

Commonwealth Securities Limited (CommSec) ABN 60 067 254 399
Australian Financial Services Licence Number: 238814
Registered Office: Ground Floor Tower 1,
201 Sussex Street, Sydney NSW 2000, Australia

Effective Date: 20th November 2017

CommSec Ready Terms and Conditions

Terms and conditions

Commonwealth Securities Limited (**CommSec**) ABN 60 067 254 399 AFSL 238814 is a participant of the ASX Group and Chi-X Australia Pty Limited (Chi-X). CommSec is a wholly owned but non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 (**Commonwealth Bank**).

These terms and conditions (**Terms and Conditions**) comprise of the following Parts:

Part 1 – Customer Information and Privacy
 Part 2 – General Terms and Conditions
 Part 3 – General Conditions of Trade
 Part 4 – Trading Rules
 Part 5 – Direct Debit/Credit Request Service Agreement
 Part 6 – Terms and Conditions of CHES Sponsorship

In these Terms and Conditions, references to “you” means the individual account holder.

In Part 1 of these Terms and Conditions, references to “us”, “we” or “our” are references to both CommSec and Commonwealth Bank.

In Parts 2, 3, 4, 5 and 6 of these Terms and Conditions, references to “us”, “we” or “our” are references to CommSec.

Please keep these Terms and Conditions for future reference.

PART 1. CUSTOMER INFORMATION AND PRIVACY

What information we collect

1. In this clause ‘you’ includes our customer and any person who holds office in an entity which is a customer. We collect information about you (such as your name, address and contact details), and information about your interactions with us, such as activity on your account. We may also collect publicly available information about you.

Why we collect your information and what we use it for

2. We collect your information because we are required to identify you in accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and in order to comply with taxation laws, such as the *Taxation Administration Act 1953* and the *Income Tax Assessment Act 1936*. We also collect it to administer our customer relationships and internal processes including risk management and pricing,

under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to). If you don’t want to receive marketing information you can opt out on our website at commsec.com.au

3. If you give us your electronic and telephone details, you agree we may use this to communicate with you electronically, by phone or SMS including providing updates, reminders and (unless you tell us not to) marketing information.

4. You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require. If you change your personal details (e.g. address, name or email address) you must tell us straight away.

Who we may exchange your information with

5. We may exchange your information with other members of the Group who may use your information for any of the purposes we can.

6. We may also exchange your information with others outside the Group, for example:

- your representatives, advisers, brokers and agents, and their service providers;
- our service providers and those who refer business to us;
- market operators, operators of clearing and settlements facilities, share and other registries, regulatory and government authorities;
- platform providers, issuers of financial products, other financial institutions, and other bodies (for example, if you do not perform your obligations under a share trade).

7. Sometimes it may be necessary to send your information overseas - for example, where we outsource functions overseas, send information to Group members overseas, where we need to complete a transaction on your behalf or where this is required by laws and regulations in Australia or in another country. If you join our community forum we send your email address to our 3rd party service provider’s data centre in the US to facilitate the direct sign on to the forum. See our Group Privacy Policy for more information.

Our Group Privacy Policy

8. Our Group Privacy Policy is available on our website at commsec.com.au (follow the Privacy Policy link) and should be read in conjunction with the above. It contains further details about our information collection and handling practices including information about:

- other ways and reasons we may collect, use or exchange your information;
- how you may access and seek correction of the information; and
- how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.

9. We encourage you to check our website regularly for any updates to the Policy.

Additional Obligations

10. We may be subject to laws or regulations in Australia or another country that affect your relationship with us (e.g. laws that address taxation). So that we may comply with our obligations under these laws or regulations, we may:

- require you to provide information about you or your product;
- disclose any information we are required to concerning you (including sending your information overseas);
- withhold an amount from a payment to you if required to do so, and if we do, we will not reimburse you for the amount withheld; and/or
- take such other action as is reasonably required, including, for example, closing your account.

How to contact us

11. For privacy-related enquiries, please contact us by calling **1300 726 608** as we aim to resolve your query or complaint at your first point of contact with us, however if you have tried to resolve your complaint and are not satisfied with the outcome, you may also contact our Customer Relations team directly by calling **1800 805 605**, or writing to the address in our Group Privacy Policy.

PART 2. GENERAL TERMS AND CONDITIONS

General

1. These Terms and Conditions apply to all dealings between you (the **Client**) and us, CommSec. This includes dealings related to ETF securities trading on the CommSec Ready app and access to the content and selected features available through the CommSec Platforms (the CommSec website at commsec.com.au, telephone, other apps, CommSecIRESS and Web IRESS) (collectively, the **CommSec Platforms**). ETF trading services (trading, clearing, settlement and ETF sponsorship arrangements) on CommSec Ready are provided by CommSec.

2. You acknowledge that you have read and agree to

be bound by these Terms and Conditions.

Your commitment

3. You warrant that all information provided by you in your application is complete and correct and is not misleading, and agree that we may rely on that information unless and until we receive written notice of any change signed by you or through a facility provided by us. Any such varied information will be covered by this warranty.

4. You agree to notify us either in writing or through a facility provided by us of changes in information that are relevant to any dealing or proposed dealing. Email is not an acceptable method of notification. Information which is relevant to any dealing includes your:

- name
- postal address
- contact phone number, facsimile number and email address
- bank account details
- settlement instructions
- authorised representatives and particulars of that authorised representative as set out in (i) to (iii) above.

5. You acknowledge that in order to open a CommSec Ready account:

- you are an existing client of ours with an approved settlement account; and
- your CommSec Ready account must be opened through the CommSec Ready app.

6(a) You undertake not to reveal any access code, number or password for your account, not to otherwise allow or cause any unauthorised person to access, or to facilitate any unauthorised person accessing your account via any device app of ours and not to allow any unauthorised person to issue instructions on your account. You agree to abide by the following:

- not tell anyone your code or let anyone find out your code - not even family or friends;
- not let anyone watch you enter your code;
- if codes are advised by letter, or electronically we suggest that they be memorised as soon as the correspondence is received. The letter or electronic message should then be destroyed or deleted. This is the safest policy;
- make a reasonable attempt to disguise the code in any record - that is, scramble the details in such a way that others will not be able to decode;
- not allow or cause a fingerprint or facial identification record of another person to be used to permit another person to transact on

your account through any device app of ours;
and

- not to otherwise allow or cause another person to access your account through any device app of ours by the use of your fingerprint or facial identification.

6(b) We are not liable to reimburse you if an unauthorised transaction occurs on your account and you or any other user have not made a reasonable attempt to disguise a code or to prevent unauthorised access to the code record. We are also not liable to reimburse you if an unauthorised transaction occurs on your account and you either allowed or caused a fingerprint or facial identification record of another person to be used to permit an unauthorised person to transact on your account through any device app of ours, or you allowed or caused another person to access your account through any device app of ours by the use of your fingerprint or facial identification. For example, we will not consider that a reasonable attempt has been made to disguise a code if you or any user only:

- recorded the code in reverse order;
- recorded the code as a 'phone' number where no other 'phone' numbers are recorded;
- recorded the code as a number, prefixed by a telephone area code;
- recorded the code as a series of numbers or words with any of them marked, circled or in some way highlighted to indicate the code;
- recorded the code disguised as a date (e.g. 9/6/63) where no other dates are recorded;
- recorded the code in an easily understood code (e.g. A=1, B=2); or
- self-selected a code which is an obvious word or number or one that can be found in a purse or wallet or can be easily guessed by someone else (such as a date of birth, middle name, family member's name or driver's licence number).

6(c) You are responsible for all fraudulent, illegal or unauthorised dealings on your account which are attributable to your conduct, and you release, discharge and indemnify us and our Related Bodies Corporate (as defined in the Corporations Act 2001 (Cth)) (the **Group**) and our directors, employees, agents and representatives in relation to all liability in this regard.

7. You acknowledge and agree that any search tools or calculators available on a CommSec Platform or on the CommSec Ready app are provided solely for informative or illustrative purposes and should not be relied upon for the purposes of you making an investment decision or decision to purchase or sell

any ETF securities or influence your decision making and do not in any way constitute us giving you personalised advice or making personalised recommendations or are intended to advertise or promote any specific financial product. You should consider obtaining advice from a financial services licensee before making any investment or financial decisions.

Third party information

8(a) You acknowledge that information or data on a CommSec Platform or on the CommSec Ready app supplied by a third party service provider which is not associated or affiliated with the Group (**Third Party Provider**) (**Third Party Information**) are for informative purposes only and such Third Party Information do not in any way constitute our personalised advice or personalised recommendations.

8(b) A number of features on the CommSec Platforms or on the CommSec Ready app may be offered or processed through a Third Party Provider. Unless otherwise noted, all authority granted to us, or limitations of liability to us, shall include all members of the Group, our directors, officers, employees, agents, representatives and any service provider. We, a member of the Group or our agents acting on our behalf are authorised to provide the services contemplated by these Terms and Conditions.

8(c) You agree that we are not responsible for any Third Party Information available on a CommSec Platform or on the CommSec Ready app and we make no warranties, express or implied, as to any such Third Party Information. You acknowledge and agree that such Third Party Information do not reflect our opinions or policies and we do not verify the accuracy or completeness of such Third Party Information.

8(d) You agree that we do not act as a referrer for any Third Party Provider and we do not earn a commission for any referrals.

8(e) You acknowledge and agree that we are not responsible for any third party advertisements or third party applications made available on a CommSec Platform or on the CommSec Ready app and you access these third party advertisements or third party applications at your own risk.

Recording of telephone calls

9(a) You authorise us to record any telephone conversation(s) between you and us, with or without an audible tone warning device.

9(b) You acknowledge that any recording is our property and that we reserve the right to charge you

a cost recovery fee for access to a recording.

9(c) You agree to record all relevant details of any conversation that you have with us, including the name of the operator and the date and time of the call, and you acknowledge that we will ask you for this information when you seek access to a recording.

Variation

10(a) We may from time to time vary these Terms and 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 us into line with our competitors, industry or market practice or best practice in Australia or overseas; or
- vi. reflect changes in technology or our processes including our computer systems.

10(b) Each of the changes in paragraphs 10(a)(i) to (vi) is a separate right and this clause is to be read as if such change was a separately expressed right.

10(c) Without limiting our rights under paragraphs 10(a)(i) to (vi), we may from time to time vary any of the Terms and Conditions for reasons other than the ones mentioned above (e.g. due to unforeseen events).

10(d) If we vary these Terms and Conditions, the changes shall apply to all dealings between you and us on and from the day on which the variation takes effect and your continued use of a CommSec Platform or the CommSec Ready app is an acceptance of the variation.

10(e) Where we amend Parts 1, 2, 3 or 4 of these Terms and Conditions, we will give not less than seven (7) days notice to you at the electronic address last notified to us by you, or via the CommSec Ready app.

10(f) Where we amend Parts 5 or 6 of these Terms and Conditions, we will notify you in accordance with the provisions contained in those Parts.

10(g) We may make a variation without prior notice where such variation is necessary to restore or maintain the security of our systems or any accounts.

10(h) Also, we may use our Interactive Voice Response facility to notify you of change(s), and provide information about where you can access full details of the change(s).

Notice

11(a) Any notice, request, demand or other communication may be sent to the electronic address last notified to us and the notice, request, demand or other communication shall be taken to have been received by you when sent by email, one hour after we sent it.

11(b) Any notice, request, demand or other communication that you send to us is taken to have been received by us when we receive it.

Termination

12. Subject to our other rights under these arrangements and the completion of any outstanding obligations:

- i. these arrangements, other than Parts 5 and 6 may be terminated by either party giving not less than seven (7) days written notice to the other party; and
- ii. Parts 5 and 6 of these Terms and Conditions may be terminated in accordance with the provisions contained in those Parts.

Liability

13. Our liability under these Terms and Conditions is subject to any applicable contrary provisions in the Australian Securities and Investments Commission Act 2001 (Cth) and Competition and Consumer Act 2010 (Cth).

14. If you are a consumer, as defined in consumer protection laws, our service comes with a non-excludable warranty under those laws that it will be carried out with due care and skill, and be reasonably fit for the purpose. If we breach any of those warranties you may be entitled to compensation. If you are not a consumer as defined in consumer protection laws, our liability for loss or damage is limited to resupplying the service to you or paying the costs of having the service resupplied to you. When you are a consumer under consumer protection laws our liability is limited to resupplying the service to you or paying the costs of having the service resupplied to you, but only to the extent permitted by those laws.

15(a) To the extent permitted by law, in no event shall we, any member of the Group or any of our officers, directors, agents, representatives or employees be liable for any damage, claim or loss incurred by you in connection with or arising from:

- (i) us undertaking your instructions;
- (ii) us refusing to act on your instructions;

- (iii) any failure by you to comply with these Terms and Conditions;
- (iv) us not receiving your instructions;
- (v) any dealing or proposed dealing is interrupted, unable to be completed or unable to take place due to the failure or delay of any telephone, computer or other electronic or technological service;
- (vi) any error, omission or invalidity in your instructions;
- (vii) any problems in relation to any exchange, Market Operator and/or failure of an exchange, including any error, omission, interruption, deletion, defect, delay in operation or transmission or any other factor;
- (viii) market movements and other risks associated with dealing in securities;
- (ix) us being unable to receive or act on your instructions due to circumstances that are beyond our reasonable control, including but not limited to riot or civil disturbance;
- (x) our compliance with a direction, request or requirement of the Corporations Act 2001 (Cth) (**Corporations Act**), the Market Operating Rules or any regulatory authority;
- (xi) your reliance on research reports provided by us;
- (xii) your use of any Third Party Information;
- (xiii) market movements and other risks associated with trading; or
- (xiv) any insider trading, false or misleading trading, market rigging or market manipulation,

including, without limitation, compensatory, incidental, direct, indirect, special, consequential or exemplary damages, irrespective of whether we have been informed of, knew of, or should have known of, the likelihood of such damage, claim or loss. This limitation applies to all causes of action in the aggregate.

15(b) You acknowledge and agree that you shall not have access to any of the approved dispute resolution schemes to recover any loss or damage you may suffer as a result of your reliance on any Third Party Information.

15(c) You acknowledge and agree that your use of the CommSec Platforms, the CommSec Ready app or the Third Party Information is at your own risk.

15(d) Chi-X and ASX operate different compensation funds that provide protection for retail investors in the circumstances defined in the Corporations Act and Regulations.

The Chi-X compensation fund covers losses resulting

from defalcation or fraudulent misuse of your money, property or authority by a Chi-X participant, subject to certain exceptions. In circumstances where your stockbroker is also an ASX participant, the following applies in relation to such a loss.

If you do not expressly or impliedly instruct your stockbroker, who is a Chi-X participant, to execute your trading instructions on the Chi-X market, and it is not reasonably apparent from the usual business practice of your stock broker which of the ASX or Chi-X market the participant would use when acting for you, the Chi-X fund will not apply. In this case, the National Guarantee Fund (NGF) may apply, provided the loss is connected to the ASX market and is covered by the NGF claims provisions. The NGF claims provisions are set out in Division 4 of Part 7.5 of the Corporations Act and Regulations (for further information see the legislation and the NGF Information Booklet available at www.segc.com.au). Note that if your stockbroker is not an ASX participant, the NGF will not apply in any circumstance.

Indemnities

16. In addition to any other indemnities contained in these Terms and Conditions, you agree to indemnify and hold us, the Group and our directors, officers, agents, representatives and employees harmless against any actions, claims, demands, proceedings, costs, damages, expenses, liabilities and losses (including without limitation legal costs on a solicitor and client basis) paid, suffered or incurred by us directly or indirectly as a result of:

- (a) us undertaking your instructions in respect of any dealings in ETF securities;
- (b) any failure by you to comply with these Terms and Conditions;
- (c) your use of a CommSec Platform, the CommSec Ready app or any Third Party Information in violation of these Terms and Conditions; or
- (d) any breach of your representations and warranties set forth in these Terms and Conditions.

17. Each indemnity in these Terms and Conditions is a continuing obligation, which is independent of and separate from your other obligations, and survives termination of these Terms and Conditions.

Severance

18. If any part of any of these Terms and Conditions is found to be void or unenforceable for unfairness or any other reason (for example, if a court or other tribunal or authority declares it so), the remaining parts of these Terms and Conditions will continue to apply as if the void or unenforceable part had never existed.

Governing laws

19. You acknowledge that these Terms and

Conditions are governed by the laws of New South Wales, and you submit to the non-exclusive jurisdiction of the courts of New South Wales.

20. If you choose to access a CommSec Platform or the CommSec Ready app from overseas, you are also responsible for complying with all relevant local laws.

PART 3. GENERAL CONDITIONS OF TRADE

Definitions

1. In these General Conditions of Trade, "Proscribed Person" means a person who appears to us either:

- to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth);
- to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism;
- to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or
- act on behalf, or for the benefit of, a person listed in subclauses (a) - (c).

General

2. These General Conditions of Trade apply to all dealings between you and us.

3. All dealings between you and us are subject to:

- the Corporations Act (including the ASIC Market Integrity Rules);
- the Rules, directions, decisions and requirements from time to time of the operator of the market (**Market Operator**);
- the customs and usages of the market;
- the Rules and Procedures for the Clearing Facility operated by ASX Clear Pty Ltd (**ASX Clear**);
- the Rules and Procedures for the Settlement Facility operated by ASX Settlement Pty Ltd;
- the correction of errors and omissions; and
- the international and domestic anti-money laundering and counter-terrorism laws.

4(a) All dealings between you and us through CommSec Ready are for ETF securities only. You acknowledge that you can only transfer ETF securities into your CommSec Ready account if they are one of the CommSec Ready ETF Securities listed on the CommSec Ready app.

4(b) Each dealing between you and us is also subject to the provisions of the relevant Confirmation issued by us and if there is any conflict between these General Conditions of Trade and those provisions, the provisions of the Confirmation shall prevail to the extent of the inconsistency.

4(c) You acknowledge that the Confirmation is issued subject to:

- the Rules, directions, decisions and requirements of the Market Operator, the ASIC Market Integrity Rules and the ASX Clear Operating Rules, and where relevant, the ASX Settlement Operating Rules;
- the customs and usages of the market; and
- the correction of errors and omissions.

4(d) When you provide us with an electronic address ("email address") you authorise us to dispatch electronic Confirmations to your email address in respect of your dealings. It is your responsibility to ensure that your email address is operational and available for receipt of electronic Confirmations issued by us and to advise us of any change to your email address as soon as practicable after the change is made.

4(e) You further acknowledge that at our discretion, we may:

- provide you with access to a standing facility (**Standing Confirmation Facility**), through which you can obtain or view an electronic version of a Confirmation;
- issue paper based Confirmation to your postal address in lieu of electronic Confirmation at your email address, or in lieu of a Standing Confirmation Facility; or
- substitute electronic Confirmations with a Standing Confirmation Facility by giving you notice in accordance with these Terms and Conditions.

4(f) If you do not wish to use the Standing Confirmation Facility, or you do not want to receive electronic Confirmations at your email address, you must notify us either in writing or through a facility provided by us.

4(g) We may issue a further Confirmation if the previous one(s) contained any errors or omissions and, in this event, the further Confirmation shall supersede the previous one(s) in all respects.

5. Each dealing between you and us is also subject to the Trading Rules at the time of dealing, and if there is any inconsistency between these General Conditions of Trade and the Trading Rules, the latter shall prevail to the extent of the inconsistency.

6(a) You consent to your order being matched with an order of another client or an order we place as principal. Where your order is matched with another client order, we charge brokerage on both orders. We do not charge brokerage for the portion of your order that is matched with a principal order.

6(b) In the event that you appear to be a Proscribed Person, we will not be responsible for any loss, damage, liability or costs incurred by you where we are unable to receive or act on your instructions.

Your commitments

7(a) You acknowledge that funds equal to or greater than your buy order must be available in your nominated account at the time your order is placed, or taken to be placed (for regular investments), and at the time the order is settled.

For regular investment orders, your order is taken to be placed at market open each fortnight or month.

7(b) You represent that when you wish to sell ETF securities, you own those ETF securities and that they are available for delivery.

7(c) You represent that at all times during your dealings with us you will be in a position to meet all your commitments and obligations arising from these dealings.

8. You agree that we may debit any of your accounts, with monies that you owe us, e.g. unpaid settlement obligations.

9. You acknowledge and agree that:

- (a) we are entitled to cancel or reverse a dealing or order without further reference to you where a Market Operator has recommended or required cancellation or reversal for market integrity reasons, or where the market was operating under an error, or where the cancellation or reversal is permitted under the Market Operating Rules;
- (b) the Market Operators are entitled under the Market Operating Rules to require cancellation or amendment of a dealing or order;
- (c) if you or a signatory appears to be a Proscribed Person, then we 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 or 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
- (d) if we exercise our rights under sub-clause 9(c), you must pay us any damages, losses, liabilities, costs or expenses that we incur in relation to any action taken under sub-clause 9(c), 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 General Conditions.

10. You acknowledge that we do not give personalised advice or make personalised recommendations and that it is therefore your responsibility, before ordering the purchase or sale of any ETF securities through us, to assess and evaluate the proposed transaction in light of your financial situation, investment objectives and particular needs.

11. You acknowledge that as soon as you become aware of an error or omission, you are responsible for taking necessary action to mitigate further loss within 24 hours of receipt of notification.

See Clause 11(a) of Part 2 – General Terms and Conditions for the definition of receipt. You acknowledge that time is of the essence in dealings with us.

Market information

12(a) You acknowledge that:

- (i) we make the market information we display on a CommSec Platform or on the CommSec Ready app (**Market Information**) available to you only for your personal use;
- (ii) third parties who provide data, such as ASX Operations Pty Ltd ABN 42 004 523 782 and other Market Operators, may assert proprietary interests in the Market Information;
- (iii) the accuracy, timeliness or completeness of the Market Information is not guaranteed by us or any third party; and
- (iv) we may in our absolute discretion terminate or suspend your access to the Market Information at any time without notice to you.

12(b) You must not make the Market Information available to any other person or company, in any manner, including by way of downloading, copying, reproducing, adapting, publishing, selling, or distributing the Market Information, without our express written consent, which we may grant with or without conditions.

12(c) You must not procure or assist another person or company to do an act prohibited by sub-clause 12(b).

Account aggregation

13. If we permit you to aggregate your accounts with one client ID and password, you authorise anyone who has access to your account through aggregation to have either view-only access or full use of the accounts, including trading privileges. You also acknowledge that where the accounts are

aggregated, the person who is authorised to have access to your account will be able to have access to your personal information on the authorised accounts that have been aggregated.

Your instructions

14. We will only act within the parameters of your instructions in accordance with our Best Execution Policy.

15. We are not obliged to accept any application or instruction to trade, nor are we obliged to provide you with reasons for refusing your application or instruction to trade. If we consider it is in our reasonable interest to do so, we may decline to act on your behalf in relation to any particular dealings, without explanation or advance notice. Additionally, we may decline to act on your behalf:

- where you have exceeded your trading limits as set out in Part 4 of these Terms and Conditions;
- where the original instruction is more than 1 business day old and is not reconfirmed at that time (other than instructions for regular investments);
- where the ETF security has been subject to a trading halt and the order (including regular investment orders) has not been reconfirmed;
- where the Market Operator has purged the order from the Market Operator's trading platform;
- where we believe the transaction would result in no change of beneficial ownership;
- where we believe the transaction would have the effect, or is likely to have the effect, of creating a false or misleading appearance of active trading in any ETF securities or with respect to the market for, or the price of, any ETF securities; or
- where we believe the instructions are ambiguous, incomplete or unclear.

16. You acknowledge that we are not responsible for missed market opportunities during the time it takes us, acting reasonably, to follow our internal procedures or the procedures of share registries or product issuers, for example opening accounts, transferring Participant Sponsored Holdings or Issuer Sponsored Holdings or confirming your identity.

17. You acknowledge that you can submit orders through CommSec Ready to purchase ETF securities either on:

- (i) a one-off basis (that is, an order for a single purchase or sale of ETF securities). A one-off order received during market hours will be executed the same business day in

accordance with our Best Execution Policy. A one-off order received after market hours will be executed with the regular investment orders in accordance with our Best Execution Policy; or,

- (ii) a regular investment basis (that is, a recurring fortnightly or monthly purchase of ETF securities). A regular investment order will be aggregated with other regular investment orders and any one-off orders received after market hours, and executed shortly after market open on the recurring investment day in accordance with our Best Execution Policy. The first investment (of the regular investment order) will be executed no earlier than the first business day following the day the regular investment order was placed.

18. You acknowledge that for a one-off order received during market hours to buy or sell ETF securities, we will make all reasonable attempts to enter your instructions as quickly as possible. However, should delays be experienced:

- (i) in connection with the number of participants or persons attempting to participate in the market at a point in time;
- (ii) due to verification or authorisation processes;
- or,
- (iii) due to delays resulting from adherence to internal procedures,

we will not be liable for any claims for lost opportunity.

19. You acknowledge that for a regular investment order to buy ETF securities and for one-off orders to buy or sell ETF securities received after market hours, we will make all reasonable attempts to enter the aggregated regular investment orders and one-off orders received after market hours shortly after market open. However, should delays be experienced, for example:

- (i) due to pricing uncertainty and wide ETF bid/offer spreads;
- (ii) in connection with the number of participants or persons attempting to participate in the market at a point in time;
- (iii) due to verification or authorisation processes;
- or
- (iv) due to delays resulting from adherence to internal procedures

we will not be liable for any claims for lost opportunity.

20. You acknowledge that we will make all reasonable attempts to effect any instructions to cancel orders (both one-off orders received outside of market hours and regular investment orders) as

quickly as possible. However, should an order be filled prior to a cancellation instruction being effected, you will be obliged to accept the transaction(s) on the original terms. Whilst all reasonable attempts will be made to inform you when the order is filled prior to a cancellation instruction being effected, we are not obliged to do so.

21. You acknowledge and accept that there may be delays in processing between the time a cancellation instruction is dealt with by us and the time the cancellation is effected on market. In the event an order is filled between the time it has been 'approved' by us and the time we effect the instruction on market, you will be obliged to accept the transaction on the original terms.

22. If you are uncertain as to whether your order has been received you will make all reasonable attempts to verify whether the order has been received, approved and effected prior to taking any further action. You agree to issue specific cancellation instructions with respect to an existing order and not to attempt to effect such changes by placing a second or duplicate order. You will be solely responsible and liable for any duplicate instruction that you place.

23. In the course of processing a sell order for a security, we may remove your holding of the security from the register before the due date for settlement under the Market Operating Rules.

24. If, in our reasonable opinion, we believe there is a dispute between us about an order or instruction you have given us, for example, your maximum investment amount, the number of ETF securities you have asked us to sell, or the frequency of your regular investment order, we may take, without prior notice to you, any action which in our reasonable opinion we consider necessary to close any open position the subject of the dispute, for example, by selling ETF securities.

25. You acknowledge that, due to market conditions, we may complete your order by multiple market transactions, across multiple markets in accordance with our Best Execution Policy and you authorise us to accumulate those transactions on a single Confirmation and specify the volume weighted average price for those market transactions.

Authorities

26. When you open a CommSec Ready account, you authorise us to provide the BSB, account number and account name of your nominated settlement account held with Commonwealth Bank through the Bulk Electronic Clearing System to registries, together with an instruction on your behalf to deposit the dividends

from your CHESS sponsored holdings into your nominated account. If you hold ETF securities in an issuer that does not support electronic payment of dividends, you may still receive dividend cheques sent to your registered address.

You may opt out of directing dividends to your nominated account from the CommSec website.

27. You agree to pay our normal costs associated with your CommSec Ready trades, including, without limitation, brokerage and administration fees and to reimburse us for any extraneous costs, such as GST, for ETF securities transactions made on your behalf. Full details of our CommSec Ready current fees and the schedules of our CommSec Ready standard fees and charges may be obtained by visiting our website at commsec.com.au.

28. You authorise us to appropriate any credits, payments and other receipts from you or your account in such manner and order as we think fit against any amounts due or owing by you to us or otherwise.

29. You acknowledge that we may pay money that we have received for you into a trust account, for example, if we cannot effect payment into your nominated bank account, and that we retain any interest earned on such money.

Acceptable settlement methods

30. We accept payment for settlement by direct debit from your nominated Commonwealth Bank account only.

Failure to settle

31. If by the settlement date shown on any Confirmation we have not received the relevant payment due, you agree to pay us:

- interest on the amount outstanding from time to time at the Commonwealth Bank Overdraft Index Rate plus 3%, calculated daily; and
- a late settlement fee determined by us from time to time to cover our reasonable costs and expenses arising from your failure to settle by the due date together with any applicable GST, and you agree that we may, at our absolute discretion, cancel any other value order (including regular investment orders).

32. If by the settlement date shown on any Confirmation you have not delivered to us the relevant certificates or security holder information, you agree to pay us:

- any fail fees levied by a Market Operator or ASX Clear; and
- a late settlement fee determined by us from time to time to cover our reasonable costs

and expenses arising from your failure to settle by the due date together with any applicable GST.

33. We may suspend your account at any time and without notice to you if you fail to settle on time for orders we have executed for you.

34. If, after a demand, you have not delivered to us payment due, then:

- (a) you direct us to buy back or sell on your behalf any of the ETF securities that are the subject of the contract;
- (b) you authorise us to sell any other ETF securities outstanding on your account, or any securities in our control or possession; and
- (c) you agree to indemnify us against all costs, expenses and losses incurred, including brokerage, GST, fail fees levied by a Market Operator or ASX Clear and bank fees, resulting from your failure to settle by the due date.

PART 4. TRADING RULES

1. CommSec Ready accepts orders from registered clients on CommSec Ready.

2. CommSec Ready accepts orders for CommSec Ready ETF securities only. CommSec Ready ETF securities are listed on the CommSec Ready app. Only CommSec Ready ETF securities are eligible for CHESS sponsorship with CommSec on your CommSec Ready HIN.

3. To be accepted and qualify for CommSec Ready brokerage rates, CommSec Ready app orders must comply with these Trading Rules.

4. When an order is received that does not comply with these Trading Rules, your order will not be accepted. We will not be held responsible for any loss that may arise when an order is not accepted.

5. These Trading Rules apply to all CommSec Ready dealings between you as a client and us. We reserve the right to vary these Trading Rules at any time. Any such variation shall apply to any dealing by you after it takes effect and your continued use of CommSec Ready is an acceptance of the variation.

6. Orders will be executed in accordance with our Best Execution Policy. We may from time to time amend our Best Execution Policy and make such amendments available on our website, or otherwise notify you of the amended Best Execution Policy.

7. Subject to these Trading Rules, you will be able to use your CommSec Ready account to trade on the

CommSec Ready app and access the content and select features available through the CommSec Platforms.

8. It is important that you understand that the Trading Rules for CommSec Ready are different from the Trading Rules associated with the CommSec Platforms. Not all features or order types are available on all Platforms and we will notify you of this fact either in these Trading Rules or on the specific Platform itself.

TRADING RULES FOR COMMSEC READY

9. We do not accept orders relating to Issuer-sponsored ETF securities.

Orders for Approved Products only

10. Buy and sell orders will only be accepted through the CommSec Ready app for ETF securities listed on the CommSec Ready app.

Limit Orders

11. We do not accept limit orders on the CommSec Ready app.

Conditional Orders

12. We do not accept conditional orders on the CommSec Ready app.

Value Orders

13. A value order is an order to purchase a maximum investment amount of an ETF security, for example A\$1000. After you have specified the total investment limit, we will determine the appropriate number of units, and apply the price required to execute your order (after accounting for the brokerage and other fees).

14. Value orders are valid 'Good for day' only.

15. We only accept value orders for buy instructions for CommSec Ready ETF Securities.

16. We will calculate the initial price and units of your order when trading in the ETF Security is in trading status (continuous match mode) on the ASX. We will set the initial units and order price on your behalf to achieve as close to the maximum investment amount set by you without exceeding that amount.

17. We will use best endeavours when executing your order but cannot guarantee precise execution of the value specified by you at order entry.

18. We will only execute value orders when there are funds equal to or greater than the value order available in your nominated account at the time your

order is submitted to us or taken to be submitted to us (for regular investments) and when the order is placed in the market. For regular investment value orders, your order is taken to be placed at market open each fortnight or month.

19. We will only execute value orders which comply with the trading limits set on your account. Details of these trading limits are available on the CommSec Ready app.

20. We will place your value order for execution in accordance with our Best Execution Policy only when:

- (a) trading for the particular stock is in continuous match mode;
- (b) trading for the particular security is not suspended or halted; and
- (c) placing the order will not contravene our obligation to maintain an 'orderly market'.

21. We will aggregate value orders that have been entered as regular investment orders (either on a fortnightly or monthly basis) and execute the aggregate shortly after market open on the recurring investment day.

22. We accept value orders outside of market hours. Value orders received outside of market hours will be regarded as an instruction to wait until the market is next available (in continuous match mode) before we calculate the price and units of your order and place on market. All value orders received outside of market hours will be aggregated with the regular investment value orders for execution shortly after market open the following trading day in accordance with our Best Execution Policy.

23. Value order instructions received outside of market hours but not placed on market for execution can only be cancelled prior to 10am of that trading day. Should you wish to amend the value of an order, you must cancel and re-enter the instruction.

24. It is your responsibility to cancel your order if a change in market conditions means you no longer wish to purchase the ETF security (for example, due to an overnight market sensitive announcement).

Sell Orders

25. A sell order is an order to sell specified units of an ETF security at the current market price at the time the order is placed in the market.

26. Sell order instructions placed on CommSec Ready are valid 'Good for day' only.

27. We will use best endeavours when executing your sell order but cannot guarantee precise

execution as to the price specified by guidance provided by us at order entry.

28. We will place your sell order instruction for execution in accordance with our Best Execution Policy only when:

- (a) trading for the particular stock is in continuous match mode;
- (b) trading for the particular security is not suspended or halted; and
- (c) placing the order will not contravene our obligation to maintain an 'orderly market'.

29. We accept sell orders placed on CommSec Ready outside of market hours. Sell orders received outside of market hours will be regarded as an instruction to wait until the market is next available (in continuous match mode) before we place your order on market as described above. Sell orders received outside of market hours will be aggregated for execution shortly after market open the following business day.

30. Sell order instructions received outside of market hours but not placed on market for execution can only be cancelled prior to 10am of that trading day. Should you wish to vary the unit parameter, you must cancel and re-enter the instruction.

31. Once placed in the market, sell orders cannot be amended or cancelled.

32. We do not accept short selling orders.

33. Sell orders will not be accepted if there are insufficient units available for settlement in your Participant Sponsored Holdings sponsored by us.

Amending Orders

34. Once orders have been placed on CommSec Ready, they cannot be amended.

Orders not accepted online

35. Orders involving any of the following must be placed over the telephone:

- request to convert holdings to issuer sponsored; or
- request to transfer holdings to Participant Sponsored Holdings with CommSec.

General

36. Usually, an order received after market closing time is treated as an order received on the next Trading Day.

37. In the event of a change in the basis of quotation of an ETF security, your outstanding order will be purged by the Market Operator prior to the expiry date.

38. We reserve the right to take such steps as we consider necessary to check the bona fides of any client, order or instruction before acting on that order or instruction.

PART 5. DIRECT DEBIT/CREDIT REQUEST SERVICE AGREEMENT

Debit arrangements

1. We will advise you, in writing or electronically, in the form of a Confirmation Contract Note, the drawing details that include the settlement amount due and the settlement date.

2. Where the settlement date falls on a non-business day, we will draw the amount on the following business day.

3. We may charge a dishonour fee if any debit from your nominated account is returned as unpaid by your financial institution. We will treat the payment as never having been made.

4. We will keep your information about your nominated account at the financial institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.

5. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.

6. We will advise you 14 days in advance of any changes to the Direct Debit/Direct Credit arrangements.

7. If you provide an incorrect bank account number, you may incur a fee if we have processed a transaction to that account.

8. If you are uncertain as to when the debit/credit will be processed to your account, you should enquire with your nominated financial institution.

Your rights

9. You may terminate the Direct Debit/Direct Credit arrangement of your trades with us, however this termination must be in writing.

10. Where you consider the debit/credit is incorrect in either the due date or amount or both, you should raise the matter with CommSec on **1300 726 608** between 8am and 6pm (Sydney Time).

11. Please contact CommSec on **1300 726 608** between 8am and 6pm (Sydney Time), Monday to

Friday for all matters relating to the Direct Debit/Direct Credit arrangement, including to request a deferment or stopping of debits/credits, questions regarding amounts or dates of debits/credits or altering or stopping the arrangement. You can also contact your financial institution to request a stop or cancellation of the arrangement or to dispute a debit to your nominated account. We have a dispute resolution process available if you have a complaint which we do not resolve. Further information on that process is set out in our Financial Services Guide, which is available online at commsec.com.au or by calling CommSec on **1300 726 608**.

Your responsibilities

12. It is your responsibility:
- to check with the financial institution where your account is held before completing the Direct Debit/Credit Request (DDR) as Direct Debiting/Crediting through the Bulk Electronic Clearing System (BECS) is not allowed on a full range of accounts;
 - to complete your account details, including Bank State Branch (BSB) number, directly off a recent account statement from your financial institution and to contact your nominated financial institution prior to completing the DDR if you are uncertain of the account details;
 - to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by CommSec;
 - to ensure that the authorisation to debit/credit the nominated account is in the same name as the account signing the instruction held by the financial institution where the account is held;
 - to check direct debit and credit transactions against recent account statements from your nominated financial institution;
 - to advise us if the account you have nominated to debit/credit is transferred or closed; and
 - to ensure that suitable arrangements are made if the Direct Debit/Credit arrangement is cancelled;
 - by yourself;
 - by your nominated financial institution; or
 - for any other reason.

PART 6. TERMS AND CONDITIONS OF CHESS SPONSORSHIP

Explanation of effect of CHESS Sponsorship

The Terms and Conditions of CHESS Sponsorship

below constitute a contract that you (the **Client**) enter into with us (**CommSec**), in which you name us as your CHESS sponsor and authorise us to create a CHESS Participant Sponsored Holding in your name and to trade on it as you instruct.

Clearing House Electronic Subregister System (**CHESS**) is the computer system used by the Australian Securities Exchange to record shareholdings and manage the settlement of share transactions.

Being CHESS sponsored by us means you can buy and sell ETF securities more quickly than if your ETF securities were 'issuer sponsored'.

You can also discuss the Terms and Conditions of CHESS sponsorship with us. To do so, please call CommSec on **1300 726 608** between 8am and 6pm (Sydney time), Monday to Friday.

1. Interpretation

1.1 Any term used in this Sponsorship Agreement which is defined in, or given a meaning under, the ASX Settlement Operating Rules (the **Rules**) has the meaning given in the Rules. (Should you require a copy of these definitions please contact CommSec).

1.2 In this Sponsorship Agreement, CommSec is referred to as the "**Participant**" and the Client is referred to as the "**Participant Sponsored Holder**". These terms are defined in the Rules.

2. Appointment

The Participant Sponsored Holder appoints the Participant to provide, and the Participant agrees to provide, transfer and settlement services as agent for the Participant Sponsored Holder on the terms and conditions contained in this Sponsorship Agreement.

3. Authorisations, participant rights and participant sponsored holder's rights

3.1 Authorisations

3.1.1 Upon delivery to the Participant of all necessary certificates, marked or unmarked transfers and other documents in relation to Financial Products to be held in Participant Sponsored Holdings:

- (a) the Participant Sponsored Holder authorises the Participant to effect any Transfers and Conversions necessary to register the Financial Products into Participant Sponsored Holdings; and
- (b) the Participant must initiate the necessary Transfers or Conversions within the time prescribed under the Rules.

3.2 Participant Rights

3.2.1 Where the Participant Sponsored Holder authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those

Financial Products on or before the date agreed with the Participant for payment.

3.2.2 Subject to Clause 3.2.3, 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.

3.2.3 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.

3.2.4 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). Where the Participant exercises this right, it must inform the Participant Sponsored Holder, within a reasonable period, of the action it has taken.

Participant Sponsored Holder's Rights

3.3.1 Subject to Clauses 3.2.3 and 3.2.4, 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.

3.3.2 Subject to Rule 7.4, 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.

3.3.2A For the purpose of Rule 7.2.2(a), where the CHESS Holding is a new CHESS Holding, the Participant must insert the HIN in this Sponsorship Agreement once the HIN has been allocated to the Participant Sponsored Holder in accordance with Rule 8.7.2.

3.3.3 The Participant will notify the Participant Sponsored Holder of the HIN for each CHESS Holding of the Participant Sponsored Holder to which this Sponsorship Agreement relates.

3.3.4 The regulatory regime which applies to the Participant is the regime established under the Corporations Act and Corporations Regulations, the ASIC Market Integrity Rules, the Market Operating

Rules, the ASX Settlement Operating Rules and the ASX Clear Operating Rules. The Participant Sponsored Holder can obtain information as to the status of the Participant from the relevant regulatory authorities under this regime, namely, the Australian Securities and Investments Commission (**ASIC**), ASX Limited (**ASX**), ASX Settlement Pty Ltd (**ASX Settlement**) and ASX Clear Pty Ltd (**ASX Clear**).

3.3.5 The Participant Sponsored Holder may lodge a complaint against the Participant with ASIC, ASX, ASX Settlement, ASX Clear or the Financial Ombudsman Service (**FOS**). The Participant Sponsored Holder may lodge any claim for compensation:

- (a) with the Participant in the first instance and if not satisfied with the Participant's response, the Participant Sponsored Holder may refer the claim to FOS; and
- (b) in relation to the National Guarantee Fund, with the Securities Exchange Guarantee Corporation Limited.

(Refer Clause 7 below for further details with respect to claims for compensation).

Other rights and duties

4.1 Supply of Information

4.1.1 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.

4.1.2 Where statements of holding balances or other information are obtained by the Participant from ASX Settlement or Issuers at the Participant Sponsored Holder's request, the Participant Sponsored Holder will bear the reasonable costs incurred by the Participant in obtaining the statements or information.

4.1.3 The Participant Sponsored Holder authorises the Participant to provide information about the Participant Sponsored Holder and Participant Sponsored Holdings to the Market Operator, ASX Settlement and ASIC as appropriate or necessary from time to time.

5. Notifications and acknowledgements

5.1 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 the 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.

5.2 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 this 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 effected by the Participant or that the Participant was not authorised by the Participant Sponsored Holder to effect the Transfer; and
- (b) unless the Transfer is also taken to have been effected by a Market Participant of an Approved Market Operator or a Clearing Participant of ASX Clear, the Participant Sponsored Holder has no claim arising out of the Transfer against the compensation arrangement applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations.

5.3 In the event that the Participant breaches any of the provisions of this Sponsorship Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.

5.4 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, 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;

(b) where the Participant Sponsored Holder does not give notice under Clause 5.4 (a), ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11. and the Participant Sponsored Holder will be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where a Participant Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Participant Sponsored Holder within ten (10) Business Days of the change of Controlling Participant.

5.5 The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed this Sponsorship Agreement, the Participant provided the Participant Sponsored Holder with an explanation of the effect of this Sponsorship Agreement and that the Participant Sponsored Holder understood the effect of this Sponsorship Agreement.

5.6 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 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 CHES Subregister.

5.7 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 the Holder Record Lock applied pursuant to Clause 5.6.

5.8 The Participant Sponsored Holder is entitled to receive an executed copy of this Sponsorship Agreement from the Participant but acknowledges that the Participant shall not be required to provide such copy unless requested by the Participant Sponsored Holder.

6. Change of controlling participant

6.1 If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least twenty (20) 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 6.2 or 6.3.

6.2 The Participant Sponsored Holder may choose to terminate this Sponsorship Agreement by giving Withdrawal Instructions under the Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:

- (a) transfer its Participant Sponsored Holding to another Controlling Participant; or
- (b) transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.

6.3 If the Participant Sponsored Holder does not take any action to terminate the agreement in accordance with Clause 6.2 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.

6.4 The novation in Clause 6.3 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.

6.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in Clause 6.4 by the doing of any act which is consistent with the novation of the Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.

6.6 This Sponsorship 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 6.3 not binding or effective on the Effective Date, then this Sponsorship 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.

6.7 Nothing in this Clause 6 will prevent the completion of CHES transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the Effective Date and this Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of this Sponsorship Agreement to the New Controlling

Participant under this Clause 6.

6.8 In the event that any of the Holdings comprise AQUA Products, the new Controlling Participant is accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. Note: Under Rule 7.4, ASX Settlement will not accept a Notice of change of Controlling Participant where the new Controlling Participant is not accredited to facilitate the transfer of AQUA Products.

7. Claims for compensation

7.1 With respect to the compensation arrangements that apply to the Participant Sponsored Holder, the Participant would seek to rely, to the extent possible, on the cover which it has under the professional indemnity insurance policy which applies to its activities as an Australian Financial Services licensee.

7.2 If the Participant breaches a provision of this Sponsorship Agreement and the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant.

7.3 If a breach by the Participant of a provision of this Sponsorship 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 may make a claim under the relevant compensation arrangements.

8. Termination

8.1 Subject to the ASX Settlement Operating Rules, this Sponsorship Agreement will be terminated upon the occurrence of any of the following events:

- (a) by notice in writing from either the Participant Sponsored Holder or the Participant to the other party to this Sponsorship Agreement;
- (b) upon the Participant becoming insolvent; or
- (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 the Rule 7.1.10(c); or
- (e) upon termination under Part 2 – General Terms and Conditions.

8.2 Termination under Clause 8.1(a) will be effective upon receipt of Notice by the other party to this Sponsorship Agreement.

9. Rules and variation

9.1 This Sponsorship Agreement is subject to the

ASX Settlement Operating Rules in force from time to time, and the Participant Sponsored Holder shall not take any action which will prevent or impede the Participant from complying with its obligations under the Rules.

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

9.3 Except as provided in Clause 9.2, this Sponsorship Agreement may be varied by the Participant giving the Participant Sponsored Holder not less than seven (7) days' notice to the Participant Sponsored Holder at the postal or electronic address last notified to the Participant by the Participant Sponsored Holder, or at the Participant's website.

