect to the ACOP Service.

### 1.7.2 Exclusion of liability

The Client acknowledges that the ACOP Service is provided at its sole risk and that to the extent permitted by law, **PhillipCapital** excludes all liability in contract, tort (including negligence) or otherwise relating to or resulting from use of the ACOP Service, including without limitation, liability for any loss or damage (including incidental, indirect and consequential loss and damage, loss of prospective profits, or expenses) incurred or suffered by the Client directly or indirectly, as a result of:

- (a) any defect, delay, failure, inaccuracy in, use of or inability to use the ACOP Service; or
- (b) any government restriction, exchange or market rulings, suspension of trading computer or telephone failure, unlawful access to the ACOP Service, theft, sabotage, war, earthquakes, strikes, force majeure and without limitation, any other conditions beyond **PhillipCapital's** control.

### 1.7.3 Limitation of liability in any event

**PhillipCapital's** liability shall in any event be limited to:

- (a) in the case of goods, replacement or repair of the goods; and
- (b) in the case of services, re-supply of the services.

### 1.7.4 System and trading risks

The Client acknowledges that there is significant risk in trading through a system including the ACOP Service, which is serviced by means of computer and telecommunications systems, even where generally accepted industry standards and practices are followed, including that:

- (a) the access to and use of the ACOP Service cannot be operated in all circumstances without error including, without limitation, errors in computer programs and telecommunications systems. These errors may result in, among other things:

- (i) a delay in telecommunications services;
  - (ii) interrupted service and faults, such that the ACOP Service may not remain accessible at all times during the trading day and there may be problems affecting the stability of the ACOP Service that could cause the Client to be unable to enter Orders via the ACOP Service during normal trading hours;
  - (iii) Orders and other communications relating to trading and execution not reaching **PhillipCapital** or being lost, rejected or partially received or sent, such that they are not accurately received or sent by the Client or **PhillipCapital** and are not representative of the original contact of the Orders and other communications relating to trading and execution
  - (iv) Inaccuracies in the provision of the ACOP Service and generally;
- (a) The Client's data may not be protected and there are risks that other users of the ACOP Service, institutions or holders of an Australian Financial Services licence will be able to see Orders submitted by the Client and other communications relating to trading and execution without the Client's (or **PhillipCapital's**) consent and that third parties (including persons on private networks) may have the ability to attach to the Client's network;
  - (b) Orders and other communications relating to trading and execution and other data submitted to the ACOP Service will not remain confidential;
  - (c) the Client's system may not be compatible with the ACOP Service or a Trading Platform and that this incompatibility may lead to an unstable environment; and
  - (d) Orders may be placed through the ACOP Service without the Client's authority by a person using the Security Information given to the Client and accordingly, that trades which have not been authorized by the Client may be executed.

## 1.8 Termination

**PhillipCapital** may terminate or suspend the Client's participation in the ACOP Service for any reason and at any time by notice in writing. The Client may terminate its participation in the ACOP Service by request in writing to **PhillipCapital**. Termination of the Client's participation does not affect its outstanding obligations under these Terms and Conditions or any other agreement that you may have with **PhillipCapital**.

## 1.9 Intellectual Property

You acknowledge that all intellectual property rights in the ACOP Service and the DMA trading platform and the components thereof are owned by **PhillipCapital** or are procured by **PhillipCapital** for the use of the Client and nothing in these Terms and Conditions confers any right of ownership, transfer or ownership to, or other right to the intellectual property in the Client.

## 1.10 Fees and Costs

Over and above any other fees and costs payable by the Client, the Client is responsible for all fees, costs and any expenses associated with your access to and use of the ACOP Services and the execution and settlement of transactions (including, commissions, telecommunications, modems, and other connectivity costs, and costs of any third party software, equipment and any related maintenance services).

## 1.11 Other Warranties

The Client represents and warrants that it shall be liable to **PhillipCapital** in respect of all obligations and liabilities of the Client in connection any use of the ACOP Services and DMA trading platform and any transaction relating to the Client.

## 1.12 Record Keeping

The Client will not rely on **PhillipCapital** to comply with the Client's record keeping and registration.

## 1.13 Supplement to Electronic Access to ACOP Service

Without limiting anything in the previous clauses in the event **PhillipCapital** is engaged to do either of Worked Orders or Direct Market Access Orders (see below for definitions) the following applies:

- (a) **Worked Order(s)**: Processing the Client's electronic orders with manual intervention, via **PhillipCapital** or **PhillipCapital's** affiliates' personnel, either on- or off- exchange ("Worked orders").
- (b) **Direct Market Access ("DMA") Order(s)**: Processing the Client's electronic orders through **PhillipCapital** or **PhillipCapital's** affiliates' infrastructure direct to the live underlying market exchange.

### 1.13.1 Applicable Rules Notification Governing Trades on a licenced securities exchange

- (a) The Client represents and warrants that the Client fully understand the relevant provisions of the Applicable Rules (being but not limited to Corporations Act, the Corporations Regulations the ASIC Market Integrity Rules, and any other applicable or relevant laws, regulations, customs and usages), and agree to observe the Applicable Rules. Without in any way limiting the generality of the forgoing, the Client represents and warrants that the Client fully understands the relevant provisions of:
  - (i) "Prohibition of Market Manipulation" as described in ASIC Market Integrity Rules and section 1041A of the Corporations Act;
  - (ii) "Prohibition of Insider Trading" as described in 1043A of the Corporations Act; and
  - (iii) "Prohibition of Misleading and Deceptive Conduct" described in Section 1041H of the Corporations Act.
- (b) the Client represents and warrants the Client fully understands that there are significant risks in trading through a system which is serviced by means of computer and telecommunications systems. The access to electronic order entry facilities cannot be operated in all circumstances without error including, without limitations, errors in computer programs and telecommunications services to the user, interrupted service, faults, inaccuracies in the provision of the service or inaccuracies generally.
- (c) the Client represents and warrants to us that:
  - (i) the Client have an adequate knowledge of the Applicable Rules and order entry system facilitating direct market access under the Electronic Access and Trading Agreement between us; and
  - (ii) the Client have adequate financial resources to meet the Client's obligations to us incurred as a result of using the DMA trading platform

(d) In addition to making the representations and warranties set out in the Terms and Conditions the Client will not to use the DMA trading platform in such a manner that we may be viewed as being in breach of any of the Applicable Rules or in a manner to bring disrepute to **PhillipCapital's** reputation within the relevant market. This includes, but is not limited to, conduct which is perceived to be interfering with the efficiency and integrity of the market or the proper functioning of the DMA Trading platform for securities trading on the ASX.

(e) the Client acknowledges and agrees that a market crossing effected by us may occur in relation to any order you place using The Trading System, with us acting in our capacity as either agent or client, provided that there is no pre-arrangement with respect to the trade between us and yourself. Furthermore, the Client acknowledges and agrees that we may receive commission on both sides of the market crossing. Furthermore, you acknowledge that the reference to these matters in this agreement constitutes a disclosure, as required by ASIC Market Integrity Rule 5.1.8.

(f) Subject to clause 1.13.1 (J), we impose trading restrictions on the Client's use of the Trading System by utilising automatic filters, which are contained within the order entry system. Should any of the restrictions imposed by us on the Client's use of DMA be breached, the trade will automatically be restricted from reaching one of our Designated Trading Representatives.

(g) If the Client:

- (i) Breach any clause of the ACOP Terms and Conditions between us including the Applicable Rules Notification (Clause 13.1.1); or
- (ii) have Authorised Person who in our opinion lack sufficient supervision or knowledge of the Applicable Rules (despite being approved by us),

we may in our absolute discretion and without liability to the Client, immediately suspend or terminate access to the DMA Trading platform.

(h) We may in our absolute discretion and without liability to the Client, suspend or terminate access to the DMA Trading platform or make any adjustment to any order as we deem necessary, if:

- (i) We consider, at our sole discretion, that such order may breach or may have breached a provision of the Applicable Rules; or
- (ii) We deem, at our absolute discretion, that such order may interfere with the efficiency and integrity of the ASX market of the proper functioning of ITS, or other systems for securities trading on a relevant exchange.

(i) The Client acknowledges that;

- (i) we will execute an order as it is received by us under the electronic order entry facility and that the order of receipt of an order may not necessarily correspond with the sequence in which you made the order using the relevant electronic order entry facility;
- (ii) the data made available to the Client through access to the electronic order entry facilities is and remains the valuable property of the ASX and is not our property; and

- (iii) DMA trades effected on your behalf on the ASX will be executed in the name of Phillip Capital Limited
  
- (j) The Client agree to fully co-operate with us if the ASX, ASIC or any other regulatory body conduct an investigation into your trading activity conducted by DMA Trading platform. Without limiting the generality of this clause, you may be required to provide either (or both) us and the relevant regulatory body with any information you possess in connection with the investigation or provide access to your premises, trading records and applications.

## 1. Interpretation

Any term used in this Agreement which is defined in the ASX Settlement Operating Rules has the meaning given in the Rules.

## 2. Mandatory Provisions

### 2.1 Participant Rights

2.1.1 Where the Participant Sponsored Holder authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those financial products within two Business Days (T+2) of the date of purchase or as advise otherwise from time to time.

2.1.2 Subject to Clause 2.1.3, the Participant is not obliged to Transfer Financial Products into the Participant Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.

2.1.3 Where a contract for the purchase of Financial Products remains unpaid, after the Participant has made a demand of the Participant Sponsored Holder to pay for the Financial Products, the Participant may sell those Financial Products that are the subject of that contract at the Participant Sponsored Holder's risk and expense and that expense will include brokerage and stamp duty.

2.1.4 Where the Participant claims that an amount lawfully owed to it has not been paid by the Participant Sponsored Holder, the Participant has the right to refuse to comply with the Participant Sponsored Holder's Withdrawal Instructions, but only to the extent necessary to retain financial products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current market value of the amount claimed).

### 2.2 Participant Sponsored Holder's Rights

2.2.1 Subject to Clauses 2.1.3 and 2.1.4, the Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.

2.2.2 The Participant will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without the express authority of the Participant Sponsored Holder.

2.2.3 Phillip Capital Limited is a holder of an Australian Financial Services Licence under the Corporations Act 2001 which is regulated by the Australian Securities and Investments Commission ("ASIC"). As a Market Participant of ASX Group Ltd ("ASX"), Phillip Securities (Aus) Limited is also bound by the ASX Market Operating Rules, ASX Settlement Operating Rules and the ASX Clear Operating Rules. The Participant Sponsored Holder can obtain information as to the status of Phillip Capital Limited from ASIC.

2.2.4 The Participant Sponsored Holder may lodge a complaint against Phillip Securities (Aus) Limited or any claim for compensation with the Australian Financial Complaints Authority (AFCA). The AFCA toll free number is 1800 931 678

## 3. Other Rights And Duties

### 3.1 Supply Of information

3.1.1 The Participant Sponsored Holder will supply all information and supporting documentation which is reasonably required to permit the Participant to comply with the registration requirements, as are in force from time to time, under the ASX Settlement Operating Rules.

### 3.2 Exchange Traded Options, Pledging and Sub-Positions

3.2.1 Where the Participant Sponsored Holder arranges with ASX Clear to lodge Derivatives Cover in a Participant Sponsored Holding, and informs the Participant of the arrangement, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonably required by ASX Clear in accordance with the Rules to give effect to that arrangement.

3.2.2 Where the Participant Sponsored Holder arranges with any person to give a charge or any other interest in financial products in a Participant Sponsored Holding, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.

3.2.3 The Participant Sponsored Holder acknowledges that where, in accordance with this Agreement and/or the Participant Sponsored Holder's instructions, the Participant initiates any action which has the effect of creating a sub-position over financial products in the Participant Sponsored Holding, the right of the Participant Sponsored Holder to transfer, convert or otherwise deal with those financial products is restricted in accordance with the terms of the Rules relating to sub-positions.

3.2.4 Nothing in this Agreement operates to override any interest of ASX Clear in the financial products.

### 3.3 Fees

The Participant Sponsored Holder will pay all Brokerage fees and associated transactional costs within the period prescribed by the Participant.

## 4. Mandatory Notifications And Acknowledgments

4.1 The Participant Sponsored Holder acknowledges that if the Participant is not a Market Participant of an Approved Market Operator neither the Approved Market Operator nor any Related Party of an Approved Market Operator has any responsibility for regulating the relationship between the Participant Sponsored Holder and the Participant, other than in relation to the Rules relating to Sponsorship Agreements.

4.2 The Participant Sponsored Holder acknowledges that if a Transfer is taken to be effected by the Participant under Section 9 of the ASX Settlement Operating Rules and the Source Holding for the Transfer is a Participant Sponsored Holding under the Sponsorship Agreement, then:

- (a) the Participant Sponsored Holder may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not affected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by the Participant Sponsored Holder to affect the Transfer; and
- (b) unless the Transfer is also taken to have been effected by a Market Participant of ASX, Chi-X or a Clearing Participant of ASX Clear, the Participant Sponsored Holder has no claim arising out of the Transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations.



- 4.3 In the event that the Participant breaches any of the provisions of this Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.
- 4.4 In the event that the Participant is suspended from CHESS participation, subject to the assertion of an interest in Financial Products controlled by the Participant, or by the liquidator, receiver, administrator or trustee of that Participant:
- (a) the Participant Sponsored Holder has the right, within twenty (20) Business Days of ASX Settlement giving Notice of suspension, to give notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:
    - (i) from the CHESS Subregister; or
    - (ii) from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10; or
- 4.5 The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed the Sponsorship Agreement, the Participant provided the Participant Sponsored Holder with an explanation of the effect of the Sponsorship Agreement and that the Participant Sponsored Holder understood the effect of the Sponsorship Agreement.
- 4.6 The Participant Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Participant Sponsored Holder, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless the Participant Sponsored Holder's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHESS Subregister.
- 4.7 The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied pursuant to Clause 4.6.

## FOR JOINT HOLDINGS ONLY

- 4.8 The Participant Sponsored Holder acknowledges that in the event of the death of one of the Holders, the Participant will transfer all Holdings under the joint Holder Record into new Holdings under a new Holder Record in the name of the surviving Participant Sponsored Holder/s, and that this Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 4.9 The Participant Sponsored Holder acknowledges that in the event of the bankruptcy of one of the Holders the Participant will:
- (a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHESS Subregister, establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under the new Holder Record and request that ASX Settlement apply a Holder Record Lock to all Holdings under that Holder Record; and
  - (b) establish a new Holder Record in the name(s) of the remaining Participant Sponsored Holder(s) and transfer the interest of the remaining Participant Sponsored Holder(s) into new Holdings under the new Holder Record.

## 5. Change Of Controlling Participant

- 5.1 If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the Participant

Sponsored Holder 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 5.2 or 5.3.

- 5.2 The Participant Sponsored Holder may choose to terminate the Agreement by giving Withdrawal Instructions under the ASX Settlement Operating Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:
- (a) transfer its Participant Sponsored Holding to another Controlling Participant.
  - (b) transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.
- 5.3 If the Participant Sponsored Holder does not take any action to terminate the agreement in accordance with 5.2 above, and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree to the change of Controlling Participant then, on the Effective Date, the Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the Effective Date:
- (a) the New Controlling Participant is a party to the Agreement in substitution for the Existing Controlling Participant.
  - (b) any rights of the Existing Controlling Participant are transferred to the New Controlling Participant; and
  - (c) the Existing Controlling Participant is released by the Participant Sponsored Holder from any obligations arising on or after the Effective Date.
- 5.4 The novation in clause 5.3 will not take effect until the Participant Sponsored Holder has received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Participant Sponsored Holder. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 5.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in clause 5.4 by the doing of any act which is consistent with the novation of the Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
- 5.6 The Agreement 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 5.3 not binding or effective on the Effective Date, then the Agreement 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 the Agreement on trust for the New Controlling Participant.
- 5.7 Nothing in this clause 5 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 the Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the Agreement to the New Controlling Participant under this clause 5.

## 6. Claims for compensation

If a breach by the Sponsoring Participant of a provision of this Agreement falls within the circumstances specified in the compensation arrangements applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations, a Participant Sponsored Holder make a claim under the relevant compensation arrangements.

## 7. Termination

- 7.1 Subject to the ASX Settlement Operating Rules, this Agreement will
- (a) by notice in writing from either the Participant Sponsored Holder or the Participant to the other party to the Agreement
  - (b) upon the Participant becoming insolvent;
  - (c) upon the termination or suspension of the Participant; or
  - (d) upon the giving of Withdrawal Instructions by a Participant Sponsored Holder to a Controlling Participant in accordance with Rule 7.1.10(c).
- 7.2 Termination under Clause 7.1(a) will be effective upon receipt of Notice by the other party to the Agreement.

## 8. Variation

Should any of the provisions in this Agreement be inconsistent with the provisions in the ASX Settlement Operating Rules, the Participant will, by giving the Participant Sponsored Holder not less than 7 Business Days written Notice, vary the Agreement to the extent to which in the Participant's reasonable opinion is necessary to remove any inconsistency.

## Important Note: Execution of Australian and International Securities Trade Services only

This Financial Services Guide ('FSG') is for prospective clients of **PhillipCapital** who propose to access the execution and settlement services of **PhillipCapital** via their Financial Service Provider ('FSP') in respect of Australian and International Securities. If you become a client, **PhillipCapital will not provide you with any personal advice in respect of any security trade or any of your security holdings or any financial product or matter.** **PhillipCapital** will only provide limited general advice. Please also refer to our Terms & Conditions in Trading in International Securities.

The purpose of this Financial Services Guide ('FSG') is to help you decide whether to use any of the service arrangements your Financial Services Provider ('FSP') has in place with **PhillipCapital**. It aims to provide sufficient information for you to make an informed decision about using our limited execution and settlement services only. Our services, and the financial products they cover, can be complex and subject to special regulations impacting how the services are to be provided. That's why this FSG describes them in some detail. The FSG is important and should be read and filed for later reference. Should you wish to discuss the services described in more depth, please contact your FSP.

This FSG contains information on investment risk, interests of ours which may conflict with yours, and remuneration/benefits payable to **PhillipCapital** and others if you use our services. Charges, commissions or fees not listed in the body of this FSG are listed, and available at [www.phillipcapital.com.au](http://www.phillipcapital.com.au). This FSG also tells you what to do if ever you have a complaint and how we would handle it. It explains the protection of, and why we need and how we use, the personal information your FSP provides to us or that you may provide to us, about you if our services are used.

To open an account with **PhillipCapital** you have to complete and sign our Online Intermediated Client Account Form ("IC Account Form"), which is available from your FSP, or our website at [www.phillipcapital.com.au](http://www.phillipcapital.com.au). By signing the Online IC Account Form you will be providing acknowledgements, authorisations and consents which govern our services. In particular, you authorise us to execute security trades and do other things on your behalf in accordance with the instructions from your FSP.

We do not expect to be contacted by you directly and as stated in our Terms & Conditions, we will act on the instructions of your FSP. Before dealing in certain derivatives products you will need to sign an ASX prescribed Agreement and we will provide prescribed information about that product.

You may receive a Disclosure Document in particular circumstances. Examples of Disclosure Documents include a Prospectus, Product Disclosure Statement ('PDS') or Offer Information Statement. Unless you have already received the applicable Disclosure Document, one will accompany the issue or sale of a financial product. The Disclosure Document is an important document. It sets out the information you need so as to make an informed investment decision about whether to acquire the product. In the case of exchange traded derivatives, a PDS will accompany their issue. Issues or sales of securities which aren't market traded are also accompanied by a Disclosure Document. It is important to note that **PhillipCapital** does not provide advice in relation to the services stated in this FSG.

**Important. Under our services as stated in this FSG, PhillipCapital will NOT provide you with any Personal Advice** (see Section H) but will provide limited General Advice (see Section G). We will not provide Advice about whether a product is a suitable investment for you personally. ALL our advice will be General Advice (see Section G), which is limited to Clients having access to research or model portfolios. .

## A. Who are we?

Phillip Capital Limited ("**PCL**") is licensed by the Australian Securities and Investments Commission ('ASIC') under the Corporations Act as an Australian Financial Services Licensee 246827, and is a Market Participant of ASX Limited (ASX) and Cboe Australia Pty Ltd (Cboe), and a Settlement Participant (Sponsor) of the ASX Limited ('ASX').

Phillip Securities (Aus) Limited ("**PSAL**") is licensed by the Australian Securities and Investments Commission ('ASIC') under the Corporations Act as an Australian Financial Services Licensee 247100, and is a Market Participant of ASX Limited (ASX) and Cboe Australia Pty Ltd (Cboe), and a Settlement and Clearing Participant of the ASX Limited ('ASX').

**PCL** and **PSAL** are part of the Phillip Capital Australian group of companies (**PhillipCapital**), which also comprises Phillip Asset Management Limited (ABN 94 064 847 669, AFSL No 246848) (PAM).

### Australian Clearing and Settlement Services

PSAL will provide execution, clearing and settlement services in relation to orders for the purchase and sale of securities listed on licensed Australian markets which are placed with **PhillipCapital**.

### Global Markets Execution, Clearing and Settlement Services

**PCL** will provide execution, settlement and custody services in relation to

orders for the purchase and sale of International Securities which are placed with **PhillipCapital** under an agreement in place with Phillip Securities Pte Ltd ("**PSPL**"), a related company based in Singapore across 16+ global stock exchanges. PCL has appointed PSPL as its sub-custodian to provide and to act as International Custodian to settle and hold International Securities on **PhillipCapital's** Clients' behalf.

## B. Who will be providing the services to you?

**PhillipCapital** is a full-service stockbroking firm which provides services to a range of clients, including specialist services to Financial Service Providers ("FSP"). We supply FSP's with bundled transaction execution and settlement services, with supporting research and other stock market advice (more on this in Section F). Our services amount to outsourced Dealing Desk and Research Department infrastructure for FSP's.

The FSP you have chosen holds (like us) an Australian Financial Services Licence ('AFSL') with the necessary financial services/product authorisations to use our services on your behalf. **PhillipCapital** has a comprehensive and direct 'wholesale' service relationship with your FSP. You have a direct, primary relationship with your FSP, and a secondary relationship with us for the purposes of execution and settlement of trades only.

If your FSP deems it appropriate for you to transact and hold a listed financial product, our execution and settlement (i.e. our dealing) infrastructure is used.

An account will be established at **PhillipCapital** in your name, depending on the services we

have agreed to provide your FSP. You will have to fill out, sign and return our IC Account Form, which will be submitted by your FSP.

You may also have to sign and return certain prescribed product-specific agreements (e.g. the ASX Warrants Client Agreement), and receive prescribed Explanatory Booklets or other documentation, such as, **PhillipCapital** Exchange Traded Options Product Disclosure Statement (PDS) before **PhillipCapital** can accept any orders from your FSP for the product(s).

Our advisory and research services are subject to different arrangements. They are provided directly to your FSP for their reference and support when researching recommendations for you in relation to market-traded products (but sometimes it may be passed on to you – see Section F).

Therefore, the client relationship we have with you is limited to dealings conducted on behalf of your account in accordance with the order instructions provided to us by your FSP, following your consultation with them.

## Who do we act for when providing services?

When providing our services, we will be acting as your agent, as instructed by your FSP (who is also your primary agent) on your behalf. At times, we may even be acting as agent for another client who is the counterparty to your transaction (e.g. a sale of shares on market between clients). We may also accumulate and price-average a number of transactions on one Confirmation. Your consent to these scenarios is granted when you sign the acknowledgements, authorisations and consents in our IC Account Form.

From time to time **PhillipCapital** may enter into a Market Transaction with its Clients as Principal (as defined in the Market Integrity Rules). When trading as Principal, and where permitted by law, **PhillipCapital** will charge the Client the same rate of brokerage that it would charge the client on non- Principal transactions.

Our advisory services are provided only to your FSP.

## C. What financial services can we provide?

Although, **PhillipCapital** will not provide you with any personal advice in respect of any financial product, **PhillipCapital** is authorised by its AFSL to provide Personal advice and General Advice to Wholesale and Retail Clients for, and to deal in financial products, including the following:

- basic and non-basic deposit products (e.g. bank accounts), and retirement savings account ('RSA') products;
- securities both Domestic and International (e.g. shares,) and exchange traded derivatives,
- debentures, stocks or bonds issued or proposed to be issued by a government;
- foreign exchange contracts;
- interests in managed investment schemes (whether listed or unlisted managed funds), including WRAP/Master Trust services; and
- underwrite issues of securities
- superannuation products.

By 'advice' we mean a recommendation or opinion, written or verbal, about an investment product or strategy. The important difference between General and Personal Advice is explained in Sections F, G & H. By 'dealing'

we mean acquiring and disposing of products on behalf of clients (see Section E).

We are also authorised to provide custodial services, but they are usually incidental to our dealing services.

Being a Stockbroker, **PhillipCapital's** services focus on financial products traded (i.e. they are listed or quoted for trading) or to be traded (i.e. they will [r quoted shortly] on 'live' recognised markets such as those operated by the ASX, Cboe, Hong Kong and Singapore.

**PhillipCapital** also provides advisory and dealing services in relation to other unlisted products. For further details on our services please refer to your FSP.

## D. Terms & Conditions applying to our services

All Listed market dealings are subject contractually to the comprehensive Services Agreement we have with your FSP and the acknowledgements, authorisations and consents you agree to when you sign our IC Account Form.

You should read our IC Account Form which includes our Terms & Conditions and the documents provided with the Application carefully before signing. The Agreement between **PhillipCapital** and your FSP ensures all the necessary market related services are available to support the services your FSP provides directly to you.

## E. More about our dealing services...

Dealing services' means buying, selling, applying for or redeeming financial products on behalf of clients. Advice to do or not do these things is a separate service (see Section F).

### Best Execution Policy

**PhillipCapital** has adopted a policy in relation to its best execution obligations under the ASIC Market Integrity Rules (Securities Markets) 2017 (MIR).

Our Best Execution Policy is available at [www.phillipcapital.com.au](http://www.phillipcapital.com.au).

### Primary Market

From time to time, **PhillipCapital** provides your FSP with access to investment opportunities made available by an issuer rather than someone selling on market. These involve applying for, or redeeming, financial products. Your FSP can assist you make applications for Initial Public Offerings (IPOs) and other new issues of securities (e.g. shares) or interests in managed investment schemes (e.g. equity trust units). We can assist your FSP arrange applications or redemptions.

### Secondary Market

Secondary Market transactions are dealt on market, meaning with ASX, Cboe, Singapore, NYSE and other globally recognised markets. The financial products have already been issued.

Before using our dealing services for the first time, we require your FSP to substantiate your identity and to confirm settlement arrangements.

**PhillipCapital** has immediate access to certain Markets when they are open, to their order execution and transaction settlement platforms. Subject to the relevant dealing and settlement regulations, **PhillipCapital** will accept and transact orders placed by your FSP, on your behalf, and will facilitate settlement.

There may be circumstances in which **PhillipCapital** will not be able to accept order instructions, but they are most unlikely, and we would give your

FSP reasons for not doing so and where we can assist with alternative arrangements.

A Confirmation will be despatched directly to you via the email address nominated by you on the IC Account Form, following execution of a market transaction. It confirms the detail of the transaction, the contractual terms and conditions which applied to the transaction, and also serves as a Tax

Invoice. Your FSP will also receive a copy of your Confirmations as part of the agreement between your FSP and **PhillipCapital**.

For ASX and Cboe traded products, we urge you to have us CHESSE sponsor your holdings (i.e. select CHESSE Sponsorship in our IC Account Form). This service has many advantages and minimises the risk of failed settlement of sell transactions, which incurs additional fees.

### Your FSP must instruct us in certain ways

As time is of the essence, orders will be received from your FSP via an approved platform or by telephone. **PhillipCapital** may also accept instructions by fax or email.

Notifications and instructions in relation to important matters e.g. change of your address must be provided to us in writing, signed by you.

### Market Transactions may be cancelled by ASX

ASX has the power, when Market integrity is at stake as a consequence of a trading error, to cancel or amend a market transaction (or reinstate an order) which has been executed. Cancellation of an executed transaction would mean the loss of the benefit of the market price and other entitlements flowing from the transaction. Amendment of a transaction may have a similar impact. You would not be entitled to any compensation from us or ASX.

### Settlement details

**PhillipCapital** will not, and is not obliged to, settle in 'hard' cash. We will not pay you in cash and we will not accept cash from you directly, unless payment is made electronically.

In the case of transactions executed on ASX and Cboe Markets, funds (i.e. cheques or direct deposits), documents (e.g. share certificates, prescribed statutory declarations) or sponsored holdings must be available to **PhillipCapital** by the time and date specified on the Confirmation, and in accordance with the terms and conditions of our Services Agreement with your FSP.

Brokerage, commissions and fees charged will be detailed in your Confirmation and are to be paid directly to **PhillipCapital**.

In the case of transactions executed on Global Markets, you must have clear funds available to **PhillipCapital** in your nominated bank account or relevant foreign currency held under custody at the time an order is placed, in accordance with the terms and conditions of our Services Agreement with your FSP and the Terms & Conditions provided to you.

**PhillipCapital** reserves its right to refuse to complete an order in circumstances where you have not met your settlement obligations.

Transactions executed on Global Markets are not covered under the Australian Guarantee Fund (NGF).

Unlike transaction executed on the Australian markets, you will not receive physical delivery of International securities you purchase. To facilitate settlement in Global Markets, PSPL will act as Custodian to settle and hold

International securities on your behalf. Details of your holdings will be available electronically either on **PhillipCapital's** or your FSP's portal within 36 hours of settlement date as specified on the Confirmation. You are also entitled to ask your FSP to provide a statement of your holdings at any time.

Please refer to **PhillipCapital's** Trading Terms and Conditions contained within the Intermediary Client Agreement via your FSP.

### Foreign currency facility

**PhillipCapital** will provide all clients who transact on global market a foreign currency facility.

Unless you or your FSP provide instructions to the contrary, all proceeds of sales of International Securities executed by PSPL on your behalf will be held in the domestic currency received within Custody.

Should you wish to convert any foreign currency into AUD, you or your FSP must provide **PhillipCapital** with written instruction. Once we receive your instruction, **PhillipCapital** will convert the relevant currency to AUD and pay the proceeds to your nominated bank account.

You will receive a foreign currency ledger balance for each currency held in custody on your behalf daily via a medium agreed with your FSP.

It is important to note that any foreign exchange rates displayed on the portal or ledger balance are indicative only and subject to change, so you should speak with your FSP or adviser to seek further information.

### Interest on Trust Account Balances

Regulations and settlement processes require us to hold your funds in Trust Accounts. For International trading, Regulations allow us to hold your funds in Trust Accounts outside Australia for limited periods, when applicable. **PhillipCapital** may earn interest on your funds held in Trust accounts which we are entitled to retain (Corporations Regulation 7.8.02 (7)).

## F. More about our advisory services...

'Advisory services' means recommendations or opinion, whether in written or report form or provided verbally, that are intended to influence a person in making an investment decision. 'Advice' falls within one of two categories, either General Advice or Personal Advice.

Your FSP will provide you with advice and give you the relevant risks and disclosures.

Personal Advice (see Section H) is advice given to a person in circumstances where consideration has been given to whether the product is personally suitable in light of what is known about one or more of the person's objectives, financial situation and needs, or where it might reasonably be expected one or more of those matters has been considered. General Advice (see Section G) is strictly limited to an assessment of the investment and/or other merits of the product itself.

In technical terms, our advice will only ever be General Advice and will be limited General Advice. **PhillipCapital** will never provide Personal Advice to you.

The fact that you may see our General Advice (e.g. research or Model Portfolios) does not mean we are providing advice tailored to you personally or that we have an ongoing advisory service relationship with you directly. Your FSP has that role and responsibility.



Your FSP has engaged **PhillipCapital** to provide research services covering a range of financial products, market traded and unlisted.

Our market intelligence and financial product knowledge assists your FSP identify financial products that may be personally appropriate for your financial plan.

Our research and other support services fall within the category of General Advice.

## What are the limitations of research, newsletters and other opinions we provide?

Research and other General Advice presents the opinion of specialist analysts, and the assumptions on which that opinion is based means that forecast performance cannot be guaranteed. Past performance is not a reliable indicator of future investment performance. A recommendation or rating may only be valid for a limited time and is often subject to movements in market price.

Just because you see that a product is recommended or rated in a report or a newsletter as a 'buy', 'sell', 'hold', 'accumulate', 'underweight', 'overweight', 'neutral', 'out-perform' or 'under-perform' does not mean that recommendation is appropriate for you specifically.

You must consult your FSP before acting on any report or recommendation presented in a newsletter or any other form.

## G. General Advice

**General Advice is a rating or assessment based solely on the attributes of the financial product, the portfolio or investment strategy alone without considering whether it is also appropriate for someone's financial circumstances.**

General Advice includes research reports and newsletters. It may also be provided verbally. You must not assume that **PhillipCapital's** research recommendations or ratings are appropriate for you personally. The process of profiling a client's circumstances and objectives is not relevant in relation to General Advice. General Advice may be derived from fundamental analysis (i.e. analysis of financial reports) or technical analysis (patterns in market trading and price-movement behaviour).

General Advice will be accompanied by the warning that the advice is not a recommendation that a particular transaction is personally appropriate for any particular person, and that you will need to consider (guided by your FSP) whether acting on the advice is appropriate in light of your financial circumstances.

If a Disclosure Document or PDS is relevant for the product recommendation, the warning will also highlight the need, before making a decision to invest, to ensure you read and carefully consider the PDS.

The fact that you may see our General Advice (e.g. research) does not mean we are providing advice tailored to you personally or that we have an ongoing advisory service relationship with you directly. Your FSP has that role and responsibility.

## H. Personal Advice

**Personal Advice recommends a product as being appropriate for a client personally, following consideration of their personal financial circumstances and investment objectives.**

Your FSP, not **PhillipCapital**, will provide this category of advice.

A Statement of Advice ('SoA') is only relevant in the context of Personal Advice, not Product Advice. You will never receive SoAs from **PhillipCapital**.

## I. What about the matter of 'Investment Risk'?

By 'risk' we mean the possibility that you will suffer some financial harm by investing. Your preparedness and capacity to carry a particular level or type(s) of risk in pursuit of your investment strategy is a fundamental element of your financial circumstances.

This is a matter for you and your FSP to discuss in detail. Risk must be considered when developing or reviewing your overall investment and wealth-creation strategy.

In general, all investments have associated risks. In general, the higher the return, the higher the risk to your investment. Two age-old rules should always be kept in mind. Firstly, diversify your investments to spread rather than compound risks; and secondly, do not imprudently leverage yourself financially. You should have a long-term outlook, expect investment markets to rise and fall, and consider how your need for investment growth or income may change.

### Exchange traded options (ETO)

ETOs carry significant risks and are not suitable for all investors. Depending on the options strategies used, you could lose the entire amount of collateral lodged. You should ensure you understand these products fully before deciding whether or not to invest in them. You must read and understand the Phillip Capital Limited Exchange Traded Options Product Disclosure Statement before commencing trading in ETOs.

## J. PhillipCapital Remuneration and Benefits

**How are we remunerated and what other benefits might we receive for the services we provide?**

**PhillipCapital** may be paid in one or any combination of the following ways:

- you may be charged brokerage on each transaction executed on your behalf;
- we may be paid by the financial product issuer after you invest or contract;
- in special circumstances, we may receive performance-based fees; or
- we may be paid by your FSP on a fee for service basis.
- we may participate in FX buy/sell spreads.

Your FSP has obligations to disclose to you how it remunerates **PhillipCapital**.

GST is payable on all our charges.

### How are our representatives remunerated?

**PhillipCapital's** Directors and Client Advisers are remunerated by salary or bonus based on performance and/or commission or a combination of both. The remuneration of **PhillipCapital's** adviser is only paid where permitted by Future of Financial Advice laws; for example, under a payment arrangement that is allowed under transitional provisions or where a client consents to and directed that the payment be made. The remuneration is determined by all revenue attributable to the adviser.



## The range of our transactional charges

### Securities quoted for trading on markets

Brokerage rates are negotiable and will be agreed with your FSP prior to the execution of a transaction on your behalf.

Brokerage charged on each purchase or sale on an Australian market exchange or foreign market exchange is calculated as a percentage of the dollar value of the transaction plus goods and service tax (GST) subject to an agreed flat minimum fee.

Brokerage Example: If the amount transacted is \$10,000 and the brokerage rate is 1%, the brokerage will be \$100.00 plus GST \$10.00 being a total charge of \$110.00.

For a **purchase**, the brokerage, together with any applicable duty or tax, is added to the transaction value and the total is the overall consideration due to **PhillipCapital**. For a **sale**, the brokerage, together with any duty or tax payable, is deducted from your proceeds.

### Fail Fees and Late Payment Charges

If you fail to settle a transaction by the time and date shown on the Confirmation you will be charged a processing fee in addition to charges detailed below:

**Sales:** If you fail to settle a sale by the time and date shown on the Confirmation you will be charged "fail fee".

To reduce the cost of fail fees charged by ASX, PSAL will attempt to borrow the stock to cover settlement, in this case PSAL fail fees will apply. (See below), Ultimately, the unsettled position may be bought-back at your risk and expense.

*Please note* if you are assigned on a Call Option(s) and you are not the registered holder of the underlying security in CHESS prior to assignment this may result in a failed settlement and incur a fail fee. Ultimately, the underlying security may be bought-back at your risk and expense.

**Purchases:** If you fail to settle a purchase transaction in full by the time and date shown on the Confirmation, you could be charged a funding cost depending on the transaction type or size of the transaction, ultimately, the holding may be sold-out in the market at your risk and expense.

*Please note* if you are assigned on a sold Put Option(s), and you do not have sufficient funds in your linked bank account to settle the underlying long security position, this may result in a failed settlement and/or funding cost.

Any funding costs will be advised to your FSP at the time of the trade.

For further details of all fees, please refer to the Fee Schedule.

### International Dividend Fees

If you receive a dividend on an International financial product you will be charged the following fees:

**Dividend Fee:** **PhillipCapital** Dividend processing fees will be charged on all dividends we process and rounded up (RU) to the nearest cent and deducted from the net dividend received;

**Withholding Tax** (WTH), will be charged on US Dividends or other income at the rate of 15% or 30% depending on receipt of a valid W8-Ben form and tax file number or as arranged with your FSP;

**Foreign Fee:** If you maintain a position in an American Depository Receipts (ADR), we will pass on the fee charged by the agent bank providing the custody services on behalf of the ADR; and

**Foreign Fee:** If you maintain a position in a non-US domiciled financial product, we will pass on fees charged by an issuer of custodian.

Example (Bluescope Steel ADR 1,000 shares):

<b>USD Gross Dividend Received</b>	<b>\$ 745.30</b>
<b>Less:</b>	
15% WTH	\$ 111.80
ADR Fee (\$0.05) per share	\$ 50.00
USD Net dividend Received	\$ 583.50
<b>PhillipCapital</b> Dividend Fee (1.5% cap \$1.50)	\$ 1.50
<b>USD Final Dividend Received</b>	<b>\$ 582.00</b>

**PhillipCapital** reserves the right to charge Foreign Fees to clients holding the applicable financial products.

Your FSP will be able to provide you with an annual fee report upon request.

For further details please refer to the Fee Schedule.

### International Pass-Through Fees (Foreign Fees)

If we maintain positions in American Depository Receipts (ADRs) on your behalf, you should note that such securities are subject to periodic fees

intended to compensate the agent bank providing custodial services on behalf of the ADR. ADR fees are generally charged by Issues when the following occurs:

- Cancellation, Stock consolidation or split;
- New ADR issued either via Share Dividend or Stock split; and
- Management Fee-generally charged once a year.

**PhillipCapital** reserves the right to charge Foreign Fees to clients holding the applicable financial products. For further details please refer to the Fee Schedule.

### Other Fees

Fees prescribed by the ASX or other exchanges, including failure by you to settle on the due date and stock transfers, will be charged to you and these will be indicated on the Confirmation for each trade.

Other fees and charges payable will be advised to your FSP at the time of your trade; e.g. for International securities trades additional fees may apply and also the exchange rate movements will affect the final price for financial products.

For further details of all other fees, please refer to the Fee schedule.

### Lodgement, Application, Acceptance Incentives and Trailing Commissions

If your FSP applies on your behalf for financial products by way of a PDS or Disclosure Document (e.g. a Prospectus), and your application is stamped by us and is accepted, we will usually receive an application/lodgement fee from the issuer in the range of 0.5% - 3% of the value of the application.

**PhillipCapital** may also receive Acceptance Incentives to encourage clients to accept a takeover or other offer. These range between 0.5% - 6% of the value of acceptance.

All these are disclosed in the product's PDS, Disclosure Document or by us when providing advice.

## Special Advice

**PhillipCapital** may charge for specialist advice. The fee would be negotiated with your FSP before we commence work.

## Other Benefits - interests in Financial Products that **PhillipCapital** or our Dealer(s) may have

When we provide Product Advice, we are obliged to disclose any interest(s) our Dealer(s), **PhillipCapital** or any associate has that may reasonably be capable of influencing that Product Advice.

## Other Benefits – Underwriting, Sub-underwriting and other Corporate Fees

If we act as underwriter or sub-underwriter, we will usually receive a fee in the range of 0.2% to 6.0% (i.e. up to 6% of the total funds raised). The Underwriter pays sub-underwriters from their fee. **PhillipCapital** would also receive

lodgement fees (as described above) for client applications. If we facilitate a successful placement, **PhillipCapital** would usually receive a fee in the range of 0.2% to 5% of the funds received by the issuer.

## Fees or Other Rebates or Benefits payable to Referrers

The Service Agreement with **PhillipCapital** enables your FSP to receive a set proportion of any fees or brokerage you pay to us above **PhillipCapital's** minimum brokerage charge or that we receive directly from issuers as a result of handling your IPO/new issue applications.

For example, the following is based on a Service Agreement with your FSP which allows for a 50% rebate and a brokerage rate of 1% (**PhillipCapital's** minimum charge is \$60.00):

Value of Transaction	Brokerage Charged (1%)	Brokerage retained by <b>PhillipCapital</b>	Brokerage rebate to your FSP
\$2,000.00	\$60.00	\$60.00	N/A
\$10,000.00	\$100.00	\$60.00	\$40.00
\$15,000.00	\$150.00	\$75.00	\$75.00

## Detail of remuneration and other benefits can be requested

Because our service DO NOT include providing Personal Advice (i.e. they are limited to dealing or General Advice), you are entitled to ask your FSP to request detailed particulars from **PhillipCapital** of the remuneration or other benefits we will receive if you use a particular service but that request must be made within a reasonable time after you receive this FSG and before any service is provided to you.

## K. What to do if you have a complaint

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

1. Tell your FSP. They will then contact **PhillipCapital** and a decision will be made about whether either your FSP or **PhillipCapital** or both of us are directly responsible.
2. If **PhillipCapital** is to any extent responsible, our Complaints Manager will contact you shortly thereafter and may (if you haven't done so already) ask you to put your complaint in writing, together with a copy of relevant documentation, and to send it to:

Complaints Manager

**PhillipCapital Group Australia**

PO Box 628,

Collins Street West, Vic 8007

Phone: +61 3 8633 9800

Email: [compliance@phillipcapital.com.au](mailto:compliance@phillipcapital.com.au)

The Complaints Manager will resolve your complaint or advise you of the steps that **PhillipCapital** shall take to review and address your complaint.

The issues involved may be complex and subject to special regulations. We will do our best to resolve your complaint quickly and fairly. Unless you object to us doing so, we will keep your FSP informed.

3. If we are unable to resolve your complaint to your satisfaction within 45 days of receiving it, we will advise you in writing of that outcome. If you permit, we will inform your FSP of the outcome. We will advise you if this longer period is required. These periods are specified by the Rules of the Australian Financial Complaints Authority (AFCA) and they may change.

Both **PCL** and **PSAL** are members of AFCA. If your complaint isn't resolved to your satisfaction within the applicable period, you may then refer the matter to AFCA, an ASIC authorised complaints resolution organisation for the financial services industry. You may contact AFCA as follows:

Australian Financial Complaints Authority (AFCA)

GPO Box 3,

Melbourne Victoria 3001.

Phone Toll Free on: 1800 931 678

(Australia wide)

Fax: +61 3 9613 6399 Website:

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

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

The ASIC also has a free call infoline on 1300 300 630 which you can use to make a complaint about our or your FSP's services and to obtain information about your rights.

The National Guarantee Fund is an external fund set up to provide compensation for valid claims arising from dealings with Stockbrokers. How this fund may be available to you is set out in applicable legislation.

To make a claim on the NGF you need to refer to the "NGF Information Booklet" available on the SEGC website at [www.segc.com.au](http://www.segc.com.au).

Please note that the NGF does not cover all financial products.

For example, it excludes ASX exchange traded options and monies.

## L. Professional Indemnity Insurance Cover

**PhillipCapital** has in place Professional Indemnity Insurance which satisfies the requirements of Section 912B of the Corporations Act. Section 912B relates to Retail Client compensation arrangements.

In very general terms, Section 912B requires **PhillipCapital** to have arrangements for compensating a Retail Client for loss or damage suffered because of breaches by **PhillipCapital**, or by our representatives/employees, of obligations under Chapter 7 ('Financial Services and Markets') of the Corporations Act,

including losses caused by negligence, fraud, dishonesty or other misconduct that amounts to a breach of Chapter 7 and gives rise to a liability to a Retail Client.

Section 912B also requires our arrangements to cover our liability to a Retail Client for an award (i.e. a compensation order) made in favour of that Retail Client by AFCA (see Section K), an ASIC-approved External Dispute Resolution Scheme of which we are a member.

The Professional Indemnity Insurance we have in place will cover claims in relation to the conduct of representatives/employees who no longer work for *PhillipCapital* but who did at the time of the relevant conduct.

## M. Personal Information

**Is the Personal Information provided to us about you private and confidential, and why do we need, and how do we use, that Personal Information?**

We are committed to protecting the privacy, accuracy and security of the personal information provided to us about you by you or your FSP. The information is protected in accordance with our Privacy Policy.

Your personal information will be used for establishing and maintaining you as an account holder, to facilitate transaction execution and settlement, registration of your holdings of financial products, and to provide other related services to you through your FSP. All this is required by the Corporations Act and the Rules of ASX Group or other Operator of a market on which we transact. Should you choose not to provide the personal

information requested, we may be unable to provide some or all of the services required.

We are obliged to confirm and record your identity in accordance with the Corporations Act and other legislation preventing criminal activity such as money-laundering and the financing of terrorism. Consequently, you or your FSP must notify us of changes to personal information (e.g. change of address) already provided to us.

Your personal information will only be disclosed internally within *PhillipCapital* in accordance with internal administration and operations procedures or externally as required by law.

Please contact your FSP or our Privacy Officer on +61 03 8633 9800. Our Privacy Policy is also available on our website ([www.phillipcapital.com.au](http://www.phillipcapital.com.au))

(All Fees are in Australian Dollars unless stipulated and are inclusive of GST)

## 1. Fail Fees

FinClear processing Fee		\$27.50*
	<b><u>Plus:</u></b>	
ASX Fail Fee	Trade Value \$100,000 or Less	\$110.00 per day
	Trade Value \$100,001 and above	.11% of the Trade Value Capped at \$5,500 per day
	<b><u>or:</u></b>	
FinClear Fail Fee	Trade Value \$100,000 or Less	\$110.00*
	Trade Value \$100,001 to \$999,999.99	\$165.00*
	Trade Value \$1m to \$4,999,999.99	\$220.00 per day (minimum charge of 2 days), then \$110.00 per day thereafter.
	Trade Value \$5m +	\$275.00 per day (minimum charge of 2 days), then \$110.00 per day thereafter.

\*Once-off Fee Charged by FinClear

## 2. General Fees

Bank Dishonour Fee	Charged Per Transaction	\$110.00
RTGS / TT Payment	Charged per payment and must be NCBO**	\$55.00
Off-Market Transfers**	Charged Per Transfer	\$60.50
SRN Requests	Charged per Request	\$38.50
ADR Conversion/Cancellation^	Charged per transaction/request	USD\$60.00 + USD\$0.05 per unit
ADS Conversion/Cancellation+	Charged per transaction/request	USD\$65.00 + USD\$0.05 per unit
Estate processing and Management	Please contact us via email to receive a detailed costing.	

\*\* **PhillipCapital** will only authorise Electronic Security Transfers that result in No Change of Beneficial Ownership (NCBO).

^ Example: 600 units of Alibaba Group (BABA.NYSE) 600 x USD\$0.05= USD30.00 + USD\$60.00 = Total Payable USD\$90.00

+ Example: 600 units of China Pharma Holding (CPHI.NYSE) 600 x USD\$0.05= USD30.00 + USD\$65.00 = Total Payable USD\$95.00

## 3. Account Management

Custody Fee	Taiwan Holdings	0.01% Calculated monthly based on the market Value of the Portfolio
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### Other Fees

Electronic Security Transfers (NCBO)**	Charge Per Security ( <b>PhillipCapital</b> to External Broker)	\$110.00
Hard Copy Confirmation Fee	Per Confirmation (Contract Note) or Statement	\$22.00

Additional Charges In addition to the nominated charges above, **PhillipCapital** reserves the right to pass on any additional charges applied by foreign parties to a transaction when applicable.

\*\* **PhillipCapital** will only authorise Electronic Security Transfers that result in No Change of Beneficial Ownership (NCBO).

## 4. International Transaction Fees

### Corporate Actions

**The below fees are indicative only. Please check with your FSP.**

	Currency							
	AUD	USD	HKD	EUR	GBP	JPY	CAD	SGP
<b>Voluntary Corporate Action Fees</b> (Charged per Transaction)	\$22.00	\$14.85	\$123.00	\$15.00	\$12.50	\$2,000.00	\$20.00	\$20.00

	Currency							
	AUD	USD	HKD	EUR	GBP	JPY	CAD	SGP
<b>Cash Dividends</b>								
Calculated on Net Value of Dividend+	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Fee Capped at:	\$2.20	\$1.50	\$2500.00	\$1.50	\$1.50	\$200.00	\$2.00	\$2.00

### PLUS

<b>Foreign Fees</b>	Charged per stock	<p>Foreign Fees cannot be determined until we are notified by the Issuer or custodian and will be charged in the native currency of the exchange and normally deducted from dividends received.</p> <p>American Depository Receipt (ADR) Fees will generally range from USD\$0.01 - \$0.20 per share, the amounts may differ by ADR, and in most cases deducted from dividends received.</p> <p>The exact fee charged will be report annually or as arranged with your FSP.</p> <p>At the time of publication of this fee schedule, there are four (4) ADR issuers. For more information (E.g. Fees, corporate actions etc) can be found on their website**:</p> <p><a href="https://www.adrbnymellon.com/">https://www.adrbnymellon.com/</a></p> <p><a href="https://www.adr.com/">https://www.adr.com/</a></p> <p><a href="https://citiadr.factsetdigitalsolutions.com/www/drfront_page.idms">https://citiadr.factsetdigitalsolutions.com/www/drfront_page.idms</a></p> <p><a href="https://www.adr.db.com/drwebrebrand/index.html">https://www.adr.db.com/drwebrebrand/index.html</a></p>
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\*\* The ADR information is given as of the date of publication of this fee schedule and **PhillipCapital** assumes no obligation to update the information or advise on further developments relating to these securities.

**US Withholding Tax (WTH):** Any dividends or Income generated by US financial products will be charged WTH at the rate of 15% or 30% depending on receipt of valid W8-Ben and your Tax File Number (TFN).

+ Cash Net Value of Dividend Examples

Example: \$0.75 cent Dividend Received on 20 ADR Shares:

<b>USD Gross Dividend Received</b>	<b>\$ 15.00</b>
<i>Less:</i>	
15% WTH	\$ 2.25
ADR (Foreign Fee) (\$0.05) per share	\$ 1.00
USD Net Dividend Received	\$ 11.75
<b>PhillipCapital</b> Dividend Fee (1.5% cap \$1.50)	\$ 0.18
<b>USD Final Dividend Received</b>	<b>\$ 1.57</b>

Example: \$0.75 EUR Dividend Received on 20 Shares:

<b>EUR Gross Dividend Received</b>	<b>\$ 15.00</b>
<b>PhillipCapital</b> Dividend Fee (1.5% cap \$1.50)	\$ 0.23
<b>EUR Final Dividend Received</b>	<b>\$ 14.78</b>

Example: \$3.84 HKD Dividend Received on 20 Shares

<b>HKD Gross Dividend Received</b>	<b>\$ 76.80</b>
Foreign Fee (\$1.00) per share	\$ 20.00
HKD Net Dividend Received	\$ 56.80
<b>PhillipCapital</b> Dividend Fee (1.5% cap \$2500.00)	\$ 0.85
<b>HKD Final Dividend Received</b>	<b>\$ 55.95</b>

Example: \$0.75 cent Dividend Received on 2000 ADR Shares:

<b>USD Gross Dividend Received</b>	<b>\$ 1,500.00</b>
<i>Less:</i>	
15% WTH	\$ 225.00
ADR (Foreign Fee) (\$0.05) per share	\$ 100.00
USD Net Dividend Received	\$ 1,175.00
<b>PhillipCapital</b> Dividend Fee (1.5% cap \$1.50)	\$ 1.50
<b>USD Final Dividend Received</b>	<b>\$ 1,173.50</b>

Example: \$0.75 EUR Dividend Received on 2000 Shares:

<b>EUR Gross Dividend Received</b>	<b>\$ 1,500.00</b>
<b>PhillipCapital</b> Dividend Fee (1.5% cap \$1.50)	\$ 1.50
<b>EUR Final Dividend Received</b>	<b>\$ 1,498.50</b>

Example: \$3.84 HKD Dividend Received on 2000 ADR Shares:

<b>HKD Gross Dividend Received</b>	<b>\$ 7,680.00</b>
Foreign Fee (\$1.00) per share	\$ 2,000.00
HKD Net Dividend Received	\$ 5,680.00
<b>PhillipCapital</b> Dividend Fee (1.5% cap \$2500.00)	\$ 85.20
<b>HKD Final Dividend Received</b>	<b>\$ 5,594.80</b>