

# CHES Sponsorship Agreement

PLEASE COMPLETE THIS FORM USING BLOCK LETTERS AND BLACK OR BLUE PEN

## A. INDIVIDUAL CLIENT DETAILS

### INDIVIDUAL 1

Title  Given name(s)  Surname   
TFN<sup>1</sup>

### INDIVIDUAL 2

Title  Given name(s)  Surname   
TFN<sup>1</sup>

### INDIVIDUAL 3

Title  Given name(s)  Surname   
TFN<sup>1</sup>

Note<sup>1</sup>: Clients may quote their tax file numbers (TFN) or Australian Business Number (ABN). Whilst there is no obligation to provide either a TFN or ABN, clients who do not will need to supply their TFN or ABN to share registries direct for any holdings on this HIN to avoid tax being deducted from any dividends or other payments at the highest marginal rate.

## B. COMPANY CLIENT DETAILS

Company name  ABN/ACN

## C. ACCOUNT DESIGNATION (For Superannuation Funds, Family Trusts or Minors)

<  > Account

## D. CLIENT ADDRESS

State  Postcode

## E. CLIENT SIGNATURE

I/We (The "Client") agree to be bound by the terms and conditions of Shaw's Client Agreement set out on this and the following 3 pages.

Name of Individual 1/Director/Sole Director/  
Company Secretary

Signature

  
x

Name of Individual 2/Director/Company  
Secretary

Signature

  
x

Name of Individual 3/Director

Signature

  
x

Executed on

DD / MM / YYYY

**Note:** When signed under Power of Attorney states that they have not received a notice of revocation. Shaw requires an originally certified copy of the Power of Attorney to be returned with this agreement.

## TO BE COMPLETED BY SHAW

Sponsored Holders Name   
Client A/C Number  Adviser code  HIN   
Data Entered  Verified  Shaw signature

## CHESS SPONSORSHIP AGREEMENT

Should you have any queries regarding the settlement services of CHESS, the ASX's explanatory CHESS booklet is viewable on Shaw and Partners' website at [www.shawandpartners.com.au](http://www.shawandpartners.com.au). For further details of the effect of this Sponsorship Agreement or for a hard copy of the ASX CHESS booklet please contact your Shaw Adviser.

This document details the terms and conditions of an agreement between you (the "Sponsored Holder") and Shaw and Partners Limited ("Participant") relating to the settlement services to be provided to you in accordance with the ASX Settlement Operating Rules. Settlement means the actual transfer of ownership of Financial Products you have bought or sold. IT IS AGREED THAT:

### 1. INTERPRETATION

1.1 Any term used in this Agreement which is defined in the ASX Settlement Operating Rules has the meaning given in the Rules. (Should you require a copy of these definitions please contact your Adviser)

### 2. PARTICIPANT RIGHTS

2.1 Where the Sponsored Holder authorises the Participant to buy Financial Products, the Sponsored Holder will pay for those financial products within 2 Business Days of the date of purchase.

2.2 Subject to Clause 2.3, the Participant is not obliged to Transfer Financial Products into the Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.

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

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

### 3. SPONSORED HOLDER'S RIGHTS

3.1 Subject to clauses 2.3 and 2.4, the Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within 2 Business Days of the date of the receipt of written Withdrawal Instructions.

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

3.3 The regulatory regime which applies to the Participant is the Corporations Act 2001 together with the ASX Operating Rules, ASX Clear Operating Rules and ASX Settlement Operating Rules. The Sponsored Holder can obtain information as to the status of the Participant from the Australian Stock Exchange Limited.

3.4 The Sponsored Holder may lodge a complaint against the Participant or any claim for compensation with the Australian Securities and Investment Commission,

Australian Stock Exchange Limited, Financial Industry Complaints Service or Exchange Guarantee Corporation Limited (National Guarantee Fund).

## 4. OTHER RIGHTS AND DUTIES

4.1 **SUPPLY OF INFORMATION:** The 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.

### 4.2 EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS

4.2.1 Where the Sponsored Holder arranges with ASX Clear to lodge financial products in a Sponsored Holding as cover for written positions in the Australian Options Market, and informs the Participant of the arrangement, the 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.

4.2.2. Where the Sponsored Holder arranges with any person to give a charge or any other interest in financial products in a Sponsored Holding, the 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.

4.2.3. The Sponsored Holder acknowledges that where, in accordance with this Agreement and/or the Sponsored Holder's instructions, the Participant initiates any action which has the effect of creating a sub-position over financial products in the Sponsored Holding, the right of the 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.

4.2.4. In the event of any default by the Sponsored Holder in relation to option positions, the Participant may at its sole discretion sell sufficient Financial Products held in your Sponsored Holding/s to cover the default.

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

## 5. FEES

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

5.2 The Participant does not charge an additional fee for the administration of Sponsored Holdings.

## 6. MANDATORY NOTIFICATIONS AND ACKNOWLEDGMENTS

6.1 You acknowledge that if Shaw 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 Supervising or regulating the relationship between you and Shaw, other than in relation to the Rules relating to Sponsorship Agreements.

6.2 The 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 Sponsored Holding under the Sponsorship Agreement, then:

- (a) the 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 Sponsored Holder to effect the Transfer; and
- (b) unless the Transfer is also taken to have been effected by a Participating Organisation of ASX or a Clearing Participant of ASX Clear, the 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.
- 6.3 In the event that the Participant breaches any of the provisions of this Agreement, the Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.
- 6.4 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 Sponsored Holder has the right, within 20 Business Days of ASX Settlement giving Notice of suspension, to give notice to ASX Settlement requesting that any 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 7.1.10; or
- (b) where the Sponsored Holder does not give notice under clause 6.4.(a), ASX Settlement may effect a change of Controlling Participant under Rule 7.1.10 (e) and the 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 Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Sponsored Holder on or after the Effective Date of the change of Controlling Participant.
- 6.5 The Sponsored Holder acknowledges that before the Sponsored Holder executed the Sponsorship Agreement, the Participant provided the Sponsored Holder with an explanation of the effect of the Sponsorship Agreement and that the Sponsored Holder understood the effect of the Sponsorship Agreement.
- 6.6 The Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Sponsored Holder, a Holder Record Lock will be applied to all Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless the Sponsored Holder's legally appointed representative or trustee elects to remove the Sponsored Holdings from the CHESS Subregister.
- 6.7 The Sponsored Holder acknowledges that in the event of the death of the Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a

period of up to 3 calendar months after the removal of a Holder Record Lock applied pursuant to clause 6.6.

#### FOR JOINT HOLDINGS ONLY

- 6.8 The Sponsored Holder acknowledges that in the event of the death of one of the Holders, upon receipt of written notification, 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 Sponsored Holder/s, and that this Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 6.9 The 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 Sponsored Holder elects to remove the Sponsored Holdings from the CHESS Subregister, establish a new Holder Record in the name of the bankrupt Sponsored Holder, transfer the interest of the bankrupt 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 Sponsored Holder(s) and Transfer the interest of the remaining Sponsored Holder(s) into new Holdings under the new Holder Record.

#### 7. CHANGE OF CONTROLLING PARTICIPANT

- 7.1 If the Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Sponsored Holding and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the 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 clause 7.2 or 7.3.
- 7.2 The Sponsored Holder may choose to terminate the Agreement by giving written Withdrawal Instructions under the ASX Settlement Operating Rules to the Controlling Participant, indicating whether the Sponsored Holder wishes to:
- (a) transfer its Sponsored Holding to another Controlling Participant; or
- (b) transfer its Sponsored Holding to one or more Issuer Sponsored Holdings.
- 7.3 If the Sponsored Holder does not take any action to terminate the agreement in accordance with clause 7.2 and does not give any other instructions to the Controlling Participant which would indicate that the 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 Sponsored Holder from any obligations arising on or after the Effective Date.

- 7.4 The novation in clause 7.3 will not take effect until the 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 Sponsored Holder. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 7.5 The Sponsored Holder will be taken to have consented to the events referred to in clause 7.4 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.
- 7.6 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 7.3 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.
- 7.7 Nothing in this clause 7 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 7.

## 8. CLAIMS FOR COMPENSATION

- 8.1 The following compensation arrangements apply to the Sponsored Holder:
- should you have a complaint please contact your Adviser and discuss your concerns;
  - if your complaint is not satisfactorily resolved within 2 working days, please contact our Complaints Officer on 02 9238 1238 or put your complaint in writing addressed to The Complaints Officer, Shaw and Partners Limited, GPO Box 3604, Sydney NSW 2001 or faxed to 02 9232 1296. Shaw and Partners Limited will endeavor to have the complaint resolved within 45 days and if in its sole discretion Shaw and Partners Limited considers it necessary it will compensate the Sponsored Holder;
  - if however the complaint is not resolved to your satisfaction, you have the right to refer the matter to the Financial Services Complaints Resolution Scheme of which Shaw and Partners Limited is a member. You should write to the Chief Executive Officer, PO Box 579, Collins Street West, Victoria, 8007 or telephone toll free 1800 335 405.
- 8.2 If the Participant breaches a provision of this Agreement and the 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.
- 8.3 If a breach by Shaw of a provision of this CHESS 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, Shaw may make a claim under the relevant compensation arrangements.

## 9. TERMINATION AND REIMBURSEMENT

- 9.1 Subject to the ASX Settlement Operating Rules, this Agreement will be terminated upon the occurrence of any of the following events:
- by notice in writing from either the Sponsored Holder or the Participant to the other party to the Agreement;
  - upon the Participant becoming insolvent;
  - upon the termination or suspension of the Participant; or
  - upon the giving of written Withdrawal Instructions by a Sponsored Holder to a Controlling Participant in accordance with Rule 7.1.10(c).
- 9.2 Termination under Clause 9.1(a) will be effective upon receipt of written Notice by the other party to the Agreement.
- 9.3 In the event of any claim by the Participant against the Sponsored Holder, the Participant may at its sole discretion sell sufficient Financial Products held in your Sponsored Holding/s to recover and indemnify itself against any alleged loss or damage together with any administration fees and costs incurred.

## 10. VARIATION

- 10.1 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 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.

## 11. COPY OF EXECUTED SPONSORSHIP AGREEMENT

- 11.1 The Sponsored Holder authorises the Participant to insert their Holder Identification Number ("HIN") into their executed Sponsorship Agreement, and the Sponsored Holder does not require a copy of the Sponsorship Agreement with the HIN inserted.
- 11.2 The Sponsored Holder expressly instructs the Participant not to provide the Sponsored Holder with a copy of the executed Sponsorship Agreement.
- 11.3 As a Sponsored Holder you are entitled to receive a copy of your executed Sponsorship Agreement. Should the Sponsored Holder request a copy, the Sponsoring Participant will provide a copy of the executed Sponsorship Agreement:
- within 2 Business Days of execution; or
  - at any time thereafter if requested by the Sponsored Holder.