



Client Account

ShawandPartners

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## Shaw and Partners Limited

Shaw and Partners is one of Australia's preeminent investment and wealth management firms.

With a national presence and \$16 billion of assets under advice, Shaw and Partners offers the intimacy of a boutique investment firm with the resources and scale of a major financial group.

We are privately owned and client focused, having helped our clients manage and grow their financial assets for more than 30 years. Our emphasis on integrity has enabled us to achieve very high levels of client satisfaction, while unlocking opportunities of significant value.

Backed by fresh thinking, robust research and some of the nation's best investment and wealth experts, our business has been designed to meet the growing needs of our clients. Shaw and Partners offers access to an extensive team of private client advisers, institutional sales and trading specialists, market leading research analysts and strategic corporate financiers.

By working closely with clients and targeting their needs, we have forged strong long-term relationships. So, whether you are an ordinary investor, high net worth individual, charity, institution or corporate, our goal is simple: to listen to you, then act according to your needs alone.

We welcome you to Shaw and Partners. Your partners in building and preserving wealth.

# Welcome

Shaw and Partners is pleased to provide you with the information and documents necessary to open a new Client Account.

## Tailored Advice

At Shaw and Partners, we are dedicated to providing you with a tailored, personal service that suits your individual needs. Shaw's core value proposition to you is our advice. Whether you are looking to preserve or grow your capital or generate additional income we can assist the novice or experienced investor. Your Shaw Adviser will assess with you your personal circumstances and determine the best investment strategy to meet your long term goals.

## Start Investing

In order to open a Client Account please complete and return the enclosed Client Account Opening Form. Once your Client Account is activated you will immediately:

- be able to start investing in domestic and international shares and various cash and fixed interest products including corporate bonds, term deposits and bank bills
- have access to exclusive research prepared by Shaw's analysts which can help add significant value to your investment decisions
- gain priority access to initial public offerings and equity raisings
- have the opportunity to meet with senior executives of listed companies at Shaw's investor presentations, and
- be able to monitor your portfolio and trading history online.

## Products and Services of Your Choice

You may also wish to supplement your Client Account with the following products and services:

**Derivatives** In addition to transacting in shares and investing in fixed interest and cash management products, you may elect to include derivatives as part of your investment strategy. Derivatives can generate additional income for your investment portfolio and help protect your assets against market downturns.

To assess whether derivatives are suitable for your investment strategy and risk profile please speak to your Shaw Adviser.

**Portfolio Service** If you find the paperwork, correspondence and record keeping associated with managing your investment portfolio too time consuming or overwhelming, Shaw can relieve you of the administrative tasks whilst you retain complete control of your investments. For more information on our Portfolio Service, speak to your Shaw Adviser.

**Managed Portfolio Service** Should you not have the time, desire or market knowledge to manage alone your investment portfolio, speak to your Shaw Adviser about our Managed Portfolio Service (MPS). This service is personalised so that you retain direct ownership of your investments, access Shaw's benefits generally, yet have the freedom to choose how involved you want to be in the decision making process.

## Working Together

If you have any queries regarding our products or services or would like assistance completing the Client Account Opening Form, do not hesitate to contact your Shaw Adviser. If you do not have a Shaw Adviser, please call Shaw and we will introduce you to one of our highly experienced and qualified professionals.

We look forward to assisting you with your investment needs and making your experience both financially and personally rewarding.

# How to open your Client Account

To open your Client Account:

- 1. Read and retain** the enclosed Financial Services Guide, Clearing Participant's Financial Services Guide and Client Agreement including the Account Agreement, CHESSE Sponsorship Agreement, Clearing and Settlement Agreement and Direct Debit and Credit Agreement.
- 2. Provide certified copies** of your identification such as a driver's licence or passport. Each document attached must be certified as a copy of the original. An explanation of the certification procedures and a comprehensive list of the relevant identification documents are outlined on pages 10 to 13.
- 3. Complete, sign and return** the Client Account Opening Form (all six pages) together with the certified copies of your identification to Shaw.

## Multiple Client Accounts

To open multiple Client Accounts, please ask your Shaw Adviser for additional Client Account Opening Forms. Please execute these forms in the same manner as listed above. A separate form must be completed for each new account.

## Other Products and Services

If you would like to transact in Derivatives or take advantage of our Portfolio Service or Managed Portfolio Service, please contact your Shaw Adviser for the respective documentation.



# Client Account Opening Form



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

## A INDIVIDUAL CLIENT DETAILS

*If you are opening the account in the name of a company, go to section B*

### INDIVIDUAL 1

Title \_\_\_\_\_ Given name(s) \_\_\_\_\_ Surname \_\_\_\_\_

Date of birth \_\_\_\_\_ Occupation \_\_\_\_\_ Employer \_\_\_\_\_  
DD/MM/YYYY

Citizenship: Australian  Other (please specify): \_\_\_\_\_ TFN<sup>1</sup>: \_\_\_\_\_

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country: \_\_\_\_\_ Tax Identification Number<sup>2</sup>: \_\_\_\_\_

Residential Address (cannot be a PO Box)

\_\_\_\_\_  
 \_\_\_\_\_ State Postcode

### INDIVIDUAL 2

Title \_\_\_\_\_ Given name(s) \_\_\_\_\_ Surname \_\_\_\_\_

Date of birth \_\_\_\_\_ Occupation \_\_\_\_\_ Employer \_\_\_\_\_  
DD/MM/YYYY

Citizenship: Australian  Other (please specify): \_\_\_\_\_ TFN<sup>1</sup>: \_\_\_\_\_

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country: \_\_\_\_\_ Tax Identification Number<sup>2</sup>: \_\_\_\_\_

Residential Address (cannot be a PO Box)

\_\_\_\_\_  
 \_\_\_\_\_ State Postcode

### INDIVIDUAL 3

Title \_\_\_\_\_ Given name(s) \_\_\_\_\_ Surname \_\_\_\_\_

Date of birth \_\_\_\_\_ Occupation \_\_\_\_\_ Employer \_\_\_\_\_  
DD/MM/YYYY

Citizenship: Australian  Other (please specify): \_\_\_\_\_ TFN<sup>1</sup>: \_\_\_\_\_

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country: \_\_\_\_\_ Tax Identification Number<sup>2</sup>: \_\_\_\_\_

Residential Address (cannot be a PO Box)

\_\_\_\_\_  
 \_\_\_\_\_ State Postcode

<sup>1</sup> Shaw's collection of Tax File Numbers (TFN) is authorised by Australian taxation law. While there is no obligation to provide a TFN, clients who do not, will need to supply their TFN to share registries directly for any holdings on their HIN to avoid tax being withheld at the highest marginal rate from any dividends or other payments.

<sup>2</sup> Please provide either a TIN or select the reason code (refer below) for no TIN for each country of tax residency. Reason code for no TIN: A) My country of tax residency does not issue TINs; B) I have not been issued with a TIN by my country of tax residency; C) My country of tax residency does not require disclosure of a TIN. For an explanation of TINs and the law that requires Shaw and Partners to collect this information please read page 13 of this Client Account booklet.

## B COMPANY CLIENT DETAILS

Complete this section only if you are opening the account on behalf of a company

Company Name

ABN/ACN:

TFN<sup>1</sup>:

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:

Tax Identification Number<sup>2</sup>:

Company's Registered Office Address

State

Postcode

Company's Principal Place of Business: If same as Company's Registered Office Address, tick here

State

Postcode

### DIRECTOR(S) DETAILS

#### Director 1

Title

Given name(s)

Surname

Date of birth

Position

Director  Sole Director/ Company Secretary

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:

Tax Identification Number<sup>2</sup>:

#### Director 2

Title

Given name(s)

Surname

Date of birth

Position

Director  Sole Director/ Company Secretary

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:

Tax Identification Number<sup>2</sup>:

#### Director 3

Title

Given name(s)

Surname

Date of birth

Position

Director  Sole Director/ Company Secretary

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:

Tax Identification Number<sup>2</sup>:

### BENEFICIAL OWNERS OF COMPANY

List individuals who, whether directly or through other companies or trusts, own or control 25% or more of the Company

#### Beneficial Owner 1

Title

Given name(s)

Surname

Residential Address (cannot be a PO Box)

State

Postcode

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:

Tax Identification Number<sup>2</sup>:

## B COMPANY CLIENT DETAILS (CONTINUED)

### Beneficial Owner 2

Title  Given name(s)  Surname

Residential Address (cannot be a PO Box)

State  Postcode

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:  Tax Identification Number<sup>2</sup>:

### Beneficial Owner 3

Title  Given name(s)  Surname

Residential Address (cannot be a PO Box)

State  Postcode

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:  Tax Identification Number<sup>2</sup>:

### Beneficial Owner 4

Title  Given name(s)  Surname

Residential Address (cannot be a PO Box)

State  Postcode

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:  Tax Identification Number<sup>2</sup>:

## C TRUST

### TYPE OF TRUST

Indicate the type of trust for which you are opening this account

Complying Self-Managed Super Fund  Other (please specify)

Full name of Trust

ABN  TFN<sup>1</sup>  Country where trust was established

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:  Tax Identification Number<sup>2</sup>:

### BENEFICIAL OWNER/S OF TRUST

List the individual/s who own or control 25% or more of trust assets

Given name(s)  Surname   
**Beneficiary 1**

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:  Tax Identification Number<sup>2</sup>:

## C TRUST (CONTINUED)

**Beneficiary 2** Given name(s)  Surname

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:  Tax Identification Number<sup>2</sup>:

**Beneficiary 3** Given name(s)  Surname

International resident for tax purposes: Yes  No  (if yes, please complete country and tax identification number below)

Country:  Tax Identification Number<sup>2</sup>:

### CLASS OF BENEFICIARIES

A group of beneficiaries rather than a named individual

## D ACCOUNT DESIGNATION

Please provide an Account Designation if the account is intended to be operated on behalf of a superannuation fund, person under the age of 18 or as a trust (e.g. ABC Pty Ltd <ABC Superannuation Account>). The words *Trust*, *Trustee*, *ATF*, *Discretionary* or *Testamentary* cannot be used. A maximum of 25 characters are allowed.

<  A/C >

## E ACCOUNT ADDRESS AND CONTACT DETAILS

### REGISTRATION ADDRESS

This is the address used by share registries to send you company information and dividend statements

If same as Individual Residential Address, tick here  (specify which Individual's address): Individual 1  2  or 3

If same as Company's Registered Office Address, tick here  If same as Company's Principal Place of Business, tick here

Other (please specify)

State  Postcode

### MAILING ADDRESS

This is the address Shaw will use to contact you by post. Please complete if different from your Registration Address

If same as Individual Residential Address, tick here  (specify which Individual's address): Individual 1  2  or 3

If same as Company's Registered Office Address, tick here  If same as Company's Principal Place of Business, tick here

Other (please specify)

State  Postcode

### CONTACT DETAILS

Mobile phone  Home  Work

Email  Alternate email



## F BANKING AND PAYMENT

Select only **ONE** of the below payment options:

**(a) Cash Management Account**

Shaw can provide you with a Cash Management Account (CMA) for the settlement of your transactions, including derivatives transactions, with Shaw. If you would like to open a CMA, please complete the enclosed application form. If no application form has been enclosed, please ask your Shaw Adviser to send you one.

**(b) Direct Debit and Credit Authority**

Shaw offers you the ability to settle trades using a direct debit and credit facility, whereby Shaw's Clearing Participant will settle all transactions you execute including derivative transactions by directly debiting and crediting your nominated bank account. You will need to provide Shaw with your bank account details and the Bank Account Holders will need to sign where indicated below.

Account Name

Bank Name

Bank Branch

BSB

Account Number

The Bank Account Holders authorise and direct Shaw's Clearing Participant (APCA user IA No. 483229) to arrange for funds to be credited to and debited from the Bank Account at the financial institution referred to above through the Bulk Electronic Clearing System. The Bank Account Holders, by signing below, agree to the terms and conditions set out in the Client Agreement on pages 52 and 53. If a joint bank account is nominated, all account holders must sign.

Name of Account Holder 1

Name of Account Holder 2

Name of Account Holder 3

Signature

  
x

Signature

  
x

Signature

  
x

**Only to be completed if you wish to have your dividends for sponsored holdings with Shaw paid directly into your nominated bank account above.**

**(c) Dividend Payment Direction**

If you wish Shaw to instruct each of the company registries relevant to your sponsored holdings to pay dividends into your nominated bank account above, tick here

Not all company registries will accept instructions to pay dividends other than directly from the shareholder. In those circumstances the relevant company registry will obtain instructions directly from you.

## G THIRD PARTY AUTHORITY

**Only to be completed if another party, e.g. a financial planner, your spouse or partner, will be transacting on your behalf.**

This authority will apply to all products you transact in, including derivatives.

**INDIVIDUAL THIRD PARTY**

A maximum of two individuals may be authorised to act on your behalf (Third Party). For more information please refer to page 35 of the Client Agreement. If a Third Party is an individual without an Australian financial services licence (AFSL), they will need to provide a specimen signature, their full name and advise Shaw of their relationship to you.

Name of Third Party 1

Name of Third Party 2

Specimen Signature of Third Party 1

  
x

Specimen Signature of Third Party 2

  
x

Relationship to Client

Relationship to Client

## G THIRD PARTY AUTHORITY (CONTINUED)

### AFSL THIRD PARTY

If the Third Party is an AFSL holder (e.g. a financial planner), please state their full name or Company name and AFSL number.

Individual or Company Name

AFSL Number

If you wish for your authorised Third Party to receive copies of trade confirmations on your account please provide the relevant email address.

Email Address of Third Party

## H BROKER SPONSORED

Broker sponsored means a Client's holdings will be identified by a single Holder Identification Number (HIN) (similar to a bank account number) at the relevant share registries. By signing section J of this form, you agree that your holdings will be sponsored in accordance with the terms and conditions of our CHESSE Sponsorship Agreement as set out on pages 41 to 45. You can change your details by advising Shaw in writing.

If you already hold a HIN through another broker and would like to transfer your CHESSE Sponsorship and all holdings across to Shaw, please complete the below details. By completing these details and signing at section J below you authorise Shaw to arrange the transfer of your CHESSE Sponsorship and all holdings to Shaw. Shaw will facilitate this at no cost to you.

Current Sponsoring Broker

HIN

Account Name at other Broker

Account Designation

A/C >

Account Address at other Broker

State

Postcode

If you do not wish to be broker sponsored, please tick here

## I ATTACH CERTIFIED COPIES OF IDENTIFICATION DOCUMENT(S)

In order to open a Client Account, you must provide Shaw with certified copies of the relevant identification documentation. Please refer to pages 10 to 13 for a comprehensive list of suitable identification and an explanation of the certification procedures.

## J CLIENT SIGNATURE

By signing below you, the Client(s), acknowledge that you have read, understood and agreed to the terms and conditions of Shaw's:

- Financial Services Guide
- Clearing Participant's Financial Services Guide, and
- Client Agreement including Account Agreement, CHESSE Sponsorship Agreement (if applicable), Clearing and Settlement Agreement and Direct Debit and Credit Agreement (if applicable).

**ALL** Clients must sign this section.

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

Name of Individual 2/Director/Company Secretary

Name of Individual 3/Director

Signature

x

Signature

x

Signature

x

Executed on

DD / MM / YYYY

**Once completed, please return this form and any certified copies of your identification to Shaw and Partners.**

# Attach Certified Copies of Identification Documents

In order to open a Client Account with Shaw, you must provide us with certified copies of your identification document (ID). You can do so by following the steps set out below:

- Review the table below to see what ID you are required to provide.
- If you are, or your company is dealing with Shaw as a trustee, including self-managed super funds, please provide the relevant ID requested in section 5 (in addition to those required in sections 1 to 4 of the table below).
- Obtain certified copies of the relevant ID as requested. A list of approved certifiers is set out on pages 11 to 13. Alternatively, it is possible to visit a Shaw office with originals of your ID, so that your Shaw Adviser can certify any copies for you.
- Please return the certified copies of your ID with the signed copy of the Client Account Opening Form to Shaw.

**Important – the certified copy of the documents you provide must show the certifier’s original signature.**

## Identification Documents

CLIENT TYPE	DOCUMENTS REQUIRED
1 Australian Resident Individual Client	<p>Provide either the photographic (<b>Option A</b>) OR non-photographic (<b>Option B</b>) documentation. If your account is held jointly with one or more individuals, provide ID for each joint account holder.</p> <p><b>Option A – Photographic Documentation</b> – provide a certified copy of ONE of the following:</p> <ul style="list-style-type: none"> <li>• current driver’s licence</li> <li>• passport (either current or expired within the last two years), or</li> <li>• other government issued photographic identity card.</li> </ul> <p>The document must show your full name and either your address or date of birth, as well as a photograph of you.</p> <p><b>- OR -</b></p> <p><b>Option B – Non-photographic Documentation</b> – provide a certified copy of one document from Category (i) AND one document from Category (ii) below:</p> <p><b>Category (i)</b></p> <ul style="list-style-type: none"> <li>• birth certificate</li> <li>• citizenship certificate, or</li> <li>• pension or healthcare card issued by Centerlink.</li> </ul> <p><b>Category (ii)</b></p> <ul style="list-style-type: none"> <li>• government issued financial benefits statement (no older than 12 months)</li> <li>• income tax assessment notice (no older than 12 months), or</li> <li>• rates or utility notice issued by local government body or utilities provider (no older than 3 months).</li> </ul>

2	<b>Australian Registered Company Client</b>	Shaw carries out the verification of Australian companies online using ASIC's database. Additionally, we require you to provide certified ID for any beneficial owner, being a person who is entitled to or controls 25% or more of the company, according to the requirements listed in Section 1 above. If the company is acting as a trustee, please provide the documents detailed in Section 5 below.
3	<b>Foreign Individual Client</b>	Provide a certified or notarized copy of the foreign equivalent of the documents sought in Section 1 above. Where these documents are not in English, also provide a translation from an accredited translator.
4	<b>Foreign Company Client</b>	Provide a certified or notarized copy of: <ul style="list-style-type: none"> <li>• certificate of incorporation, or</li> <li>• extract of a government maintained online Company Register.</li> </ul> The document provided must show the full name of the company, its registration number (if any) and the address of its registered office. Additionally, we require you to identify any beneficial owner being a person who is entitled to or controls 25% or more of the company, and provide certified identification for these individuals, according to the requirements listed in Section 1 above.
5	<b>Trustee</b>	Where the individual or company client, whether foreign or domestic, is dealing with Shaw in their capacity as trustee, please attach: <ul style="list-style-type: none"> <li>• A certified copy of the entire Trust Deed.</li> <li>• Copy of ID (according to the requirements listed in Section 1 above) for a living settlor of the trust but only where the trust was settled for more than \$10,000.</li> <li>• Copy of ID (according to the requirements listed in Section 1 above) for any beneficiary of the trust who is entitled to or controls 25% or more of the trust.</li> </ul>

## Certification (Each ID Copy Must be Certified)

Each document attached must be certified as a copy of the original. **Shaw cannot accept photocopies or faxes of certified documentation.**

The certification must include:

- the name of the certifier,
- the qualifications of the certifier (from the list below),
- a statement that the certifier has certified the document as a true and correct copy of an original document which they have sighted,
- the certifier's signature and the date of certification.

By way of example:

*I, John Smith, Justice of the Peace, certify that this is a true and correct copy of the one page original document which I have sighted. John Smith (signature), 12 December 2015.*

### Approved list of Certifiers in Australia

- a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described);

- an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more years of continuous service with one or more licensees;
- an officer with, or a credit representative of, a holder of an Australian credit licence, having 2 or more years of continuous service with one or more licensees.
- a person who, under a law in force in a State or Territory, who is currently licensed or registered to practice in an occupation listed in Part 1 of Schedule 2 of the Statutory Declarations Regulations 1993. This includes:
  1. Chiropractor;
  2. Dentist;
  3. Legal practitioner;
  4. Medical practitioner;
  5. Nurse;
  6. Optometrist;
  7. Patent attorney;
  8. Pharmacist;
  9. Physiotherapist;
  10. Psychologist;
  11. Trade marks attorney; or
  12. Veterinary surgeon.

- a person listed in Part 2 of Schedule 2 of the Statutory Declarations Regulations 1993. This includes:
  1. Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
  2. Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955);
  3. Bailiff;
  4. Bank officer with 2 or more continuous years of service;
  5. Building society officer with 2 or more years of continuous service;
  6. Chief executive officer of a Commonwealth court;
  7. Clerk of a court;
  8. Commissioner for Affidavits;
  9. Commissioner for Declarations ;
  10. Credit union officer with 2 or more years of continuous service;
  11. Employee of the Australian Trade Commission who is:
    - (a) in a country or place outside Australia; and
    - (b) authorised under paragraph 3 (d) of the Consular Fees Act 1955; and
    - (c) exercising his or her function in that place
  12. Employee of the Commonwealth who is:
    - (a) in a country or place outside Australia; and
    - (b) authorised under paragraph 3 (c) of the Consular Fees Act 1955; and
    - (c) exercising his or her function in that place
  13. Fellow of the National Tax Accountants' Association;
  14. Finance company officer with 2 or more years of continuous service;
  15. Holder of a statutory office no specified in another item in this Part;
  16. Judge of a court;
  17. Justice of the Peace;
  18. Magistrate;
  19. Marriage celebrant registered under Subsection C of Division 1 Part IV of the Marriage Act 1961;
  20. Master of a court;
  21. Member of Chartered Secretaries Australia;
  22. Member of Engineers Australia, other than at the grade of student;
  23. Member of the Association of Taxation and Management Accountants;
  24. Member of the Australian Defence force who is:
    - (a) An officer; or
    - (b) A non-commissioned officer within the meaning of the Defence Force Discipline Act 1982 with 2 or more years of continuous service; or
    - (c) a warrant officer within the meaning of that Act
  25. Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the Institute of Public Accountants;
  26. Member of:
    - (a) the Parliament of the Commonwealth; or
    - (b) the Parliament of a State; or
    - (c) a Territory legislature; or
    - (d) a local government authority of a State or Territory
  27. Minister of religion registered under Subsection A of Division 1 of Part IV of the Marriage Act 1961;
  28. Notary Public;
  29. Permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
  30. Permanent employee of:
    - (a) the Commonwealth or a Commonwealth authority; or
    - (b) a State or Territory or a State or Territory authority; or
    - (c) a local government authority;
 with 2 or more years of continuous service who is not specified in another item of this Part;
  31. Person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made;
  32. Police Officer;
  33. Registrar, or Deputy Registrar, of a court;
  34. Senior Executive Service employee of:
    - (a) the Commonwealth or a Commonwealth authority; or
    - (b) a State or Territory or a State or Territory authority
  35. Sheriff;

36. Sheriff's officer;
37. Teacher employed on a fulltime basis at a school or tertiary education institution;
38. Member of the Australasian Institute of Mining and Metallurgy.

### Approved list of International Certifiers

1. Police officer;
2. Judge, Magistrate, Registrar or Deputy Registrar of a court;
3. Lawyers;
4. Notary Public;
5. Consular Official;
6. Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955);
7. Employee of the Australian Trade Commission who is:
  - in a country or place outside Australia; and
  - authorised under the paragraph 3(d) of the Consular Fees Act 1955; and exercising his or her functions in that place;
8. Employee of the Commonwealth who is:
  - in a country or place outside Australia; and
  - authorised under paragraph 3 (c) of the Consular Fees Act 1955; and
  - exercising his or her function in that place.

Information reported by financial institutions to the ATO will be exchanged with other tax authorities to assist in making sure everyone pays the right amount of tax. The collection and sharing of foreign tax information will be done in accordance with our Privacy Policy and we will only share information required to meet our statutory obligations.

Each country has different rules which govern tax residency. For individuals, these rules are often based on whether your home is there, the time you spend there, or if you work there. If you are unsure about your tax residency, you should seek professional advice. You can be a tax resident of more than one country. List all your countries of tax residency and your TIN for each country or if no TIN is available, please select a reason code. If you are a US citizen or resident, you must include USA as a country of tax residency.

The reason code for not providing a TIN is as follows:

- A. My country of tax residency does not issue TINs
- B. I have not been issued with a TIN by my country of tax residency
- C. My country of tax residency does not require disclosure of a TIN.

## Client Tax Information

The Australian Government has committed to a new global standard on the automatic exchange of financial account information. Their aim is to cut down on tax evasion by sharing information about foreign tax residents with other tax authorities. This requires financial institutions from around the world, including Shaw and Partners Ltd, to collect tax residency information from clients including their tax identification numbers (TIN). This is known as the Common Reporting Standard (CRS) and it follows on from the Foreign Account Tax Compliance Act (FATCA).

CRS requires us to capture tax residency information for clients before they open an account. We also need to review existing accounts and monitor changes to customer information for indicators that the customer might be a tax resident in another country. If we think we need further information from you, we will contact you asking you to complete our Tax Residency Self-Certification Form.



# Shaw and Partners Financial Services Guide

## A. About this Financial Services Guide (FSG)

This FSG provides you with the key information about the services offered by Shaw and Partners Limited (Shaw) and its advisers to help you decide whether to use those services. This FSG was issued on 1 August 2018. Shaw will update its FSG from time to time to provide you with information about new services or changes to existing services. Shaw will publish these changes on its website at [www.shawandpartners.com.au](http://www.shawandpartners.com.au).

You acknowledge that you will be bound by any changes 7 days after publication and you will review Shaw's current FSG prior to undertaking any transaction in financial products.

The purpose of this FSG is to provide you with information about:

- Shaw and its regulators
- the specific services offered by Shaw and its Authorised Representatives (Advisers)
- how your relationship with your Adviser will work
- how to buy and sell shares, and other financial products using Shaw and some of the risks involved in buying and selling financial products
- the commissions and other benefits that may be paid to Shaw, your Adviser and other relevant persons
- other documents you may receive from Shaw
- how your personal information will be dealt with, and
- how complaints against Shaw and your Adviser are dealt with.

## B. About Shaw

Shaw is required to comply with the provisions of the Corporations Act 2001 (Corporations Act) which are administered by the Australian Securities and Investments Commission (ASIC).

Shaw's Australian financial services licence No. 236048 (AFSL) authorises it to carry on a financial services business to provide advice on, and deal in, a range of financial products as detailed below.

Shaw is a participant of ASX Limited (ASX) and Chi-X Australia Pty Limited (Chi-X), which provide Shaw with direct access to transact in listed securities on your behalf. Shaw is a Sponsoring Broker in the Clearing House Electronic Subregister System (CHES) operated by ASX Settlement Pty Limited. From time to time, Shaw may become a participant of other exchanges. To view the status of Shaw's market participation or to see the particulars of how your order will be executed, please read Shaw's Best Execution Policy at [www.shawandpartners.com.au](http://www.shawandpartners.com.au). Shaw's Australian Business Number (ABN) is 24 003 221 583.

## C. What Services Does Shaw Provide?

### Personal advice

Shaw is licensed to provide its clients with personal advice, being advice given in circumstances where your Adviser has considered one or more of your investment objectives, financial situation and needs (your personal circumstances).

Where you request such advice and Shaw agrees to provide it, Shaw can give personal advice in respect of:

- shares
- derivatives
- deposit products
- fixed interest products
- managed investment schemes
- managed portfolio services
- margin lending, and
- superannuation.

A full description of the types of advice you may receive and your relationship with your Adviser is set out below under the heading Your Adviser.

### **Domestic Shares**

Shaw specialises in buying and selling shares for clients in listed companies on local exchanges such as ASX. Advisers have access to information technology systems and research services which allow them to provide you with up to date, expert advice.

### **International Shares**

Through our arrangements with international brokers, Shaw can provide you with access to international shares which affords you the opportunity to invest in the world's biggest companies.

Investing in international shares can provide you with greater diversification in your portfolio and give you access to sectors which are poorly represented in the Australian market. Prior to making any investments, you should ensure that you understand the risks involved in investing in overseas securities, such as exposure to foreign currency movements.

### **Derivatives**

Shaw also specialises in buying and selling derivatives, in particular, Exchange Traded Options (ETOs). ETOs allow investors to:

- manage risk and hedge their portfolio against a fall in value
- earn income by writing positions (which involves taking on risk in return for which the investor is paid a premium), and
- benefit from a change in the price of a share without having to pay the full price of a share.

You should note that transacting in derivatives is, in many instances, riskier than investing in shares. This is because derivative positions generally provide you with leveraged exposure to the share price of the underlying financial product or index. It is important that you carefully consider whether transacting in derivatives is appropriate for you in light of your personal circumstances. You should only transact in derivatives if you understand the nature of the relevant product or position and the extent of your exposure to risk. For instance, it is possible with particular sold derivatives positions, that you could lose an amount greater than your initial investment.

Before transacting in derivatives you should carefully read the relevant Product Disclosure Statement (PDS) and the ASX's explanatory

booklets. For example, before investing in ETOs, you must read Shaw's PDS for Exchange Traded Options and the ASX's booklet *Understanding Options Trading*. Each document can be viewed online at [www.shawandpartners.com.au](http://www.shawandpartners.com.au) or, on request, can be mailed to you.

### **Cash, Corporate Bonds and Fixed Interest Products**

Cash, corporate bonds and fixed interest products allow investors with low risk appetites greater capital security than investing in most shares but generally provide better returns than basic bank savings accounts. Shaw can provide you with access to a variety of cash products including cash management accounts, term deposits and corporate bonds. Although the majority of cash and fixed interest products have lower risk associated with them than shares or derivatives, there are risks involved, including risk to your capital resulting from default by the issuer and unfavourable movements in interest rates.

### **Managed Funds**

Shaw provides access to a range of managed funds. Investing in managed funds allows you to pool your money with other investors, diversify your portfolio and access a wider range of investment opportunities. Such wider investment opportunities include access to international markets, hedge funds and infrastructure funds. In addition, some managed funds can be traded on the ASX (Exchange Traded Funds).

### **Managed Portfolio Service**

Managed Portfolio Services are accounts in respect of which your Adviser makes investment decisions on your behalf in accordance with your investment objectives. This service is ideal for wholesale clients that do not have the time, expertise or inclination to actively manage their investments on a day-to-day basis but want a more customised portfolio than an ordinary managed fund affords. For further information on this service please refer to Section F or contact your Adviser.

### **Access to capital raisings**

Shaw's Corporate Finance team specialises in providing equity capital markets services to small and mid-cap companies. As a Shaw client, you may be given the opportunity to participate in initial public offerings and equity raisings led by Shaw Corporate Finance. Generally, you will not

be charged brokerage on applications for shares in initial public offerings and equity raisings, although Shaw may receive a handling fee or underwriting fee from the Issuer. Not all offers will be suitable for all clients and some restrictions may apply. The details of any fee will be disclosed to you in the disclosure documents relating to the issue or by your Adviser.

## Research

Your Adviser can provide you with research reports and other publications issued by Shaw's Research Department.

Some of the publications issued by Shaw include:

- company reports setting out financial information, valuations and recommendations
- daily market commentary and opinions
- specialist reports on dividends, reporting dates and income securities
- company profiles on a range of ASX listed stocks, and
- a quarterly research publication which provides a macroeconomic outlook and company recommendations.

You should bear in mind that these publications are prepared for multiple distribution and contain information and opinions of a general nature. Recommended investments may not necessarily be suitable for you and you should view any advice in light of your personal circumstances. You should always consult your Adviser before acting on a recommendation in any research publication.

There is no obligation on an Adviser to provide you with research, to consider whether a particular publication should be sent to you or to make contact with you to provide a recommendation. Shaw's research publications can be accessed via [www.shawandpartners.com.au](http://www.shawandpartners.com.au), subject to Shaw's terms of use. The range of research publications offered by Shaw is subject to change.

## Superannuation Funds

Shaw's superannuation accredited Advisers can provide financial product advice for self-managed superannuation funds. In order to make certain types of investments, such funds may be required to have in place documentation, such as a formal investment strategy or a derivatives risk statement. It is the responsibility of the trustees of the fund to ensure that any such documentation is in

place and that any investment recommendation adopted by the trustees complies with those documents.

## Portfolio Service

Shaw's Portfolio Service vastly reduces the time associated with organising and compiling your portfolio records. Shaw will compile all the relevant paperwork for you and provide you with a series of simple to read quarterly and annual reports which will allow you to more effectively manage your investments, related income and tax positions. Further information on this service is available from your Adviser.

## Nominee Service

Shaw's wholly owned subsidiary McNeil Nominees Pty Limited (McNeil), as a nominee company, is capable of holding shares as a bare trustee on your behalf. McNeil is an authorised representative of Shaw. With respect to any financial products held on your behalf by McNeil, you will remain the beneficial owner at all times.

## Margin Lending

Shaw can introduce you to a range of margin lending providers. A margin loan allows you to unlock the equity in your existing holdings and access a line of credit. You can use this credit to diversify your holdings or make other investments.

There are a number of risks associated with margin lending, in particular that it provides leveraged exposure to movements in the price of the securities in the portfolio resulting in magnified losses should the portfolio fall in value. Borrowers may also be subject to immediate changes in a lender's criteria for lending as against particular securities. Losses can exceed the initial investment. You should ensure that you have a proper understanding of the risks before entering into any margin lending agreement.

## Online information services

Shaw's website contains a wide range of information to assist you in making investment decisions. This information includes:

- transaction history
- access to Shaw's research library
- details of your CHESS holdings and derivatives positions
- cash balances in your cash management account
- access to confirmations and statements

- records of each trade you have made through Shaw
- 20 minute delayed ASX prices (including exchange traded options), quotes, announcements, company profiles and historical prices, and
- 'watch lists' along with a charting package to compare ASX listed stocks.

Shaw's website does not currently contain a facility for placing trades electronically. The features on Shaw's website are subject to change and usage of the site is subject to its terms of use. Continuous availability of the above services or the site is not guaranteed.

### How do I access these services?

To access the services offered by Shaw you must enter into a Client Agreement. If you are a new client, then Shaw's Client Agreement and the various addendums including for derivatives (including Shaw's PDS for Exchange Traded Options) and Managed Portfolio Service, are available from your Adviser, or online from [www.shawandpartners.com.au](http://www.shawandpartners.com.au). You should read the terms of any agreement or other disclosure documents carefully. Shaw's agreements are binding in nature therefore you should obtain independent legal advice should you have a question about any agreement.

## D. Your Adviser

Your Adviser is an authorised representative of Shaw authorised to provide some or all of the services outlined in this FSG. Your Adviser is an employee of an independent business that has entered into a Services Agreement with Shaw (as opposed to an employee of Shaw). Shaw provides that business with the infrastructure necessary for your Adviser to give you advice and deal on your behalf. That independent business may be a company, with sub-authorised representatives, or an individual. Your Adviser's details are set out in your Statement of Advice. If you do not have an Adviser, please contact Shaw so that we may introduce you to one of our experienced professionals.

If you already own shares or other financial products, your Adviser can review your portfolio of holdings and help you decide whether those financial products are appropriate having regard to your personal circumstances. If you do not already own shares or other financial products, your Adviser can help design an investment portfolio to suit your personal circumstances.

Your Adviser can provide you with either personal advice, general advice or no advice depending on the circumstances or your requirements:

- **Personal advice** is advice where your Adviser considers one or more of your investment objectives, financial situation and needs. Due to the nature of personal advice, it is important that you immediately notify your Adviser if your personal circumstances change. It is important to realise that your Adviser can only make recommendations based on the information provided by you. Without all the necessary information, the advice given may not be appropriate for your personal circumstances.
- **General advice** is advice where your Adviser does not consider your personal circumstances. Before acting on any general advice, you must consider the appropriateness of the advice in light of your personal circumstances. Shaw strongly recommends that you obtain a copy of, and consider, the PDS (if any) for the relevant investment before making any decision.
- **No advice** is where you do not require any advice and simply require execution services. Your Adviser will not evaluate the merits of such transactions or whether the particular transaction is appropriate given your personal circumstances.

Your Adviser is not obliged to contact you to provide advice or recommendations. You are responsible for monitoring the performance of your investments as well as ensuring that your investments continue to be appropriate for you given your personal circumstances. You should contact your Adviser if you require assistance. Your Adviser cannot provide any legal, accounting or taxation advice. However, your Adviser can work in conjunction with your professional advisers such as your financial planner or accountant, to help you achieve your financial objectives.

## E. Buying and Selling Financial Products

Detailed below is some general information you will need to consider if you wish to trade in financial products. Further information specific to derivatives can be found in the Derivatives documentation (including in Shaw's PDS for Exchange Traded Options).

### General disclosure

Shaw, its Advisers, their associates, respective

officers and employees may have a pecuniary or other interest in financial products which you purchase or sell and may earn fees from dealing in financial products you purchase or sell as outlined in this FSG or as advised to you from time to time.

### **Placing and processing your order**

You can give your Adviser instructions to buy or sell shares and financial products in person, by telephone, facsimile, post or email. Please note that instructions sent by facsimile, post or email will not be deemed to be received until your Adviser has confirmed receipt in writing or the order is placed.

It is essential that you provide your Adviser with clear instructions. All instructions to buy or sell shares are automatically accepted on a 'good till cancelled' basis unless you instruct otherwise. All instructions to buy or sell derivatives are accepted on a 'good for day only' basis.

Shaw will process your order(s) in accordance with the relevant ASIC Market Integrity Rules and ASX Operating Rules (Market Rules), Chi-X Operating Rules and any other relevant law or rule of ASIC, ASX, ASX Clear, ASX Settlement, Chi-X or any other relevant regulatory authority or relevant exchange and you agree to be bound by these regulations and the rules that apply to the relevant exchange. Many orders are processed shortly after receipt, however there is no guarantee that your order will be processed within any given time period. The time taken to process your order will depend upon a number of factors, including your price instructions, the state of the market and the number of shares to be traded. Your order will be processed in accordance with Shaw's Best Execution Policy.

Shaw will not act on a discretionary basis on your behalf (except with regard to price and timing of execution of an order) unless you have entered into a separate written agreement with Shaw. Once your order is processed, Shaw (through its Clearing Participant, Pershing Securities Australia Pty Limited), will issue you with a confirmation detailing the transaction undertaken to buy or sell financial products. Please read this confirmation carefully and contact Shaw immediately if any details appear incorrectly.

### **Settling your buy transactions and receiving direct credits**

Your Adviser can help you establish a Cash Management Account (CMA). A CMA can be used to hold the funds with which you plan to buy financial products and settle transactions.

Alternatively, you may authorise Shaw's Clearing Participant to directly debit and credit your bank account for settlement purposes (Direct Debit Authority). There are several advantages to having a CMA or providing a Direct Debit Authority, including:

- timely settlement, with your account being credited or debited immediately following a transaction on the second business day for shares (T+2) and the next business day for derivatives (T+1)
- earning interest on the funds in your CMA (subject to certain minimum deposits) or bank account. With timely settlement the proceeds of any sold financial products will earn interest as soon as settlement is complete, and
- reducing your paperwork making it easier to track transactions and settlements.

The Direct Debit and Credit Authority is contained in the Client Account Opening Form or can be obtained separately from your Adviser. You can also settle your transactions with Shaw's Clearing Participant using BPAY.

### **Settling your sell transactions**

Any shares which are CHESS sponsored by Shaw and sold through Shaw will settle automatically. Where you sell shares through Shaw which are not CHESS sponsored, you will need to provide Shaw with the relevant shareholder registration number (SRN). You can usually find the SRN for a particular parcel of shares on the Holding Statement issued to you by the relevant company.

### **CHESS sponsorship**

Your Adviser can arrange (once you have executed the necessary documents) for your shares to be sponsored by Shaw within the CHESS system. CHESS sponsorship makes buying and selling shares easier and far more convenient for you. It relieves you of the need to provide copies of statements of your holdings when you sell shares. It also greatly reduces the risk of late settlement of a sale and allows Shaw to change your registration details on your behalf if you change your address.

### **Best Execution Policy**

Shaw is committed to providing best execution of your orders. For a copy of Shaw's Best Execution Policy please go to [www.shawandpartners.com.au](http://www.shawandpartners.com.au) or speak to your Adviser.



## Cancellation of trades by an exchange or regulatory authority

In certain circumstances, the rules or procedures of a relevant regulatory authority or exchange allow such regulatory authority or exchange to take any action they consider appropriate to deal with erroneous trades, including cancelling or amending trades. Shaw is entitled to cancel or amend a trade without further reference to you where such regulatory authority or exchange has recommended or required it, or where it is permitted under the rules of the relevant regulatory authority or exchange.

## Investment risks

Shares, derivatives and any other investments can rise or fall in value. The measure of this change in value is often referred to as volatility. The more volatile the asset, the greater the likelihood of significant gains or losses. Any financial product may incur daily price changes, as new information becomes available to investors. The market is constantly evaluating the strengths and weaknesses of each financial product in relation to various risk factors. The following list sets out some of the possible risks associated with investing in listed shares:

- **Overall Market Factors** – the risk of loss by reason of movements in the share market generally caused by political, economic, taxation or legislative factors.
- **International Factors** – the vulnerability of a company to international events or market factors, such as movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets.
- **Sector Specific Factors** – these may include changes in the demand for the type of product the company produces, fluctuations in commodity prices, the economic cycle of an industry, changes in consumer demands, lifestyle changes and changes in technology.
- **Stock Specific Factors** – these may include the strength of the company's management and board, the company's profit history, tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, drill or exploration results and competition from within the sector.

There are additional risks when transacting in derivatives and partly paid shares. You should ensure that you consider all of Shaw's relevant documentation regarding such products, including Shaw's PDS for Exchange Traded

Options, available at [www.shawandpartners.com.au](http://www.shawandpartners.com.au), before investing in any derivatives. Cash and fixed interest products carry different risks. Primarily the holder risks their capital if the issuer defaults or files for bankruptcy.

## F. Managed Portfolio Service

With a Managed Portfolio Service (MPS), Shaw invests in financial products using funds or assets provided by you in accordance with the terms of a MPS Agreement and Investment Program. Your investments are managed as a discrete portfolio with you retaining the legal title and ultimate control of the assets. Shaw does not pool your assets with those of other clients or use a custodial service.

A MPS is useful if you do not have the time, desire or market knowledge to manage alone your investment portfolio. Your Adviser monitors your investments on a regular basis and uses its expertise to make investment decisions on your behalf. Shaw's Portfolio Administration Service is included as part of a MPS, providing you with quarterly reporting that includes a comprehensive summary of the performance of your investments, transactions undertaken on your behalf and any income, expenses and capital gains. Should you choose to use Shaw's MPS service you will retain the freedom to instruct Shaw in relation to any investment decisions or corporate actions. There is no exit fee.

### Risks of a MPS

The risks associated with a MPS largely correspond to the risks associated with investing in the financial products held in the MPS (please see Investment risks under Section E above). There is also a remote risk that the authority granted under the MPS Agreement is misused. Shaw has systems in place to reduce the likelihood of this occurring. Shaw Advisers and employees are assessed to ensure they are of good fame and character and act honestly, efficiently and fairly. You will receive confirmations of all transactions entered into on your behalf. Shaw monitors the trading activities within each MPS. These controls and procedures are subject to review by Shaw's regulators.

### How do I open a MPS?

Before Shaw can provide a MPS service to you, you must enter a MPS Agreement. You should read the terms of the MPS Agreement carefully. Shaw has various obligations under the MPS Agreement, including obligations to act



honestly, exercise due care and diligence, give priority to your interests and not use information about you to Shaw's advantage or to cause detriment to you.

### **Investment Program**

You will be provided with an Investment Program. Shaw will not make investments until you have received and consented to the Investment Program. The Investment Program will include information about the nature and scope of the discretion, the investment strategy, significant risks, and warnings that the Investment Program may not be suitable for you.

## **G. Other Documents You May Also Receive**

In addition to this FSG, you may also receive a Statement of Advice and a PDS. The circumstances in which these documents will be provided are set out below.

### **Statement of Advice (SOA)**

If you are a Retail Client and your Adviser provides you with personal advice in relation to a financial product or service, you are entitled to receive a SOA. The purpose of a SOA is to help you understand and decide whether to rely on personal advice. The SOA will set out the advice, the basis on which it was given and information about fees, commissions and any relationships Shaw has with third parties that may have influenced the advice.

If there is any change in your personal circumstances after an initial SOA has been provided, you should immediately notify your Adviser so that an updated SOA can be provided.

If you receive further advice (FA) as an existing Shaw client, Shaw may rely on the information it already holds in relation to your personal circumstances and you will not receive a further SOA. However, should you wish to receive a record of the FA, you can request this record from your Adviser provided such request is made within 90 days of the date of the FA. Any such request should be made in writing.

### **Product Disclosure Statement (PDS)**

If your Adviser recommends certain types of financial products, your Adviser will give you a PDS which has been issued by or on behalf of the product issuer. The main purpose of a PDS is to help you make an informed choice about a financial product. A PDS will contain general

information about the product including the terms and conditions for the product, any significant benefits and risks associated with holding the product and information about the cost of the product.

### **Clearing Participant Documents**

Shaw clears and settles transactions through Shaw's Clearing Participant. Shaw's Clearing Participant is licensed under the Corporations Act (AFSL No. 338264) and is a Trading Participant of ASX, a Participant of Chi-X, a General Participant of ASX Clear Pty Limited and a Settlement Participant of ASX Settlement Pty Limited. Shaw's Clearing Participant carries the clearing and settlement obligations in respect of any transactions executed through Shaw. When you open a Client Account at Shaw, you will receive Shaw's Clearing Participant's Financial Services Guide and any other required documentation.

### **Other Documents and Agreements**

For investments in certain financial products, your Adviser may need to provide you with other documentation, including any required agreements relating to these financial products. Also, if you wish to access certain Shaw services, such as Managed Portfolio Service and portfolio administration services, you will be provided with additional documentation, including relevant agreements.

## **H. Fees and Benefits Payable to Shaw**

Shaw may charge brokerage, commission or a fee depending upon the services that are provided. Shaw may also pay or receive other fees in relation to services supplied to you, but which are not payable by you. All fees are subject to change. All fees are exclusive of GST and an amount equal to the amount of the GST is payable by you at the same time as the fee is due (currently 10%).

## **I. How is my Personal Information Dealt With?**

The privacy of your personal information is important to Shaw. Presently, telephone conversations with your Adviser are not recorded however, if this changes, you will be notified. For details of Shaw's Privacy Policy please go to [www.shawandpartners.com.au](http://www.shawandpartners.com.au) or ask your Adviser for a copy.

FEE TYPE	WHEN IS IT PAYABLE?	HOW MUCH IS PAYABLE?
<b>Fees payable by you – Australian financial products and services</b>		
<b>Brokerage</b>	When you buy or sell financial products, brokerage is added to the purchase price of a buy transaction and is deducted from the proceeds of a sell transaction. Brokerage is settled on T+1 (being one Business Day after the trade date) for derivatives transactions or T+2 (being two Business Days after the trade date) for share transactions.	<p>Brokerage is charged as a percentage of the value of the trade. For example, if you buy or sell \$15,000 worth of shares at 1.5% brokerage, you would be charged brokerage of \$225.</p> <p>The rate of brokerage is usually between 1.0% and 1.75%. All transactions are subject to a minimum charge for brokerage, being \$125 per trade. Where your order is not completed on the day it is entered, you will be charged a \$15 fee for each subsequent day on which that order transacts in the market.</p> <p>The specific rate of brokerage will depend on factors such as the level of service, the type of advice, the type of financial product, the size of the transaction and the frequency of transactions on your account(s). The actual amount of brokerage payable by you will be disclosed in the confirmation for the transaction.</p>
<b>Portfolio Service (PS) fee</b>	Quarterly in arrears should you make use of PS.	The PS fee is an annual percentage fee (invoiced quarterly) of up to 2.5%, calculated on the average value of your portfolio, with a minimum annual fee of \$3,000. A setup fee may apply in certain circumstances.
<b>Managed Portfolio Service (MPS) management fee</b>	Quarterly in arrears should you enter into a MPS Agreement.	<p>The MPS management fee is an annual fee up to 3.0%, calculated on the average value of your portfolio, with a minimum of \$3,500. Additionally you may be charged a performance based fee.</p> <p>The type and amount of the management fee payable by you will be set out in your Investment Program or in an agreement with you.</p>
<b>Nominee company service fee</b>	Quarterly in advance if you request that Shaw provides you with the nominee service.	<p>The fee is based on the number of different company holdings held with Shaw's nominee company. The annual fees are:</p> <ul style="list-style-type: none"> <li>• for 0 holdings, \$200</li> <li>• for 1 – 15 holdings, \$1,000</li> <li>• for 16 – 25 holdings, \$2,000</li> <li>• for over 25 holdings, \$3,000.</li> </ul>
<b>Ongoing Advice fee</b>	As is agreed with your Adviser in writing.	An Ongoing Advice Fee is payable, if you instruct your Adviser in writing to review those portfolio investments registered with Shaw so as to advise whether they either remain suitable to your investment objectives and risk tolerance or to make appropriate recommendations as to alternative investments. The fee may be calculated as a percentage of your portfolio value subject to a minimum quarterly fee of \$100 per quarter. The type and amount of the Ongoing Advice Fee payable by you will be set out in an agreement with you.
<b>Preparation of a Portfolio Review, additional Statement of Advice or Further Advice</b>	When you request the relevant document be prepared.	If a fee is payable, your Adviser will discuss it with you prior to preparation of the relevant document. If your personal circumstances change after the advice has been prepared and you require further advice to take account of this change, a further fee may apply.

<b>ASX Clear fees</b>	When you undertake certain transactions in derivative products.	Fees in relation to options transactions are included in Shaw's Product Disclosure Statement for Exchange Traded Options. You will receive a copy as part of Shaw's Derivatives documentation, or you can request a copy from your Adviser or download a copy from <a href="http://www.shawandpartners.com.au">www.shawandpartners.com.au</a> .
<b>Search fee</b>	If you wish to sell issuer-sponsored securities and you do not supply an accurate Shareholder Reference Number (SRN).	\$15
<b>Rebooking Fee</b>	When you request that your transaction be re-booked from one Shaw account to another.	\$25 per re-booking.
<b>Off market transfer fee</b>	If you wish to transfer securities other than through a trading facility.	\$100 per transfer.
<b>Cheque fee</b>	When you request that Shaw pay proceeds to you by way of a cheque.	\$15
<b>Dishonoured cheque fee</b>	When a cheque provided by you is not honoured on presentation by Shaw.	\$50
<b>Replacement cheque fee</b>	When you require that Shaw re-sends a cheque previously issued to you by Shaw.	\$50
<b>Real Time Gross Settlement (RTGS) payment fee</b>	When you request that Shaw arranges through its bank an RTGS payment on your behalf.	\$30
<b>International telegraphic transfer fee</b>	When you request that Shaw arranges through its bank an International telegraphic transfer.	\$30
<b>Fail fee</b>	If you do not settle a trade or supply holder information within the T+1 or T+2 timeframe (as the case may be), fail fees will be charged to your account.	Fail fees are charged as a percentage of the trade value per day. The current rate for a failed sell trade is 0.1% of the trade value per day (subject to a \$100 minimum and a \$5,000 maximum per security and being entirely a fee imposed by ASX, passed on to you) plus an administration fee of \$50.  The current rate for a failed buy trade is 0.04% of the trade value per day (due to provision of funding by Shaw) plus an administration fee of \$50.
<b>Administration fee</b>	When you request that Shaw undertakes non-standard administration on your behalf.	\$50 for simple matters. If the matter is complex or timely a fee will be agreed with you prior to undertaking the task.
<b>Posted Trade Confirmation Fee</b>	When you request that Shaw provide you with a posted copy of your trade confirmation.	\$2.50 per trade confirmation.

<b>Early settlement fee</b>	When you request that Shaw settles your sell transaction prior to the date due for settlement.	Interest at a rate of 0.04% per day on the gross amount (due to provision of funding by Shaw), plus an administration fee of \$50.
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### FEES PAYABLE BY YOU – INTERNATIONAL FINANCIAL PRODUCTS

<b>Brokerage</b>	As with Australian Financial Products above.	Brokerage rates are as described above, except that a minimum of \$200 shall apply. In addition Shaw will pass on all fees of the relevant overseas agent and exchange. The actual amount payable by you will be disclosed in the confirmation for the transaction. Exchange rate movements will affect the final price for financial products.
<b>Foreign transaction processing fee</b>	When, as part of a transaction in international financial products, you require an international funds transfer.	\$50
<b>Foreign currency processing fee</b>	When you instruct Shaw to arrange a currency conversion on your behalf.	A maximum of 0.30% of the amount.
<b>Stock transfer</b>	When you request that stock be transferred to or from Shaw's overseas custodian.	\$100 per transfer in and \$150 per transfer out.
<b>Courier fee</b>	When Shaw lodges certificated holdings or a W8-BEN with its overseas representative on your behalf.	\$45 per delivery.

### FEES PAYABLE BY OTHER PARTIES (NOT YOU)

<b>Cash Management Account (CMA) fees/commissions</b>	Shaw may receive a fee or commission from the relevant bank on amounts deposited in a CMA.	Any fees or commissions Shaw receives are calculated as a percentage of the amount deposited in a CMA. The rate of commission is usually between 0.1% and 0.5% per annum.
<b>Other commissions</b>	Shaw may receive a fee or commission from the various financial product issuers on amounts invested by you in a financial product.	Any fees or commissions Shaw receives are calculated as a percentage of the amount you invest in the Financial Product. The rate of commission is usually between 0.05% and 1.0% depending on the period of investment. The specific rate will be provided to you with the issuer's documentation or PDS or advised to you by your Adviser.
<b>Adviser remuneration</b>	Shaw collects brokerage on your Adviser's behalf.	Advisers receive 100% of the brokerage or commissions and remit a percentage of this (approximately 50%) to Shaw.
<b>Shaw Corporate Finance Pty Limited</b>	Shaw Corporate Finance receives payments from companies for undertaking various corporate finance activities including but not limited to underwriting, sub-underwriting, placements and initial public offerings of securities.	Shaw, its Advisers and Shaw Corporate Finance may earn fees, commission or income from such corporate finance activities and have interests directly or indirectly in the securities involved in these activities. Any fees earned by Shaw, its Advisers and Shaw Corporate Finance will be disclosed to you in the documentation relating to the offer or by your Adviser.

<b>Referral fees to third parties</b>	A referral fee may be paid to a third party, such as a financial planner, for referring your business to Shaw. Any such payment depends on the particular circumstances of the arrangement with the third party.	The amount of the fees depends on the specific arrangement. For instance, if the referring party receives a share of the brokerage, this is calculated as a percentage of the brokerage which Shaw receives from you for the transaction. The rate of the share of the brokerage is usually between 0% and 75%. The specific rate will depend on the terms of the agreement between Shaw and the third party. You may request particulars of the referral fee that the third party will receive from Shaw. Any request must be made within a reasonable time after you receive this FSG and before any financial service is provided to you.
<b>Advice fee</b>	Where you receive advice from a third party financial adviser (such as a financial planner) that has a Direct Shares Agreement with Shaw ('third party adviser'), Shaw may collect the advice fee charged by the third party adviser as their agent and remit that amount to them.	The amount of the advice fee depends on the arrangement between you and the third party adviser.

## J. Complaints

If you have a complaint about the services, advice or any matter provided by Shaw or your Adviser, you should take the following steps:

- contact your Adviser and discuss the complaint directly, and
- if you do not feel comfortable discussing the complaint with your Adviser or your complaint is not satisfactorily resolved within 2 Business Days, please telephone Shaw and ask to speak with our Complaints Officer. We suggest you put your complaint in writing at this time so that the issues are fully documented and understood by the parties. Your complaint should be addressed to:

The Complaints Officer  
Shaw and Partners Limited  
GPO Box 3604  
Sydney NSW 2001  
Fax: + 61 2 9232 1296

Shaw will review your complaint within 45 days and attempt resolution. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent complaint resolution that is free to you.

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

You may also wish to consult ASIC in relation to your complaint. ASIC's website contains information on complaining about companies and people and describes the types of complaints handled by ASIC. ASIC's details are as follows:

Tel: 1300 300 630  
Email: [infoline@asic.gov.au](mailto:infoline@asic.gov.au)  
Website: [www.asic.gov.au](http://www.asic.gov.au)

## K. Compensation Arrangements

Shaw has adequate professional indemnity insurance in place to cover it for the financial services it provides, having regard to the following:

- Shaw's maximum liability under the Australian Financial Complaints Authority of which it is a member
- volume and nature of Shaw's business
- number and kind of clients, and
- the number of Advisers it has.

If you require further information about our compensation arrangements please contact Shaw's Head of Compliance.

# Clearing Participant's Financial Services Guide

Pershing Securities Australia Pty Limited  
ABN 60 136 184 962  
Australian financial services licence No. 338264

## Terms used in this Financial Services Guide (FSG)

**AFCA** means the Australian Financial Complaints Authority.

**AFSL** means Australian financial services licence.

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

**Broker** or **Shaw** means Shaw and Partners Limited ABN 24 003 221 583.

**Chi-X** means Chi-X Australia Pty Limited ABN 47 129 584 667 or the market operated by it, as the context requires.

**Client** means clients as defined under the Corporations Act, including both 'wholesale' and 'retail'.

**ETOs** means Exchange Traded Options.

**Financial Intermediary** means an AFSL holder who has engaged Pershing to execute and clear transactions on a Relevant Exchange.

**FSG** means Financial Services Guide.

**IDPS** means Investor Directed Portfolio Services.

**International Securities Trader** means a Pershing group entity or a third party authorised to provide services dealing and/or custody services on an international market.

**MPS** means Managed Portfolio Service, being a service which Shaw may provide you under which you authorise Shaw to manage an investment portfolio on your behalf and to make investment decisions in relation to the portfolio in accordance with an investment program agreed with you.

**PDS** means Product Disclosure Statement.

**Shaw's Clearing Participant, Pershing, we, us** and **our** means Pershing Securities Australia Pty Limited ABN 60 136 184 962, AFSL No. 338264.

**Pershing Nominees** means Pershing Australia Nominees Pty Limited ACN 137 911 730, a wholly owned subsidiary of Pershing, or another nominee company appointed by Pershing.

**Relevant Exchange** means ASX or Chi-X or any other securities exchange on which Pershing transacts, or the financial markets operated by them (as the context requires).

## A. Purpose of this FSG

This FSG provides information about:

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

This FSG has been prepared by Pershing and was issued on 3 March 2014 to assist you in deciding whether to use the services we provide. You should read it carefully and make sure you understand it.

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

## B. Who is Pershing?

Pershing is licensed under the Corporations Act (AFSL No. 338264) to provide financial services and is a Trading Participant of ASX, a Participant of Chi-X, a General Participant of ASX Clear Pty Ltd ABN 48 001 314 503 (ASX Clear) and a Settlement Participant of ASX Settlement Pty Limited ABN 49 008 504 532 (ASX Settlement).

Pershing is a wholly owned subsidiary of Pershing Group LLC, a Bank of New York Mellon Company, headquartered in New Jersey, USA. The Pershing Group provide execution, clearing, settlement, custody and technology infrastructure products and services to financial



services firms and others servicing the global financial services industry.

Pershing has authorised the distribution of this FSG.

## C. The Services Offered by Pershing

Pershing is authorised under its AFSL to:

- deal in (including arranging to deal in) the following financial products:
  - securities (such as shares, options and warrants that can be traded on a Relevant Exchange)
  - interests in managed investment schemes (other than IDPS), such as units in ASX listed trusts
  - derivatives, such as ASX Exchange Traded Options (ETOs), and
  - foreign exchange contracts, and

provide a custodial or depository scheme service (other than IDPS), to wholesale and retail clients.

Pershing provides/arranges to provide execution, clearing, settlement and nominee services. You have received a copy of this FSG because Shaw has arranged for Pershing to provide one or more of the below services.

### Clearing services for transactions in securities and interests in managed investment schemes executed on a Relevant Exchange

Pershing is engaged by Shaw to clear the transactions in securities and interests in managed investment schemes executed on or facilitated through a Relevant Exchange by Shaw. As a client of Shaw, when you effect a transaction in securities or interests in managed investment schemes on a Relevant Exchange through Shaw, Pershing (as clearer) will carry the settlement obligations in respect of that transaction. Pershing may also settle transactions not executed on a Relevant Exchange (e.g. primary market transactions).

For this purpose, you will become a client of Pershing and you will owe your settlement obligations in respect of that transaction directly to Pershing and not to Shaw. You will be provided with a Clearing and Settlement Agreement (Pershing's Disclosure Statement) which contains more information concerning the clearing services Pershing provides and the terms of your agreement with Pershing in respect of those services.

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

Pershing has also been engaged by Shaw to clear the transactions it executes in ETOs on ASX.

As a client of Shaw when you effect a transaction in an ETO on ASX through Shaw, Pershing (as clearer) will carry the settlement obligations in respect of that transaction. For this purpose, you will become a client of Pershing and you will owe your settlement obligations in respect of that transaction directly to Pershing, not to Shaw.

If you wish to trade in ETOs on ASX through Shaw, you will need to enter into a Derivatives Client Agreement with Pershing as well as Shaw. Shaw will also provide you with a PDS in relation to the ETOs that you may trade. The PDS will contain information concerning ETOs to assist you in deciding whether those products are appropriate for your needs.

### Clearing services for transactions in Exchange Traded Options 'given up' to Pershing on ASX

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

Before Pershing can accept the 'give up' of a transaction in an ETO executed for you, you need to enter into a Derivatives Client Agreement with Pershing. Again, you may be provided with a PDS relating to ETOs.

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

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

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

Pershing will also arrange for the International Securities Trader to clear and settle all transactions in securities that it has executed on your behalf under this arrangement. Accordingly, Pershing will carry the settlement obligations in respect of those transactions. For this purpose, you will become a client of Pershing and you will owe your settlement obligations in respect of those transactions directly to Pershing and not to Shaw or the International Securities Trader.

### **Settlement services – general**

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

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

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

### **Other services**

Pershing acts as agent for the clients of Shaw in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

Pershing does not provide financial product advice and is not authorised under its AFSL to provide financial product advice.

## **D. Capacity in Which Pershing Acts**

The capacity in which Pershing acts depends on the service to be provided as follows:

### **Clearing services for transactions in securities and interests in managed investment schemes executed on a Relevant Exchange**

Pershing acts as principal in relation to the clearing and settlement of transactions in securities and interests in managed investment schemes executed on a Relevant Exchange on your behalf. However, there may be certain activities which Pershing will perform as agent for another person (such as the despatch by Pershing of confirmations to clients as agent for Shaw).

In clearing the transaction, Pershing acts as agent for the client for whom the transaction was executed. However, Pershing will owe the settlement obligations in respect of that transaction to ASX Clear as principal.

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

When Pershing enters into a contract with you to arrange for the execution, clearing and settlement of international securities transactions on a foreign market by an International Securities Trader for you, it does so as principal on its own behalf, and not as someone's agent.

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

In order to provide these services to you, Pershing (as principal), has entered into agreements with an International Securities Trader, and will owe obligations in relation to any transactions directly to the International Securities Trader (it is then your contract with Pershing which enables Pershing to ultimately call upon you to satisfy these obligations).

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

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

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

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

### **Settlement services**

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

### **Other services**

Pershing acts as agent for the client in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

## **E. How You May Provide Instructions**

To provide instructions to Pershing, you must contact your Shaw Adviser (and not Pershing directly).

## **F. How We Are Remunerated**

### **Remuneration for clearing and settlement services**

Pershing will charge Shaw fees for clearing transactions and for providing settlement services to clients.

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

You may be charged fail fees by Pershing where you fail to perform your settlement obligations in respect of a transaction that has been executed on your behalf. Fail fees may include a fee imposed by a Relevant Exchange, an administrative fee and a default charge on the amount outstanding from time to time.

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

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

## **G. Commission, Remuneration and Other Benefits Received by Pershing**

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

Pershing may also earn and retain interest on moneys held for clients in our trust accounts.

## **H. How Our Representatives Are Remunerated**

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

They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the representative and Pershing.

## **I. Referral Fees**

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

## **J. Relationships or Associations with Financial Product Providers**

Pershing may enter into arrangements with financial product providers. Therefore, we may receive commissions, trail fees or other benefits as a result of your investing or dealing in any such product. Further details are set out in this FSG.

## K. Documents You Will Receive

### Clearing services for transactions executed by Shaw

You will receive a Client Agreement. The Third Part of the Agreement contains more information relating to the clearing service provided by Pershing and the terms and conditions of those services where Pershing is to clear transactions executed for you by Shaw.

### Transactions in ETOs

If you wish to transact in ETOs, you will need to enter a Derivatives Client Agreement with Pershing. As Shaw is to execute your trades in ETOs on ASX, you will be provided with Shaw's Product Disclosure Statement for Exchange Traded Options. This document will contain important information regarding trading ETOs, including the fees charged by ASX Clear. As Shaw (and not Pershing) is to execute your trades in ETOs on ASX, you will also be required to execute a Derivatives Client Agreement with Shaw.

### Advice

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

If you receive personal financial product advice from Shaw, Shaw may be required to give you a SOA.

## L. Dispute Resolution and Complaints

Pershing is dedicated to providing quality service and as part of our service commitment to clients, it is important to provide an efficient and accessible system for resolving disputes.

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

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

Pershing Securities Australia Pty Limited  
Compliance Manager  
Level 7, 1 Chifley Square  
Sydney NSW 2000  
Tel: +61 2 8999 4000  
Fax: +61 2 8999 4099

- You should try to include as much detail about the circumstances of the complaint as possible including the names of any Pershing employees involved and include any supporting documentation.
- Following receipt of your complaint, Pershing's Head of Compliance will acknowledge receipt of your complaint in writing and provide you with an estimate of the time it will take to investigate the issues you have raised. A full investigation will be undertaken which will include reviewing all the supporting documentation, speaking to you and interviewing relevant Pershing employees. You will be provided with a detailed written response once the investigation of the complaint has been finalised.
- If we do not resolve the complaint to your satisfaction, you have the option of pursuing your complaint with the Australian Financial Complaints Authority (AFCA). AFCA's contact details are:

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

Alternatively you may also be able to pursue the matter with a Relevant Exchange. ASX has offices in all capital cities and their details are available on [www.asx.com.au](http://www.asx.com.au). Chi-X's contact details are available on [www.chi-x.com.au](http://www.chi-x.com.au).

Alternatively, the Australian Securities & Investments Commission (ASIC) also has a free call information line (1300 300 630) that you may use to make a complaint and obtain information about your rights.

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

## M. Compensation Arrangements

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

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

If you require further information about our compensation arrangements please contact Pershing's Head of Compliance.

## **N. Privacy**

Pershing and/or its agents may use personal information collected from you for the following purposes:

- to provide you with services, products and/or information that you have requested or may reasonably expect to receive
- to conduct research, product development, marketing, risk assessment and modelling, or
- to comply with our rights and obligations under relevant laws and regulations.

Pershing and/or its agents may also disclose the information collected from you to third parties such as mailing houses or others who provide services to us (but will not do so for marketing purposes). Pershing will not disclose your information to any other person except where that disclosure is authorised or permitted by the Australian Privacy Principles or by law.

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

You are able to access and update the personal information held by Pershing. Please contact Shaw to do so. If you have any questions about privacy, please contact Pershing's Privacy Officer by writing to the address set out below.

## **O. Contact Details**

Our contact details are as follows:

Pershing Securities Australia Pty Limited  
Level 7, 1 Chifley Square  
Sydney NSW 2000  
Tel: +61 2 8999 4000  
Fax: +61 2 8999 4099



# Explanation of Client Agreement

In order to transact in financial products with Shaw, there are a number of different Agreements you must enter, which are:

- First Part – Account Agreement (with Shaw)
- Second Part – CHESS Sponsorship Agreement (if applicable)
- Third Part – Clearing and Settlement Agreement (with Shaw's Clearing Participant), and
- Fourth Part – Direct Debit and Credit Agreement (if applicable)

(together, your Client Agreement).

Also enclosed is an Explanation of our Advice Terms and classifications for your understanding and consideration.

Set out below is a brief explanation of the importance of each Agreement to you.

## First Part - Account Agreement

The Account Agreement sets out the terms and conditions upon which your account with Shaw will be operated and describes the relationship between you and your Adviser. This Agreement covers the majority of your dealings with Shaw and your Adviser.

## Second Part - CHESS Sponsorship Agreement

The CHESS Sponsorship Agreement sets out the terms and conditions upon which your financial products may be broker sponsored by Shaw.

The exchange of legal ownership of financial products bought or sold on market for money is called settlement, which is effected by the Clearing House Electronic Subregister System (CHESS), operated by ASX Settlement. Shaw and Shaw's Clearing Participant are authorised by ASX Settlement to access CHESS and settle trades transacted on your behalf.

In addition to performing settlement, CHESS electronically registers the title (ownership) of shares on its subregister. This registration is a secure and efficient means for holders to register title of their shares. Shaw is pleased to act as your sponsor on the CHESS subregister, commonly referred to as being CHESS Sponsored. You retain the legal and beneficial title to the holdings at all times, subject to the terms of this CHESS Sponsorship Agreement and generally your Client Agreement with Shaw.

Once CHESS Sponsored you will be allocated a Holder

Identification Number (HIN), which is similar in concept to a bank account number. Your HIN uniquely identifies you as the holder of your shares. Following registration, ASX Settlement will send you a notification of your HIN. Keep this notification in a safe place. You should protect your HIN in the same way you protect your bank account number and not disclose it to anyone, unless required to do so in the normal course of business with Shaw or by law.

Once CHESS Sponsored, to change your registration name, address or notification of Tax File Number for your shares, you need only contact your Adviser. CHESS Sponsored clients enjoy hassle-free settlement and are not exposed to the risk of incurring fees arising from a failed sale.

For further information, please read the ASX's explanatory CHESS booklet available 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 Adviser.

## Third Part - Clearing and Settlement Agreement

The Clearing and Settlement Agreement sets out the terms and conditions upon which transactions on your Client Account are settled by Shaw's Clearing Participant.

Shaw has outsourced certain non-advisory functions to Pershing Securities Australia Pty Limited (Shaw's Clearing Participant). The functions outsourced are administrative in nature only and do not affect your relationship with your Adviser. Instead of paying Shaw or receiving funds from Shaw, you pay funds to and receive funds from Shaw's Clearing Participant, because it settles the transactions undertaken by Shaw on market for you. This arrangement is called third party clearing. As a participant of the ASX, Shaw's Clearing Participant is bound by ASIC's Market Integrity Rules and the ASX Clear Operating Rules. All trades through the market are covered by the National Guarantee Fund.

## Fourth Part - Direct Debit and Credit Agreement

The Direct Debit and Credit Agreement is an authority that allows Shaw's Clearing Participant to pay money directly into and debit from your nominated bank account in order to settle transactions undertaken by Shaw at your instruction.



# Client Agreement

## First Part – Account Agreement

### 1. General

- 1.1 This Account Agreement (Agreement) applies to all dealings between you and Shaw in relation to all financial products, including financial products traded on an exchange, such as the exchange operated by ASX Limited (ASX) or Chi-X Australia Pty Limited (Chi-X). By instructing Shaw to deal on your behalf, you are taken to have agreed to the terms and conditions of this Client Agreement.
- 1.2 There are additional documents (Additional Agreements) which you must sign in order to trade in certain types of financial products or receive certain services. They include:
- (a) Client Agreement for ASX Derivative Products which is required if you wish to transact in derivatives
  - (b) Managed Portfolio Service Agreement, which is required if you wish to have your account operated on a discretionary basis
  - (c) Portfolio Administration Service Agreement which is required if you wish to have certain reporting services provided to you, and
  - (d) International Agreement which is required if you wish to transact in financial products listed on foreign exchanges.

The terms of the Additional Agreements are supplementary in nature in that they apply in addition to the terms of this Agreement. Where the terms of the Additional Agreements differ from the terms of this Agreement, the terms of the relevant Additional Agreement will apply to the extent of any inconsistency. Where the terms of the Third Part of this Agreement are inconsistent with those in the First Part, the terms of the First Part will apply to the extent of any inconsistency.

- 1.3 You warrant that the information you provide to Shaw, including by way of account opening information, information on other Shaw forms or information relevant to the registration of any financial products held by you is accurate and that you will immediately advise Shaw if this information changes.

- 1.4 Where Shaw's Clearing Participant is entitled to do something pursuant to the Third Part of the Client Agreement, you grant Shaw the same right on the same terms and conditions and the right to instruct Shaw's Clearing Participant to undertake that same action on Shaw's behalf as Shaw's agent.

### 2. Your Account

#### 2.1 Joint accounts

- 2.1.1 If your account is a joint account, these terms and conditions bind each of you jointly and severally.
- 2.1.2 Shaw may act on the instructions of each joint account holder without the necessity to refer to, or to notify, any other person in connection with those instructions. Notwithstanding this, signatures of joint account holders may be required to give directions relating to payments to third parties, changes of address or as Shaw otherwise requires.

#### 2.2 Company accounts

- 2.2.1 If your account is in the name of a company, Shaw may act on the instructions of any one of the directors of the company as advised by you without the necessity to refer to or notify any other person in connection with those instructions. On certain documents, Shaw may require that a minimum of two officers sign.

#### 2.3 Deceased estates

- 2.3.1 If financial products are sought to be transacted on behalf of a deceased estate, you must forward to Shaw prior to the transaction a certified copy of the Probate, Letters of Administration or other relevant documents (as Shaw requires).
- 2.3.2 You agree, if you are an individual, that you will put in place arrangements whereby, should you die during the term of this Agreement, your personal representative(s) will ratify and confirm all acts and things which Shaw has done or caused to be done pursuant to this Agreement and will indemnify Shaw in respect of those acts or things.

### 3. Non-discretionary Client

- 3.1 You acknowledge and agree that:
- (a) any account(s) opened on your behalf with Shaw pursuant to these terms and conditions is a non-discretionary account and Shaw will not act on a discretionary basis on your behalf except with regard to price and timing of execution of an order (at your request)
  - (b) you and Shaw must enter into a separate written agreement in order for your account to be traded on a discretionary basis other than as regards price and timing of execution, and
  - (c) you will advise Shaw's Compliance Officer in writing of any order on your account where you, or your attorney, or a third party as authorised in writing by you did not provide instructions for that order. You agree that should you fail to so advise Shaw's Compliance Officer within 24 hours of receipt of the confirmation for an order, you will accept and ratify the confirmation and it will be conclusive evidence of the truth that the dealings set out in the confirmation were executed in accordance with your instructions.

## 4. Advice

### 4.1 Provision of advice

- 4.1.1 You acknowledge and agree that:
- (a) your Adviser is under no obligation to provide advice, to recommend purchasing or selling financial products or to conduct reviews of your portfolio
  - (b) whether you accept any advice provided is ultimately your choice and you should consider all advice, including personal advice, in light of your personal circumstances
  - (c) you alone are responsible for your decision to either act or not act on any advice provided, and
  - (d) you are responsible for monitoring the performance of your investments as well as ensuring that your investments continue to be appropriate for you given your personal circumstances.
- 4.1.2 If you are concerned about any of your investments or wish to seek advice on new investment opportunities you must immediately contact your Adviser.

### 4.2 Personal advice

- 4.2.1 Personal advice is advice about financial products which is given to you in circumstances where your Adviser has considered one or more of your objectives, financial situation and needs (your personal circumstances).
- 4.2.2 Shaw advisers provide personal advice on a very limited range of products, predominately shares and derivatives and other listed financial products. Any other advice you receive from Shaw will typically be general advice only. You acknowledge that Shaw does not provide financial planning advice and if you require such advice, you should speak to your financial planner.
- 4.2.3 You acknowledge that while you may receive an initial piece of personal advice from Shaw and an accompanying Statement of Advice, this should not be taken as an indication that future advice will be personal in nature. If you wish to know the full particulars of the advice that you have received, you can request a Record of Advice from your adviser.
- 4.2.4 You agree that the description you have given to Shaw of your personal circumstances is accurate. You agree to immediately contact Shaw if any description of your personal circumstances sent to you by Shaw, for instance in the form of a Statement of Advice, does not properly reflect your actual personal circumstances.
- 4.2.5 You acknowledge that:
- (a) your Adviser can only make recommendations on the basis of information provided by you
  - (b) that Shaw has informed you that the disclosure of certain information regarding your personal circumstances is voluntary and you may elect not to provide such information, and
  - (c) if you have not provided your Adviser with full details of your personal circumstances, the personal advice given by your Adviser may not be appropriate and you must assess the suitability of the advice yourself.
- 4.2.6 You agree to inform your Adviser immediately if there is any change to your personal circumstances. You acknowledge that if you do not so inform your Adviser, the personal advice given will be based on the information previously provided.

### 4.3 General advice

- 4.3.1 General advice is advice given to you in circumstances where your Adviser has not considered your personal circumstances. You may elect not to provide information relevant to your personal circumstances to Shaw, however if you so elect, you acknowledge that the advice you receive will be general advice. It is particularly important, with respect to general advice, that you consider the appropriateness of that advice in light of your personal circumstances.

### 4.4 Research

- 4.4.1 You acknowledge that:
- (a) any information published by Shaw or its Advisers including research reports, Morning Comments, company profiles and email updates, as well as the research information on Shaw's website (Publications) contain information and opinions of a general nature only and may not be suitable for you or take into account your personal circumstances
  - (b) before acting on any information contained in any Publication, you should always consider the appropriateness of the advice having regard to your personal circumstances, or consult your Adviser, and
  - (c) Shaw accepts no responsibility for information contained on any sites linked to Shaw's website or on any forum that Shaw hosts.

## 5. Investing in Financial Products

- 5.1 Investments in financial products necessarily involve risk. You acknowledge that:
- (a) an investment in financial products is appropriate for you given your personal circumstances
  - (b) an investment in financial products may involve risk of loss, including loss of capital
  - (c) Shaw does not give any guarantees regarding the performance of a financial product, and
  - (d) the provision of information regarding past returns for a particular financial product does not constitute a guarantee of future performance.
- 5.2 You agree that, except to the extent that liability under any law cannot be excluded, Shaw disclaims liability for all loss or damage arising as a result of any opinion, advice, recommendation, representation or information

expressly or implicitly made or given by Shaw or an authorised representative of Shaw (Adviser), notwithstanding any error or omission, including negligence.

### 5.3 Warrants

- 5.3.1 By placing an order to purchase warrants, you:
- (a) agree that you have read either a hard copy of the Warrants Explanatory Booklet (Warrant Booklet) issued by ASX in respect of Warrants or an electronic copy of the Warrants booklet on ASX's website at [www.asx.com.au](http://www.asx.com.au) or Shaw's website at [www.shawandpartners.com.au](http://www.shawandpartners.com.au)
  - (b) understand that neither ASX nor ASX Clear Pty Limited have any involvement whatsoever with Warrants
  - (c) are aware that a Warrant has a limited life and cannot be traded after its expiry date
  - (d) are aware that Warrants do not have standardised Terms of Issue and acknowledge that it is your responsibility to make yourself aware of the Terms of Issue of any Warrant in which you choose to invest
  - (e) are aware that Warrants may be subject to adjustments after their initial issue and that it is your responsibility to make yourself aware of any adjustments which may have been made to any warrant in which you choose to invest
  - (f) are aware that admission to Trading Status of a Warrant does not imply that ASX or the Securities Exchanges Guarantee Corporation Limited gives any guarantee or warranty as to the viability of the Warrant-Issuer or Guarantor, and
  - (g) acknowledge that a failure of the Warrant-Issuer or the Guarantor (if applicable) to fulfil their obligations does not give rise to a claim against ASX, handling Market Participants or the Securities Exchanges Guarantee Corporation Limited.

### 5.4 Partly Paid Securities

- 5.4.1 By placing an order to purchase partly paid securities, you:
- (a) are aware that a Partly Paid Security is a security which may require you to make a further payment or payments at some time in the future
  - (b) are aware that it is your responsibility to obtain and read a copy of the prospectus, product disclosure statement or information memorandum issued by an Issuer which

sets out the particular features of, and rights and obligations attaching to, a Partly Paid Security before you place an order to buy a Partly Paid Security

- (c) are aware that you may be liable for further payments on a Partly Paid Security and that a failure to make a further payment by the specified date(s) may result in an Issuer of a Partly Paid Security or their associates or agents taking action, including legal action, against you to recover the outstanding payments and/or may result in the forfeiture of your entitlement to the Partly Paid Security
- (d) are aware that in certain circumstances you may be liable to make a further payment on a Partly Paid Security despite the fact that you may have disposed of a Partly Paid Security prior to the date that a further payment falls due
- (e) are aware that you should monitor announcements made by the Issuer of a Partly Paid Security and that it is your responsibility to inform yourself of the date(s) or circumstances that a further payment falls due and the last day that you can dispose of the Partly Paid Security before you are liable for a further payment
- (f) are aware that the amount of a further payment may be unrelated to the financial performance of a Partly Paid Security and that the amount of the further payment may exceed the intrinsic value of a Partly Paid Security at the time a further payment falls due, and
- (g) acknowledge that an obligation on you in relation to a Partly Paid Security, including an obligation to make a further payment, does not give rise to a claim against Shaw, ASX or the Securities Exchange Guarantee Corporation Limited.

## 6. Your Instructions

- 6.1 If you wish to provide Shaw with instructions to enter into a transaction in financial products on your behalf, you must instruct us to do so either in writing or, with Shaw's agreement, orally. You agree that Shaw is not liable for anything it does or fails to do as a result of acting on the instruction of a person Shaw reasonably believes to be you or a person authorised on your behalf pursuant to this Agreement.
- 6.2 Shaw will use its reasonable endeavours to give effect to your instructions but will not be responsible for a failure to give effect to your instructions, including delays or errors. Further, Shaw will not be liable for the failure to give

effect to your instruction, or to effect settlement of your transactions in financial products resulting from computer failure.

- 6.3 You may authorise a third party to act on your account by completing Section G of the Client Account Opening Form or by completing an Authority to Operate a Shaw Account form. You may also authorise a third party to act on your account by giving Shaw a certified copy of the relevant Power of Attorney. You warrant that any such Power of Attorney was properly executed and that at all times prior to its written revocation being notified to Shaw, the Power of Attorney has not been revoked and validly empowers the attorney to provide instructions to Shaw. Shaw may assume that all instructions given on your behalf pursuant to any authority, whether by way of a Shaw form, Power of Attorney or otherwise, are valid until Shaw receives written notice otherwise.
- 6.4 Where you provide instructions by facsimile, post or email, such instructions will be deemed not to be accepted until your Adviser has confirmed receipt in writing or has acted on your instructions. The fact that an email has been opened by Shaw does not constitute acceptance under this clause.
- 6.5 Shaw reserves the right to refuse to deal on your behalf for any reason, or to deal only on such conditions that Shaw, in its discretion, considers appropriate.
- 6.6 Shaw, in its absolute discretion, may decline any instructions given by your authorised third party, at any time. You agree that Shaw may, at its discretion, require from you written or verbal confirmation of any orders given by a person authorised to act on your account.
- 6.7 A third party authorised to act on your behalf pursuant to some form of third party authority shall not be entitled to direct Shaw as to the provision of your securities as third party collateral for another client's account or to direct Shaw as to the payment of funds held in your account with Shaw to anyone other than you. Your attorney under a Power of Attorney may give these directions where they are empowered to do so by the relevant Power of Attorney.

## 7. Your Order

- 7.1 In processing your order, you acknowledge that you and Shaw are bound by and will comply with:
  - (a) the Corporations Act
  - (b) the Market Integrity Rules, directions, decisions and requirements of the Australian Securities and Investments Commission (ASIC)

- (c) the Operating Rules, directions, decisions and requirements of ASX, Chi-X, ASX Clear and ASX Settlement, and
  - (d) any other rules or procedures, directions, decisions and requirements of any other relevant regulatory authority or exchange (on which Shaw transacts on your behalf).
- 7.2 Shaw does not accept contingent orders such as stop loss orders. Shaw may waive this and accept such orders in specific instances, subject to prior written agreement.
- 7.3 You acknowledge and agree that:
- (a) under certain circumstances, the rules or procedures of relevant regulatory authorities or exchanges allow such regulatory authority or exchange to take any action they consider appropriate to deal with erroneous trades, including cancelling or amending a trade
  - (b) Shaw is entitled to cancel or amend a trade without further reference to you where any relevant regulatory authority or exchange has recommended or required it, or where it is permitted under rules or procedures of such regulatory authority or exchange, and
  - (c) Shaw may also cancel an order in its absolute discretion having regard to Shaw's obligation to maintain a fair and orderly market.
- 7.4 If an order which you have placed is only partly completed and if the Market Integrity Rules allow Shaw to do so, you authorise Shaw to accumulate and average the prices for that order in accordance with the Market Integrity Rules.
- 7.5 You acknowledge and agree that:
- (a) Shaw may trade with you as principal
  - (b) Shaw will execute orders in accordance with its Best Execution policy as published at [www.shawandpartners.com.au](http://www.shawandpartners.com.au), and
  - (c) Shaw will allocate orders in accordance with its Allocation Policy as published at [www.shawandpartners.com.au](http://www.shawandpartners.com.au).
- 7.6 You agree that Shaw may withhold payments to you, or not register securities in your name, where you have not provided Shaw with documents or information required by Shaw, including documents or information required pursuant to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and associated rules and regulations.

## 8. Short Selling

- 8.1 You warrant that you have a presently exercisable and unconditional right to have the financial products you sell vested in the buyer prior to placing any sell order. You may satisfy this provision either by holding the relevant securities directly (long sale) or by establishing a legally enforceable right to borrow the financial products the subject of the sale (covered short sale).
- 8.2 Under the Corporations Act, you are prohibited from undertaking a short sale other than a covered short sale unless you are able to rely on an exemption (exempt short sale). You must not give an order for a short sale other than a covered short sale unless you are entitled to rely on such exemption.
- 8.3 You agree to inform your Adviser, at the time of placing any sell order, whether a requested sale is a long sale, covered short sale or an exempt short sale.

## 9. Confirmations

- 9.1 Each dealing between you and Shaw is subject to the provisions of the relevant confirmation issued to you. Confirmations are issued by Shaw through its Clearing Participant. To the extent of any inconsistency, the terms of the confirmation will prevail over those in this Agreement.
- 9.2 Shaw may issue a further confirmation if the previous confirmation contained errors or omissions. Under those circumstances, the further confirmation will supersede the previous one in all respects.
- 9.3 You agree that you will review confirmations sent to you immediately on receipt. You agree that if you do not object to a confirmation in writing within 24 hours of its service:
- (a) Shaw may treat you as having accepted and ratified the contents of the confirmation, and
  - (b) the confirmation will (in the absence of manifest error) be conclusive evidence of the truth of its contents and that the dealings set out in the confirmation were executed in accordance with your instructions.
- 9.4 You acknowledge that confirmations are subject to the:
- (a) Corporations Act
  - (b) rules, directions, decisions and requirements of any relevant regulatory authority or exchange, and
  - (c) customs and usages of the market.



- 9.5 By providing Shaw with your email address you agree that Shaw may forward any confirmation or any other documentation to you at that email address and not by post, unless you instruct Shaw otherwise in writing.
- 9.6 Where you have provided an email address to Shaw, you agree to keep Shaw advised of your current email address.

## 10. Settlements, Fees and Charges

### 10.1 Your settlement obligations

- 10.1.1 Your transactions are cleared by Shaw's Clearing Participant, meaning that you must provide funds for the settlement of transactions to Shaw's Clearing Participant.
- 10.1.2 Shaw may, at its sole discretion, require you to provide sufficient money or securities to settle a proposed transaction before the transaction is executed by Shaw.
- 10.1.3 Unless Shaw's Clearing Participant holds sufficient monies or securities on your behalf to settle a transaction, you must:
- (a) in the case of a purchase, pay the purchase price to Shaw's Clearing Participant no later than 9.00am on the settlement date set out in the confirmation, or
  - (b) in the case of a sale, deliver sufficient securities and/or any other documents required by Shaw's Clearing Participant no later than the delivery date specified in the confirmation or in the Third Part of this Agreement.
- 10.1.4 Shaw may pay (including to Shaw's Clearing Participant), appropriate or allocate (as the case requires) all credits of and all monies received from or on your behalf as Shaw thinks fit in order to satisfy or discharge any amount owed by you to Shaw on any account whatsoever and Shaw is not liable to you in connection with any such payment, appropriation or allocation.
- 10.1.5 If you have provided an authority, either to Shaw or to its Clearing Participant to directly debit a bank account, you authorise Shaw's Clearing Participant to automatically debit funds from that nominated account to satisfy your obligations to settle with, pay fail fees and interest to, and indemnify Shaw and its Clearing Participant hereunder.
- 10.1.6 You authorise Shaw to appropriate any financial products sponsored or otherwise held on your behalf to satisfy your delivery obligations in the case of a sale. Shaw may demand immediate

delivery of, or direct you to deliver to Shaw's Clearing Participant, appropriate financial products at any time on or after the settlement date set out in the confirmation. Proceeds in respect of a sale are not available until the latest of:

- (a) settlement of the sale
- (b) all required security holder information and documentation has been delivered, and
- (c) all amounts due by you to Shaw or its Clearing Participant have been paid.

- 10.1.7 In certain circumstances, Shaw may direct you to pay to Shaw moneys owing by you to its Clearing Participant and you agree to promptly comply with any such direction.

### 10.2 Brokerage and other charges

- 10.2.1 You agree to:
- (a) pay Shaw any reasonable fees charged in relation to your dealings, including without limitation commission or brokerage
  - (b) reimburse Shaw and/or Shaw's Clearing Participant as the case may be, for any miscellaneous costs incurred in relation to your dealings, including without limitation GST, fail fees or late settlement fees, and
  - (c) pay any amounts due under paragraphs (a) and (b) in accordance with Shaw's instructions.
- 10.2.2 Commission and brokerage may be notified to you (and amended) from time to time including by the provision of a Statement of Advice or Additional Agreement.
- 10.2.3 Fail fees and other fees may be notified to you (and amended) from time to time including by the provision of a Financial Services Guide or Additional Agreement.

### 10.3 Acceptable forms of payment

- 10.3.1 You acknowledge that Shaw does not accept payments in cash. All payments under this Agreement must be made by:
- (a) direct deposit to Shaw's Clearing Participant
  - (b) direct debit from your bank account, or
  - (c) other means acceptable to Shaw.
- 10.3.2 You acknowledge that:
- (a) any money paid to Shaw in connection with a transaction contemplated by this Agreement will be paid into a trust account maintained in accordance with section 981B of the Corporations Act, and



- (b) Shaw will keep the interest (if any) earned on any trust account including any interest earned with respect to any money of yours which must be paid into that account in accordance with the requirements of the Corporations Act.

10.3.3 Shaw will pay amounts due to you in accordance with your legal instructions.

10.3.4 With respect to your dealings with Shaw or any Shaw authorised representative (such as your adviser), any amounts payable for financial products will be payable to Shaw or Shaw's Clearing Participant and not to any other party.

## 11. Failure to Settle and Failure to Pay Other Fees and Charges

11.1 If you fail to settle a transaction by the date or time required under the relevant confirmation or fail to pay any brokerage or other fees and charges owing to Shaw or its Clearing Participant (fail to settle or failure to settle):

- (a) Shaw will be entitled to charge fail fees as notified to you from time to time
- (b) Shaw will be entitled to, in its sole discretion, sell or purchase (as the case may be) the securities which are the subject of the uncompleted transaction, and any other securities Shaw holds, and
- (c) you indemnify Shaw against all costs, expenses and losses incurred resulting from your failure to settle.

11.2 If you fail to settle, you appoint Shaw and each of its directors and officers as your attorney to give any instructions on your behalf which Shaw or any such attorney deems fit in their absolute discretion in respect of:

- (a) your issuer sponsored financial products which have been purchased on your instructions but not yet registered to you
- (b) any of your financial products that are broker sponsored by Shaw
- (c) your financial products which have been purchased on your instructions and are awaiting registration
- (d) your financial products held by Shaw's nominee company, and
- (e) your funds in your cash management account or call deposit facilities or external bank accounts, which Shaw is authorised to access.

The proceeds of any action undertaken by Shaw in its sole discretion can be set off against your liability to Shaw subject to this

Agreement. Any such action will be at your risk and expense, including all applicable brokerage, administration fees and any duty or other taxes.

11.3 You authorise Shaw to deduct any amounts payable to Shaw from any account maintained by Shaw for you, including accounts where you act in the capacity of trustee of a trust.

11.4 Other than where a rate for late payment is otherwise specifically set out, if you fail to pay any amounts due to Shaw or its Clearing Participant by the due date for payment, Shaw is entitled to charge interest at a daily rate equal to the charge for failure to settle a buy transaction.

11.5 In exercising its authority under this clause, Shaw must comply with the relevant rules of ASX and Chi-X and any limits imposed in those rules.

## 12. Nominee Service

12.1 Shaw may hold financial products on your behalf as nominee and may register those financial products in the name of its nominee company subject to you executing Shaw's Nominee Service Agreement unless Shaw waives this requirement (in its sole discretion). You authorise Shaw to hold any overseas securities purchased through Shaw in the name of Shaw's nominee company.

## 13. Warranties

13.1 You warrant that:

- (a) all information provided by you to Shaw from time to time is accurate and agree that Shaw may rely on that information unless and until you provide written notice of any change
- (b) you have the legal right and power to enter into this Agreement
- (c) you are not an employee of another ASX or Chi-X Market Participant
- (d) you are not a politically exposed person within the meaning of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006
- (e) if you are an individual, the name in which you open the account with Shaw is your correct legal name and is not an alias
- (f) if this account is in the name of a company, the company is duly incorporated and existing

- (g) if you are a trustee:
  - (i) you agree that this Agreement will bind you in both a personal capacity and in your capacity as trustee
  - (ii) you can be indemnified out of the assets of the trust for all liabilities incurred under this Agreement, and
  - (iii) you have properly exercised your trust powers and have full authority under the trust to enter into this Agreement
- (h) if you are a trustee of a superannuation fund:
  - (i) you have formulated and given effect to an investment strategy for the superannuation fund in accordance with superannuation law
  - (ii) your investment instructions to Shaw will be in accordance with, and are consistent with, the superannuation fund's investment strategy
  - (iii) when a derivatives risk statement (as defined in relevant superannuation legislation) is required pursuant to superannuation law or by a regulatory authority, you will not instruct Shaw in relation to opening derivative transactions without such derivatives risk statement being in existence and any such instructions shall be in accordance with the derivatives risk statement
- (i) at all times during your dealings with Shaw, you will be in a position to meet all of your commitments arising from these dealings, and
- (j) any transaction you instruct Shaw or its Advisers and employees to enter into will be consistent with your personal circumstances.
- (d) your use of or reliance on any research reports and other publications provided by Shaw
- (e) misinterpretation of any information provided by either of us in connection with the transactions contemplated by this Agreement
- (f) a delay in the execution of your order during the time it takes for Shaw to follow its internal procedures (e.g. opening accounts, transferring CHESS holdings, verifying your identity or any other matter as required by Shaw from time to time)
- (g) a delay in the execution of your order or an inability to complete your order due to the failure of any telephone, computer or other electronic service, including the Integrated Trading System, any other trading platform or any electronic service provided by Shaw's Clearing Participant
- (h) a situation where Shaw does not receive your instructions, or is unable to receive or act on your instructions due to circumstances beyond Shaw's reasonable control, except to the extent that liability under any law cannot be excluded, or where the loss or damage was directly caused by Shaw's gross negligence, fraud or dishonesty
- (i) anything lawfully done by Shaw in accordance with this Agreement, or
- (j) Shaw complying with any direction, request or requirement of any regulatory authority or exchange.

14.2 You hereby indemnify Shaw and its officers, employees, Advisers and agents (those indemnified) from and against any loss or liability reasonably incurred by those indemnified arising out of any failure by you to strictly comply with the provisions of the relevant confirmation, this Agreement, relevant regulatory requirements or anything lawfully done by Shaw pursuant to this Agreement, including without limitation undertaking your instructions in respect of any purchase or sale of financial products or complying with any direction or request from any regulatory authority or exchange. For the purposes of this clause, 'you' includes the signatories personally, regardless of whether they are signing personally or in their capacity as directors of a company.

## 14. Liability and Indemnity

14.1 Shaw shall not be liable for any loss or damage arising as a result of or in connection with:

- (a) any breach by you of this Agreement, the Market Integrity Rules, the ASX Operating Rules, Chi-X Operating Rules the Corporations Act or the rules of any other relevant regulatory authority or exchange
- (b) you failing to give Shaw information about your personal circumstances or giving incomplete or incorrect information to Shaw
- (c) Shaw refusing to act on your instructions

## 15. Privacy

15.1 You acknowledge that information collected by Shaw about you is for the following purposes (as relevant):

- (a) to assess your application to open an account, including your creditworthiness
  - (b) to effect purchases and sales of financial products and other transactions on your behalf and to provide related facilities and services including research, settlement, sponsorship and nominee services (as required)
  - (c) to take into account your investment objectives, financial situation and particular needs in providing you with any personal financial product recommendations, and
  - (d) to ensure compliance with these terms and conditions and with all applicable legal or regulatory requirements.
- 15.2 You authorise Shaw to use and disclose the information for the above purposes and consent to Shaw:
- (a) using or disclosing the information to any regulatory authority or exchange empowered to obtain such information or as required by the rules of any relevant regulatory authority or exchange or under any other applicable law
  - (b) disclosing the information to issuers of financial products marketed by Shaw
  - (c) disclosing the information to service providers (including Shaw's Clearing Participant) who provide services in connection with Shaw's products and services (in which case we require them to appropriately safeguard the privacy of the information provided to them), and
  - (d) disclosing the tax file number (if supplied) to companies in which investments are made on your behalf and to the Australian Taxation Office if Shaw is required to supply such information to it.
- 15.3 For further information regarding Shaw's treatment of your personal information please see Shaw's Privacy Policy which is available from your Adviser or at [www.shawandpartners.com.au](http://www.shawandpartners.com.au).

## 16. GST

- 16.1 If the supply of any services to you by Shaw under or pursuant to this Agreement is a taxable supply then unless we tell you that the amount which you must pay for those services includes GST, the amount does not include GST. When you are required to pay for those services you must also pay to Shaw an additional amount equal to the GST payable on the supply of those services.

- 16.2 If GST is payable on anything supplied to you under this Agreement Shaw will give you a tax invoice.
- 16.3 Words defined in the A New Tax System (Goods & Services Tax) Act 1999 have the same meaning in this clause.

## 17. Variation

- 17.1 Shaw may amend or modify the terms and conditions set out in this Agreement by notification as disclosed on Shaw's website at [www.shawandpartners.com.au](http://www.shawandpartners.com.au), the amendments or modifications of which will take effect 7 days after posting of the notification.
- 17.2 The terms and conditions applying to a transaction will be the relevant Market Integrity Rules, Operating Rules and rules of any other regulatory authority or exchange in place at the time the transaction is executed, together with the terms and conditions set out in this Agreement as amended or modified by Shaw and disclosed to you on Shaw's website at [www.shawandpartners.com.au](http://www.shawandpartners.com.au).

## 18. Termination

- 18.1 Subject to the completion of any outstanding obligations, this Agreement may be terminated by either party by notice in writing at any time.
- 18.2 The termination of this Agreement shall be without prejudice to the rights of the parties accrued up to the date of termination.
- 18.3 The acknowledgments, warranties and indemnities given by you and the limitations of liability made by Shaw, survive termination of this Agreement.

## 19. Miscellaneous

- 19.1 You acknowledge that you have read and understood the Financial Services Guide, Shaw's Privacy Policy and any Statement of Advice.
- 19.2 In connection with any of the transactions contemplated by this Agreement, you authorise Shaw to supply relevant information contained in your application form to a credit reporting agency, and obtain credit reports about you from a credit reporting agency.
- 19.3 You agree to take all reasonable steps to obtain and provide to Shaw all information and documents with respect to your dealings which are legally requested by another person. You authorise Shaw to pass the information or documents on to that person.

- 19.4 Shaw does not presently record any telephone conversations between its officers or employees and you. However, Shaw reserves the right to record those conversations and to use those recordings for whatever purpose Shaw thinks fit. Shaw will notify you if it intends to record telephone conversations.
- 19.5 Time is of the essence under this Agreement.
- 19.6 This Agreement is governed by and construed in accordance with the laws of New South Wales and you agree to submit to the exclusive jurisdiction of the courts of New South Wales.
- 19.7 This document contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect. Notwithstanding this, it may be supplemented by other agreements specific to other financial products or services.
- 19.8 This Agreement may be executed in a number of counterparts and those counterparts taken together will constitute one and the same Agreement.
- 19.9 Any provision of this Agreement which is found to be illegal, void or unenforceable will be ineffective to the extent only of such illegality, voidness or unenforceability, without invalidating the remaining provisions of this Agreement.

## Second Part – CHESS Sponsorship Agreement

By completing Section H of the Client Account Opening Form you agree to be broker sponsored by Shaw in accordance with the ASX Settlement Operating Rules on the terms and conditions set out in this CHESS Sponsorship Agreement.

### 1. Interpretation

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

### 2. Shaw's Rights

- 2.1 Where you authorise Shaw to buy Financial Products, you will pay for those Financial Products by 9:00am on the third Business Day after the date of purchase.
- 2.2 Subject to Clause 2.3, Shaw 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 Shaw has made a demand of you to pay for the Financial Products, Shaw may sell those Financial Products that are the subject of that contract at your risk and expense and that expense will include brokerage and stamp duty.
- 2.4 Where Shaw claims that an amount lawfully owed to it has not been paid by you, Shaw has the right to refuse to comply with your 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. Your Rights

- 3.1 Subject to clauses 2.3 and 2.4, Shaw will initiate any Transfer, Conversion or other action necessary to give effect to your Withdrawal Instructions within two Business Days of the date of the receipt of written Withdrawal Instructions.
- 3.2 Shaw will not initiate any Transfer or Conversion into or out of the Sponsored Holding without your express authority.
- 3.3 The regulatory regime which applies to Shaw is the Corporations Act together with the ASIC Market Integrity Rules, Chi-X Operating Rules, ASX Clear Operating Rules and ASX Settlement Operating Rules. You can obtain information as to the status of Shaw from ASX Limited.
- 3.4 You may lodge a complaint against Shaw or any claim for compensation with the Australian Securities and Investment Commission, ASX Limited, Australian Financial Complaints Authority or Securities Exchanges Guarantee Corporation Limited (National Guarantee Fund).

## 4. Other Rights and Duties

### 4.1. Supply of information

- 4.1.1 You will supply all information and supporting documentation which is reasonably required to permit Shaw 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 you arrange with ASX Clear to lodge financial products in a Sponsored Holding as cover for written positions in the Australian Options Market, and inform Shaw of the arrangement, you authorise Shaw 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 you arrange with any person to give a charge or any other interest in financial products in a Sponsored Holding, you authorise Shaw to take whatever action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.
- 4.2.3 You acknowledge that where, in accordance with this CHESSE Sponsorship Agreement and/or your instructions, Shaw initiates any action which has the effect of creating a sub-position over financial products in the Sponsored Holding, your right 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 you in relation to option positions, Shaw 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 CHESSE Sponsorship Agreement operates to override any interest of ASX Clear in the financial products.

## 5. Fees

- 5.1 You will pay all Brokerage fees and associated transactional costs within the period prescribed by Shaw.
- 5.2 Shaw 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 You acknowledge that if a Transfer is taken to be effected by Shaw under section 9 of

the ASX Settlement Operating Rules and the Source Holding for the Transfer is a Sponsored Holding under the CHESSE Sponsorship Agreement, then:

- (a) you may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by Shaw or that Shaw was not authorised by you 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, you have 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 Shaw breaches any of the provisions of this CHESSE Sponsorship Agreement, you may refer that breach to any regulatory authority, including ASX Settlement.

6.4 In the event that Shaw is suspended from CHESSE participation, subject to the assertion of an interest in financial products controlled by Shaw, by the liquidator, receiver, administrator or trustee of that Participant:

- (a) you have 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 from the CHESSE Subregister, or 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
- (b) where you do not give notice under clause 6.4(a), ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11. and you will be deemed to have entered into a new CHESSE Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where you are deemed to have entered into a CHESSE Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with you within 10 Business Days of the change of Controlling Participant.

6.5 You acknowledge that before you executed this Agreement, Shaw provided you with an explanation of the effect of the CHESSE Sponsorship Agreement and that you understood its effect. Prior to executing this CHESSE Sponsorship Agreement you may discuss its terms and conditions with your

Adviser or Shaw's Head of Compliance on +61 2 9238 1238 or by emailing enquiries@shawandpartners.com.au.

- 6.6 You acknowledge that in the event of your death or bankruptcy, a Holder Record Lock will be applied to all Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless your legally appointed representative or trustee elects to remove the Sponsored Holdings from the CHESSE Subregister.
- 6.7 You acknowledge that in the event of your death, this CHESSE Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer your 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.
- 6.8 For joint holdings you acknowledge that in the event of the death of one of the Holders, upon receipt of written notification, Shaw 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 CHESSE Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 6.9 For joint holdings you acknowledge that in the event of the bankruptcy of one of the Holders, Shaw will:
- (a) unless the legally appointed representative of the bankrupt Holder elects to remove the Sponsored Holdings from the CHESSE 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 you receive a Participant Change Notice from Shaw 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, you are 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 You may choose to terminate the CHESSE Sponsorship Agreement by giving written Withdrawal Instructions under the ASX Settlement Operating Rules to the Controlling Participant, indicating whether you wish to:
- (a) transfer your Sponsored Holding to another Controlling Participant, or
  - (b) transfer your Sponsored Holding to one or more Issuer Sponsored Holdings.
- 7.3 If you do not take any action to terminate the agreement in accordance with clause 7.2 and do not give any other instructions to Shaw which would indicate that you do not agree to the change of Controlling Participant then, on the Effective Date, the CHESSE Sponsorship 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 CHESSE Sponsorship Agreement in substitution for Shaw
  - (b) any rights of Shaw are transferred to the new Controlling Participant, and
  - (c) Shaw is released by you from any obligations arising on or after the Effective Date.
- 7.4 The novation in clause 7.3 will not take effect until you have received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for you. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 7.5 You 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 CHESSE Sponsorship Agreement to the New Controlling Participant (e.g. 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 CHESSE Sponsorship Agreement continues for the benefit of Shaw 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 CHESSE Sponsorship Agreement will continue for the benefit of Shaw until such time as the novation is effective,



and Shaw will hold the benefit of the CHES Sponsorship Agreement on trust for the New Controlling Participant.

- 7.7 Nothing in this clause 7 will prevent the completion of CHES transactions by Shaw where the obligation to complete those transactions arises before the Effective Date and the CHES Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the CHES Sponsorship Agreement to the New Controlling Participant under this clause 7.

## 8. Claims for Compensation

- 8.1 The following compensation arrangements apply to you:

- (a) Should you have a complaint please contact your Adviser and discuss your concerns.
- (b) If your complaint is not satisfactorily resolved within 2 Business 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  
Fax: +61 2 9238 1296

Shaw will endeavour to have the complaint resolved within 45 days.

- (c) If, however, the complaint is not resolved to your satisfaction, you have the right to refer the matter to the Australian Financial Complaints Authority of which Shaw is a member.

- 8.2 If Shaw breaches a provision of this CHES Sponsorship Agreement and you make a claim for compensation pursuant to that breach, the ability of Shaw to satisfy that claim will depend on the financial circumstances of Shaw.
- 8.3 If a breach by Shaw of a provision of this CHES 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 CHES Sponsorship Agreement will be terminated upon the occurrence of any of the following events:

- (a) by notice in writing from either yourself or Shaw to the other party to the CHES Sponsorship Agreement
- (b) upon Shaw becoming insolvent
- (c) upon the termination or suspension of Shaw, or
- (d) upon the giving of written Withdrawal Instructions by you to Shaw in accordance with Rule 7.1.10(c), and termination under Clause 9.1(a) will be effective upon receipt of written notice by the other party to the CHES Sponsorship Agreement.

- 9.2 In the event of any claim by Shaw against you, Shaw may in 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 CHES Sponsorship Agreement be inconsistent with the provisions in the ASX Settlement Operating Rules, Shaw will, by giving you not less than 7 Business Days written Notice, vary the CHES Sponsorship Agreement to the extent to which in Shaw's reasonable opinion is necessary to remove any inconsistency.

## 11. Copy of Executed CHES Sponsorship Agreement

- 11.1 You authorise Shaw to insert your Holder Identification Number (HIN) into the executed CHES Sponsorship Agreement, and you do not require a copy of the Sponsorship Agreement with the HIN inserted.
- 11.2 You expressly instruct Shaw not to provide you with a copy of the executed CHES Sponsorship Agreement.
- 11.3 You are entitled to receive a copy of your executed CHES Sponsorship Agreement. Should you request a copy, Shaw will provide a copy of the executed Sponsorship Agreement:
- (a) within 3 Business Days of execution, or
- (b) at any time thereafter if requested by you.

## Third Part – Clearing and Settlement Agreement

This Third Part contains the terms of your agreement with Shaw's Clearing Participant, Pershing Securities Australia Pty Limited (ABN 60 136 184 962; AFSL No 338264) (Shaw's Clearing Participant). This Third Part is also referred to in Pershing's FSG as Pershing's Disclosure Statement.

### 1. Interpretation

**ASX Market Integrity Rules** means the ASIC Market Integrity Rules (ASX Market) 2010 as amended from time to time.

**Confirmation** has the meaning given to it in clause 11.

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

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

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

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

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

**Market Integrity Rules** means any market integrity rules made by ASIC in accordance with Part 7.2A of the Corporate Act 2001, as amended from time to time, that apply to a Relevant Exchange (including the ASX Market Integrity Rules, the Chi-X Market Integrity Rules and the ASIC Market Integrity Rules (Competition in Exchange Markets 2011)).

**Order** means an order or instruction for the sale, purchase, issue or redemption of Traded Products to be executed or facilitated by Shaw's Clearing Participant.

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

**Relevant Exchange** means ASX Limited ABN 98 008 624 691 and Chi-X Australia Pty Ltd ABN 47 129 584 667, or the financial markets operated by them (as the context requires).

**Traded Products** has the meaning given to Cash Market Products in the ASX Market Integrity Rules (and includes an AQUA Product) and Equity Market Product in the Chi-X Market Integrity Rules and for other Relevant Exchanges, means the cash equities products (excluding derivatives) admitted for quotation on the relevant market as described in the relevant Exchange Rules or Market Integrity Rules (as the context requires) for that Relevant Exchange.

**Trading Participant** has the meaning given to that term in the ASX Market Integrity Rules and to Market Participant in the Exchange Rules.

**Transaction** has the meaning given to Cash Market Transaction in the ASX Market Integrity Rules and Equity Market Transaction in the Chi-X Market Integrity Rules, as the context requires.

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

Words expressed in the singular include the plural and vice versa.

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

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

## 2. Your Clearing Arrangements With Shaw's Clearing Participant

- 2.1 Shaw's Clearing Participant is admitted as a Clearing Participant in accordance with the ASX Clear Rules.
- 2.2 Whenever you place an order with Shaw to purchase or sell Financial Products by means of a Transaction, you are immediately deemed to have entered into an agreement with Shaw's Clearing Participant on the terms and conditions set out below in this Clearing and Settlement Agreement.
- 2.3 If you effect a Transaction through Shaw, Shaw's Clearing Participant carries the clearing obligations and any settlement obligations (together, Settlement Obligations) for all Transactions effected through Shaw and Shaw's Clearing Participant must settle as principal with ASX Clear or the relevant counter-party, even though the Transaction may have been entered into on your behalf. Your clearing obligations and any settlement obligations are therefore owed directly to Shaw's Clearing Participant (and not Shaw).
- 2.4 In the event that you fail to complete a contract in accordance with the ASX Clear Rules or fail to pay the amounts due in respect of a Transaction, Shaw's Clearing Participant has direct rights against you, including rights of sale under the Exchange Rules and ASX Clear Rules and those described in this Clearing and Settlement Agreement.

## 3. Conduct of Business

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

## 4. Shaw's Clearing Participant's Right to Require Shaw to Refuse to Accept Orders

- 4.1 You acknowledge that Shaw's Clearing Participant may at any time in its absolute discretion direct Shaw to:
  - (a) refuse to accept you as a client or not to accept orders from, or execute orders for you, or
  - (b) refuse to accept a particular order from you.

## 5. Purchases and Sales

- 5.1 You must ensure that payment in full is received by Shaw's Clearing Participant (and not Shaw) before the Settlement Date and Time. Shaw's Clearing Participant will not accept payment in cash.
- 5.2 In accordance with the provisions of the Corporations Act and the regulations made under the Corporations Act, pending settlement by you, this Clearing and Settlement Agreement and the relevant Confirmation (if any) constitute notice to you that Shaw's Clearing Participant may deposit the Traded Products purchased for you in a particular transaction as security for a loan if Shaw's Clearing Participant has received and paid for such Traded Products on your behalf.
- 5.3 You must deliver to Shaw's Clearing Participant (and not Shaw) all documents and security holder information (including the holder identification number or personal identification number and, if applicable, shareholder reference number) (Security Holder Information) no later than 2 Business Days before the Settlement Date and Time.
- 5.4 All documentation and Security Holder Information must be sent to:

Pershing Securities Australia Pty Limited  
Level 7, 1 Chifley Square  
Sydney NSW 2000
- 5.5 If you have entered into a CHESS Sponsorship Agreement with Shaw, you will be taken to have satisfied this obligation if you ensure that sufficient Traded Products are held in your Sponsored Holding with Shaw, those Traded Products are unencumbered and, if the consent of any third party is required before Shaw's Clearing Participant or Shaw (as the case may be) may withdraw those Traded Products, that consent has been obtained and communicated to Shaw's Clearing Participant.

- 5.6 You irrevocably authorise Shaw's Clearing Participant to apply any Traded Products held in your Participant Sponsored Holding to satisfy your Settlement Obligations arising from any Transaction executed by Shaw on your behalf.
- 5.7 Credits in respect of sales are not available until the latest of:
- (a) the Settlement Date and Time;
  - (b) when all documents and Security Holder Information have been received by Shaw's Clearing Participant in deliverable form, and
  - (c) all amounts due and payable by you to Shaw's Clearing Participant or Shaw have been paid.

Unless Shaw's Clearing Participant has agreed alternative arrangements with you, Shaw's Clearing Participant will pay all sale proceeds directly to you.

## 6. Misdirected Market Transactions

- 6.1 If at any time Transactions executed by Shaw are also to be cleared through a Clearing Participant (other than Shaw's Clearing Participant), you acknowledge that:
- (a) Shaw may, incorrectly or otherwise, direct a Transaction which it has executed on your behalf to a Clearing Participant other than Shaw's Clearing Participant (Misdirected Market Transaction)
  - (b) Shaw's Clearing Participant does not have any Settlement Obligations in respect of any Misdirected Market Transaction, and
  - (c) Shaw's Clearing Participant will not provide you with a confirmation in respect of any Misdirected Market Transaction.

## 7. Short Sales

- 7.1 A 'short sale' is when Traded Products are sold on your behalf, or you place an Order with the Broker to sell Traded Products, at a time when you do not have a presently exercisable and unconditional right to vest the Traded Products in a buyer. Under section 1020B(2) of the Corporate Act 2001, you are prohibited from effecting a short sale unless you are able to rely on an exemption from that prohibition provided in the Corporations Act, Corporations Regulations 2001 (Cth) or provided by way of ASIC class order relief or other current and effective relief granted by ASIC. You must not place an Order for a short sale with Shaw unless you are able to rely on such an

exemption. For the avoidance of doubt, you are able to rely on such an exemption where the circumstances of your Order are such that you are able to satisfy all conditions of any one or more exemptions to the prohibition on short selling.

## 8. No Advice

- 8.1 You acknowledge that Shaw's Clearing Participant does not provide financial product advice, nor does it accept responsibility for any financial product advice given to you by Shaw. You must not represent to any person that Shaw's Clearing Participant has given any financial product advice to you.

## 9. Settlement Date and Time

- 9.1 The 'Settlement Date and Time' for sales or purchases of shares is the date and time that is specified on the front of the relevant Confirmation. If no date and time are specified or no Confirmation is required to be given, the Settlement Date and Time is 9.00am (Sydney time) on the third Business Day after the execution of the Transaction.
- 9.2 Shaw has no authority to extend the Settlement Date and Time.

## 10. Warranties by the Client

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



## 11. Settlement Using BPAY Facility

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

## 12. Confirmations

- 12.1 You will be given confirmations as required by the Corporations Act and the Market Integrity Rules (Confirmations).
- 12.2 You authorise Shaw's Clearing Participant (on behalf of Shaw) to give Confirmations to you electronically to the email address notified to Shaw's Clearing Participant by Shaw on your behalf from time to time for this purpose. Shaw's Clearing Participant may not provide you with paper copies of Confirmations.
- 12.3 You agree to promptly check the accuracy of every Confirmation sent to you and to notify Shaw immediately of any error that you consider may have occurred. In the absence of such notification from you within 24 hours, you will be taken to have accepted the accuracy of the Confirmation.
- 12.4 A Confirmation may at any time be re-issued to you in order to correct any errors or omissions and the terms and conditions of the original Confirmation will apply in relation to the reissued Confirmation.
- 12.5 Where Shaw enters into multiple Transactions in order to complete your Order (whether on one or more Relevant Exchanges), you authorise Shaw's Clearing Participant on behalf of Shaw to accumulate those Transactions on a single Confirmation and to specify the volume weighted average price for those Transactions on that Confirmation. If requested by you, Shaw will, if required under the Market Integrity Rules, give you a statement of all the individual prices of the relevant transactions which are accumulated and averaged in a Confirmation.
- 12.6 If you are a Wholesale Client for the purposes of the Market Integrity Rules, Shaw may elect not to give any Confirmations to you in relation to Transactions executed for you. If Shaw so elects, these Terms and Conditions are taken to be the notification required to be given by Shaw to you under the Market Integrity Rules.

## 13. Failure to Settle

- 13.1 You acknowledge that, if you fail to make any payment due to Shaw's Clearing Participant or deliver any documents or Security Holder

Information to Shaw's Clearing Participant or otherwise comply with the Settlement Obligations that you owe to Shaw's Clearing Participant in relation to a Transaction in accordance with this Agreement or the relevant Confirmation, if any (fail to settle), Shaw's Clearing Participant may do any one or more of the following:

- (a) charge an administration fee calculated by reference to the additional cost which may be incurred by Shaw's Clearing Participant or Shaw (including any fail fees imposed by a Relevant Exchange or ASX Clear) as a result of your failure to settle
- (b) levy a default charge on the amount from time to time outstanding at a rate of up to 15.0% per annum
- (c) sell out (or procure the sell out of) any Traded Products purchased (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Shaw's Clearing Participant and to recover Shaw's Clearing Participant's costs in so acting
- (d) buy in (or procure the buy in of) any Traded Products sold (and you are fully responsible for any loss in connection with such purchase) and recover Shaw's Clearing Participant's costs in so acting
- (e) sell out (or procure the sell out of) any Traded Products otherwise held on your behalf (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Shaw's Clearing Participant and to recover Shaw's Clearing Participant's costs in so acting
- (f) apply any cash held by Shaw's Clearing Participant or a related body corporate of Shaw's Clearing Participant or Shaw on your account or to which they have access, or payments received for or from you in reduction of your liability to Shaw's Clearing Participant, or
- (g) instruct Shaw to cancel any of your unexecuted Orders, and you authorise Shaw's Clearing Participant and each of its directors and employees as your attorney to give instructions on your behalf in respect of your Traded Product holdings sponsored by Shaw (or a related body corporate) in CHESS, or held by a related body corporate in nominee holdings, and in respect of call deposit facilities or cash management accounts on which either Shaw's Clearing Participant or Shaw is authorised to give instructions, to enable Shaw's Clearing Participant to realise those Traded Products or funds and apply the proceeds in reduction of your liability to

Shaw's Clearing Participant and to recover Shaw's Clearing Participant's costs in so acting.

- 13.2 If you fail to settle, Shaw's Clearing Participant may make arrangements on your behalf to ensure that your Settlement Obligations are performed (including by buying-in or borrowing the relevant Traded Products).
- 13.3 If you have not met your settlement obligations owed to Shaw's Clearing Participant in respect of a Transaction executed for you by Shaw by the date which is 5 Business Days after the date on which that Transaction was executed, it is Shaw's Clearing Participant's policy (and Shaw's Clearing Participant may be obliged under the ASX Settlement Rules), without any notice to you:
- (a) in the case of a purchase, to execute a Transaction to close out the failed purchase (by selling the relevant Traded Products), or
  - (b) in the case of a sale, to execute a Transaction to close out the failed sale (by buying-in the relevant Traded Products),
- and recover any resulting loss from you.
- 13.4 You must pay or reimburse Shaw's Clearing Participant any such administration fees and default charges (together with any GST payable on those amounts) immediately upon demand or at Shaw's Clearing Participant's option it may deduct such administration fees and default charges (and any GST) from any sale proceeds or other amounts otherwise payable to you.
- 13.5 The manner in which Shaw's Clearing Participant may exercise or not exercise, or the timing of or any delay in any exercise by Shaw's Clearing Participant of, any right of Shaw's Clearing Participant under this clause is not to be taken to be Financial Product advice by Shaw's Clearing Participant to you, and you must not represent to any person that it is Financial Product advice by Shaw's Clearing Participant.
- 13.6 Shaw's Clearing Participant will not be liable to you for any failure by Shaw's Clearing Participant to exercise (or any delay in the exercise by Shaw's Clearing Participant of) any right Shaw's Clearing Participant may have against you, or any loss incurred by you as a result of Shaw's Clearing Participant not exercising any of its rights against you immediately, or at all, following any failure by you to comply with your obligations.
- 13.7 The rights described in this clause are in addition to any rights that are conferred to Shaw's

Clearing Participant under the Exchange Rules and the ASX Clear Rules.

## 14. Cancellations

- 14.1 Each Relevant Exchange has the power under the Exchange Rules to cancel or amend Transactions or Crossings. You authorise Shaw's Clearing Participant to, and agree that Shaw's Clearing Participant may, without your consent, cancel or amend (or request or agree to the cancellation or amendment of) any Transactions or Crossing relating to the sale or purchase (as the case may be) of Traded Products:
- (a) if requested to do so by Shaw in accordance with the Exchange Rules
  - (b) if a Relevant Exchange or a participant of the Relevant Exchange exercises its power under the Exchange Rules to cancel or amend (or require the cancellation or amendment of) the Transaction or Crossing, or
  - (c) in the event of an Error or otherwise in the circumstances contemplated in the Exchange Rules.
- 14.2 Your obligations referred to in clause 5, and Shaw's Clearing Participant's obligations in relation to the settlement of a Transaction, will no longer apply in respect of a cancelled transaction from the time it is cancelled or, in the case of an amended Transaction, apply as amended.

## 15. Interest on Shaw's Clearing Participant's Trust Account

- 15.1 You acknowledge that Shaw's Clearing Participant will retain the interest (if any) earned on monies held in its trust account from time to time.

## 16. Assignment to Shaw of Debts Owed by you to Shaw's Clearing Participant

- 16.1 If you have not paid any debt to Shaw's Clearing Participant, you acknowledge that Shaw's Clearing Participant may (by notice to you and Shaw) assign that debt to Shaw and the assigned debt will become an obligation of yours owed to Shaw. In the event of such an assignment, Shaw (and each of its directors and employees) will have the rights and powers (and may do all the things) set out in clause 13 as if a reference to Shaw's Clearing Participant were a reference to Shaw.



## 17. Instructions and Other Communications to be Given via Shaw

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

## 18. Instructions by Facsimile or E-mail

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

## 19. Indemnity

- 19.1 You must, to the maximum extent permitted by law, at all times and from time to time, indemnify and keep each of Shaw's Clearing Participant and its related bodies corporate and any of their respective directors, officers, contractors, agents and employees (each an Indemnified Person)

harmless from and against all liabilities, losses, damages, costs or expenses directly or indirectly suffered by the Indemnified Person and from and against all actions, proceedings, claims or damages made against the Indemnified Person as a result of:

- (a) any transaction entered into by Shaw on your behalf
- (b) any failure by you to settle
- (c) any other breach by you of this Clearing and Settlement Agreement
- (d) any breach by you of any other agreement with Shaw's Clearing Participant, or
- (e) any breach by you of any representation or warranty made or taken to have been made by you (including without limitation in relation to any disclosure to be made in respect of sale Orders) not being true or correct,

other than to the extent that the loss has resulted from Shaw's Clearing Participant's negligence, wilful default or fraud.

## 20. Information

- 20.1 You warrant that all information provided by you to Shaw or Shaw's Clearing Participant is, or will be when given, accurate, true and correct and further agree to immediately notify Shaw and Shaw's Clearing Participant in writing upon becoming aware that such information is no longer accurate, true and correct. You agree that Shaw's Clearing Participant and Shaw may share such information, as well as your account details and information regarding your transactions in Traded Products with each other and with Shaw's Clearing Participant's related bodies corporate on a confidential basis as Shaw's Clearing Participant considers appropriate. You also consent to Shaw's Clearing Participant and/or Shaw disclosing this information and your account details to any regulatory authority, and consent to Shaw's Clearing Participant and/or Shaw using such information and your account details for the purposes of monitoring compliance by you, Shaw and/or Shaw's Clearing Participant with their respective regulatory and contractual obligations, and resolving disputes. Your personal information may be disclosed to credit checking agencies as permitted by law.
- 20.2 You may request access to the personal information that Shaw's Clearing Participant holds about you.

## 21. Complaints

- 21.1 You have a right to complain about any aspect of your dealings with Shaw's Clearing Participant, and to have that complaint dealt with in accordance with Shaw's Clearing Participant's complaint resolution procedures. A summary of those procedures is set out below.
- 21.2 However, if your complaint relates to services provided by Shaw, your complaint should be dealt with in accordance with Shaw's complaint resolution procedures in its FSG. If you have such a complaint please contact Shaw.
- 21.3 You have the right to have any complaint about the service you have received from Shaw's Clearing Participant, or any other aspects of your dealings with Shaw's Clearing Participant, investigated and dealt with as quickly as possible in accordance with Shaw's Clearing Participant's complaints resolution procedure.
- 21.4 To assist Shaw's Clearing Participant to respond appropriately to complaints, you are asked to set out complaints in writing, addressed to the Compliance Manager. You should include as much detail about the circumstances of your complaint as possible, including the name(s) of any of Shaw's Clearing Participant staff involved. If available, copies of any background documentation should also be provided.
- 21.5 Following receipt of your complaint, the Compliance Manager will acknowledge receipt of it in writing and provide an estimate of the time it will take to investigate the circumstances. The Compliance Manager will fully investigate your complaint and follow up if further information is required from you. The Compliance Manager will then prepare a detailed written response to you after consideration of all relevant documents and following interviews with the involved employees and their manager(s), if required. The written response will be mailed or delivered to you.
- 21.6 As Shaw's Clearing Participant is a member of the Australian Financial Complaints Authority (AFCA), it will advise you, if you continue to have a complaint that you have the option to pursue your complaint, with AFCA. AFCA's contact details are:

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

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

## 22. Compensation Arrangements

- 22.1 As Shaw's Clearing Participant is a Participant of one or more Relevant Exchanges, you may be entitled to make a claim on a compensation fund (such as the National Guarantee Fund (NGF) or the Chi-X Fidelity Fund) in the circumstances specified under Part 7.5 of the Corporations Act and the Corporations Regulations 2001 (Cth). For more information on the circumstances in which you may make a claim or for information about compensation arrangements generally, contact the Securities Exchanges Guarantee Corporation Limited ABN 19 008 626 793 (in relation to queries about the NGF) or in relation to another Relevant Exchange, that Relevant Exchange.
- 22.2 Shaw's Clearing Participant has professional indemnity insurance which Shaw's Clearing Participant considers is adequate having regard to:
- the volume and types of business carried on by it
  - the number and types of its clients
  - the number of its representatives, and
  - any particular or potential claims that may arise pursuant to our participation in external dispute resolution schemes, including the AFCA scheme.
- 22.3 Shaw's Clearing Participant considers that these compensation arrangements satisfy the requirements of s912B of the Corporations Act and associated regulations.

## 23. Joint Holder

- 23.1 If you are a joint holder, this Agreement binds each person jointly and severally, and each person is authorised to issue instructions to Shaw and give receipts to Shaw's Clearing Participant in relation to any purchase or sale of Traded Products or other matters to which this Agreement relates.

## 24. Amendment

- 24.1 This Clearing and Settlement Agreement may be amended from time to time. Shaw's Clearing Participant will give you 10 Business Days' notice of any amendment, after which time, the amendment will become effective.

## Fourth Part – Direct Debit and Credit Agreement

If you have elected in Section F of the Client Account Opening Form to settle trades by providing a Direct Debit and Credit Authority (Direct Debit Authority), you:

- (a) request and authorise Pershing (Debit User Identification number 483229) (Shaw's Clearing Participant) to arrange for any amount which you owe to it or Shaw from time to time to be debited through the Bulk Electronic Clearing System and paid to Shaw's Clearing Participant from the account you have nominated in the Direct Debit Authority
- (b) authorise Shaw's Clearing Participant to debit in accordance with the Direct Debit Authority the account nominated by you in the Client Account Opening Form any amount Shaw's Clearing Participant may debit or charge you, and
- (c) acknowledge having read and understood, and agree to be bound by, the terms in the Direct Debit and Credit Agreement below.

### 1. Definitions

In this Direct Debit and Credit Agreement:

**Account** means the bank account identified in Section F of the Client Account Opening Form, but only if that account is held with a Financial Institution.

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

**Debit Day** means the day that payment is due from you to Shaw's Clearing Participant.

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

**Direct Debit** means the direct debit request which you make to Shaw's Clearing Participant by completing the Direct Debit Authority and signing that authority.

**Financial Institution** means a financial institution with whom Shaw's Clearing Participant has a direct debit facility arrangement. Please contact your Adviser to check whether Shaw's Clearing Participant has a direct debit facility arrangement with Your Financial Institution.

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

### 2. Debiting the Client's Account

- 2.1 By completing the Direct Debit Authority in Section F of the Client Account Opening Form and signing in the manner prescribed, you authorise Shaw's Clearing Participant to arrange for funds to be debited from the Account and you warrant and represent that you are duly authorised to request the debiting of payments from the nominated bank account.
- 2.2 Shaw's Clearing Participant 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, Shaw's Clearing Participant may direct Your Financial Institution to debit the Account on the following Banking Day. If you are unsure about the day on which the Account has or will be debited, you should ask Your Financial Institution.

### 3. Your Obligations

- 3.1 It is your responsibility to ensure that there are sufficient clear funds available in the Account to allow a Debit Payment to be made in accordance with the Direct Debit request.
- 3.2 If there are insufficient funds in the Account to meet a Debit Payment:
  - (a) you may be charged a fee and/or interest by Your Financial Institution
  - (b) you may also incur fees or charges imposed or incurred by Shaw's Clearing Participant, 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 Shaw's Clearing Participant can process the Debit Payment.
- 3.3 You should check the Account statement to verify that the amounts debited from the Account are correct.
- 3.4 If Shaw's Clearing Participant is liable to pay Goods and Services Tax (GST) on a supply made in connection with this agreement, then you agree to pay Shaw's Clearing Participant on demand an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## 4. Changes

- 4.1 You may request deferment of, alteration to or suspension of these direct debit arrangements or stop any debit item by providing signed written instructions to Shaw or your Adviser.
- 4.2 You may also cancel your authority for Shaw's Clearing Participant to debit the Account by providing notice to your Adviser.
- 4.3 Shaw's Clearing Participant may make changes or terminate these arrangements at any time by giving 14 days notice in writing to you.

## 5. Dispute

- 5.1 If you believe that there has been an error in debiting the Account, you should notify Pershing directly on +61 2 8999 4000 and confirm that notice in writing as soon as possible by faxing to +61 2 8999 4099 or posting to GPO Box 5343, Sydney NSW 2001.
- 5.2 If Shaw's Clearing Participant concludes as a result of our investigations that the Account has been incorrectly debited Shaw's Clearing Participant will arrange for Your Financial Institution to adjust the Account accordingly. Shaw's Clearing Participant will also notify you in writing of the amount by which the Account has been adjusted.
- 5.3 If Shaw's Clearing Participant concludes as a result of our investigations that the Account has not been incorrectly debited Shaw's Clearing Participant will provide you with reasons and any evidence for this finding.
- 5.4 Any queries about an error made in debiting the Account should be directed to Shaw's Clearing Participant in the first instance (and not to Your Financial Institution) so that Shaw's Clearing Participant can attempt to resolve the matter with you. If the matter cannot be resolved in this manner Shaw's Clearing Participant may refer it to Your Financial Institution which will obtain details from you of the disputed transaction.

## 6. Accounts

- 6.1 Shaw's Clearing Participant recommends that you:
  - (a) confirm with Your Financial Institution whether direct debiting through the Bulk Electronic Clearing System (BECS) is available from the Account as direct debiting may not be available on all accounts offered by Your Financial Institution, and

- (b) check that the Account details provided to Shaw's Clearing Participant are correct by checking them against a recent Account statement. If unsure, you should check with Your Financial Institution before completing the Direct Debit request.

## 7. Confidentiality

- 7.1 Shaw's Clearing Participant will keep any information (including Account details) in your Direct Debit Authority confidential.
- 7.2 Shaw's Clearing Participant will only disclose information that it has about you:
  - (a) to the extent specifically required by law
  - (b) for the purposes of this Direct Debit and Credit Agreement (including disclosing information in connection with any query or claim), or
  - (c) as permitted by the Terms.

## 8. Governing Law

- 8.1 These terms are governed by the laws in force in New South Wales.

# Explanation of Client Classifications and Advice Types

Set out below is an explanation of client classifications and advice types used by Shaw and its Advisers.

## Client classifications

Legislation that draws a distinction between Wholesale and Retail Clients is aimed squarely at bolstering protection for Retail Clients in the financial advice process. At the same time, allowing clients to be classified as wholesale enables those with the skills, desire and experience to participate in wholesale markets and invest in more complex products.

For Advisers, the distinction is important, not only because the compliance obligations and advice process differs significantly between these two types of clients, but also because the investment opportunities and access to certain products also differ.

At Shaw clients are classified as either Institutional or Private clients. A Private Client is deemed a Retail Client unless they are a Wholesale Client.

Institutional Client is limited to companies that have an Australian financial services licence, are listed companies (or a wholly owned subsidiary of a listed company), are regulated by the Australian Prudential Regulatory Authority or are equivalent overseas organisations.

Private Client are all clients other than Institutional Clients.

Wholesale Clients are Private Clients that provide to Shaw a current Sophisticated Investor Certificate in accordance with section 708(8)(c) and/or section 761G(7)(c) of the Corporations Act or a Professional Investor Declaration stating that the client controls at least \$10 million.

Retail Client includes all other clients that are neither an Institutional or a Wholesale Client.

## Advice types

Retail Clients may be provided with Personal Advice, General Advice or not receive advice using Shaw's services on an Execution Only basis, as discussed in our FSG above.

The law is less prescriptive about the advice process for Wholesale Clients compared to Retail Clients, which means an Adviser's obligations are greatly reduced:

- Retail clients must receive a Financial Services Guide (FSG), Statement of Advice (SOA) and where appropriate, a Product Disclosure Statement (PDS). Wholesale clients are not required to receive any of these documents.
- Retail clients enjoy all of the consumer protections set out in the Future of Financial Advice (FOFA) reforms. Wholesale clients generally do not.
- Wholesale Clients have access to a wider range of investments and products compared to Retail Clients.

Institutional and Wholesale Clients that receive any advice are required to consider the appropriateness of that advice for themselves.

## Assessment of Risk Profile and Investment Objectives

In providing Personal Advice to Retail Clients a Statement of Advice will set out your Adviser's understanding of your Risk Profile and Investment Objectives. It is essential that you carefully consider these matters, among others, to ensure they are an accurate assessment of those aspects of your Personal Circumstances. Your Risk Profile and Investment Objectives as set out in a Statement of Advice will be relied upon by your Adviser to provide appropriate Personal Advice to you.



## Risk Profiles

Your attitude to market movements and losses is commonly referred to as risk tolerance. The more you are willing to tolerate short-term volatility, the greater the prospect you may achieve a higher return because more of your portfolio can be invested in growth assets. A lower risk and therefore lower return portfolio may be more suitable if you are not prepared to tolerate short-term market movements.

As a Retail Client that receives Personal Advice you will be classified as having a Risk Profile being either 'Very Low', 'Low', 'Medium', 'High' or 'Very High'. An explanation of each Risk Profile is as follows:

- **Very Low** - You seek a return of income and growth with minimal risk to your investment capital. You have the capacity to tolerate limited volatility in the market. You acknowledge that your strong preference to avoid risk with your investment will substantially limit the growth prospects of your portfolio.
- **Low** - You seek a return of income and growth at a low level of risk to your investment capital. You have the capacity to tolerate limited volatility in the market. You acknowledge that your preference to minimise risk to your investment capital will limit the growth prospects of your portfolio.
- **Medium** - You seek a moderate level of return of income and growth at a moderate level of risk to your investment capital. You have some capacity to tolerate volatility in the market.
- **High** - You seek a high level of return of income and growth at a high level of risk to your investment capital. You have a substantial capacity to tolerate volatility in the market and tend to invest a portion of your portfolio in speculative investments that take advantage of that volatility.
- **Very High** - You seek a very high level of return of income and growth at a very high level of risk to your investment capital. You not only have substantial capacity to tolerate volatility in the market, you are willing to potentially risk your entire capital to achieve these objectives and, in the case of transactions in derivatives, you acknowledge the possibility that you will be called to provide additional capital.

## Investment Objectives

Investments generate returns through either or a combination of income (such as dividends and interest), and capital growth (increasing share prices). If you do not rely on regular interest and dividends you are generally able to target a higher return by focusing on investments that are more likely to generate capital growth.

As a Retail Client that receives Personal Advice you will

be classified as having at least a Primary Investment Objective and possibly a Secondary Investment Objective selected from the following 7 possible Investment Objectives:

### Conservative

**Objective** – your objective is to preserve your capital. Depending on your particular requirements, this may mean you require a high level of liquidity with respect to your investments. You are only suited to cash products and fixed income securities which deliver reliable income streams and have a low volatility of returns.

**Suitability** – you are focused on preserving capital and you are willing to sacrifice growth in order to achieve this. You are not concerned about the impact of inflation and taxation on the value of your investments.

**Risks** – your level of performance will be low relative to other investments and as a result, inflation and taxation will likely diminish the value of your portfolio in real terms over time.

### Income

**Objective** - your objective is to invest in Financial Products that produce higher levels of current income, in the form of dividends and interest, as compared to listed equities which have the potential of higher capital appreciation or growth of income. Investments that fall under this objective may provide little (if any) capital appreciation. Other than writing covered calls and purchasing put options for protection, you are not suited to transacting in Derivatives.

**Suitability** - you are seeking a return which is superior to a basic deposit product and are willing to accept a greater level of risk in order to achieve this.

**Risks** - as with any portfolio containing growth assets, you will be exposed to some capital risk and short term volatility. Depending on the securities recommended, there is a below average level of risk of volatility and loss of capital when compared with other investment objectives.

### Balance of Income & Growth

**Objective** - your objective is to achieve returns from a mix of listed asset classes with regard to both income and growth. Investments that fall under this objective typically provide the potential for both capital appreciation and income.

**Suitability** - you are looking for a well-rounded portfolio and are willing to sacrifice some growth in order to obtain the various advantages of receiving income and vice versa.

**Risks** - as with any portfolio containing growth assets, you will be exposed to some capital risk and short term volatility.

### Growth

**Objective** - your objective is to invest in financial



products that have the potential for higher capital appreciation as against listed equities that produce higher levels of current income. Investments that fall under this objective may provide little (if any) income, and typically experience higher fluctuations in price over the short term.

Suitability - your preference is to accept a greater level of capital risk and volatility in order to achieve superior performance in the medium to long term.

Risks - there is risk of loss of capital and volatility of returns.

### **High Growth**

Objective - your objective is to invest in Financial Products that have the potential for very high levels of capital appreciation and that will likely produce no income. Investments that fall under this objective will almost certainly fluctuate in value.

Suitability - your preference is to accept a significant risk to your capital in order to obtain the potential for greater growth.

Risks - there are significant risks of loss of capital and volatility, over the short to medium term.

### **Speculative**

Objective - your objective is to obtain high long-term gains and you are prepared to transact in financial products which are high risk and speculative in order to achieve this. You are willing to forego balance and diversification in your portfolio in order to achieve this. Companies that are the subject of speculative investments generally do not have an established track record of earnings/dividends, are not profitable and/or have unproven business models.

Suitability - you have capital which is surplus to your living or investment requirements and are looking to achieve a high level of outperformance using this surplus capital.

Risks - You acknowledge that you face a very high level of risk to your capital, and volatility of returns. These risks will increase where your level of diversification is lower and your investment time horizon is shorter. Speculative investments are suited to experienced investors with surplus capital to their requirements.

### **Trading**

Objective - your objective is to trade on movements in the price of financial products with a view to obtaining capital appreciation over the short term. Transactions that fall under this objective are unlikely to provide any income in the form of dividends and interest.

Suitability - you are prepared to take a short term view as to a particular security or market event in order to achieve outperformance.

Risks - in order to achieve outperformance, you will

typically look for volatile securities which will expose you to high risk of loss of capital. You are taking a view as to price movements in the short term which may arise from financial products being mispriced by the market. This view may be proven wrong if your assumptions are not borne out or if there are subsequent unexpected events or unexpected market movements.

## **Review**

Shaw will inform you of your classification as a client by the types of documents we send or receive from you, by way of example:

- Statements of Advice are only sent to Retail Clients that are provided Personal Advice (post 1 July 2016),
- Letters of Acknowledgement and Consent are provided to Shaw by only Retail Clients that seek General Advice or Execution Only services; and
- Sophisticated Investor Certificates or Professional Investor Declarations are only provided to Shaw by Wholesale Clients.

You can also check your classification as a client at any time by reviewing your account through Shaw and Partners Online.

If you believe your client classification is in error or the type of advice you are receiving is not in keeping with the documents you have been sent by your Adviser, or provided to Shaw, please call Shaw and Partners' Head of Compliance immediately on (02) 9238 1238 so that we may review and if necessary remedy the matter.

Due to the nature of personal advice, it is important that you immediately notify your Adviser if your personal circumstances change. It is important to realise that your Adviser can only make recommendations based on the information provided by you. Without all the necessary information, the advice given may not be appropriate for your personal circumstances

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# ShawandPartners

## Sydney | Head Office

Level 15, 60 Castlereagh Street  
Sydney NSW 2000

Telephone: +61 2 9238 1238  
Fax: +61 2 9232 1296  
Toll Free: 1800 636 625

## Brisbane

Level 28, 111 Eagle Street  
Brisbane QLD 4000

Telephone: +61 7 3036 2500  
Fax: +61 7 3036 2599  
Toll Free: 1800 463 972

## Adelaide

Level 23, 91 King William Street  
Adelaide SA 5000

Telephone: +61 8 7109 6000  
Fax: +61 2 9232 1296  
Toll Free: 1800 636 625

## Melbourne

Level 20, 90 Collins Street  
Melbourne VIC 3000

Telephone: +61 3 9268 1000  
Fax: +61 3 9650 2277  
Toll Free: 1800 150 009

## Perth

Level 14, 197 St Georges Terrace  
Perth WA 6000

Telephone: +61 8 6188 7643  
Fax: +61 8 6188 7607  
Toll Free: 1800 636 625

## Canberra

Level 7, 54 Marcus Clarke Street  
Canberra ACT 2600

Telephone: +61 2 6113 5300  
Fax: +61 2 6113 5399  
Toll Free: 1800 636 625

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

**Email:** [enquiries@shawandpartners.com.au](mailto:enquiries@shawandpartners.com.au)

Shaw and Partners Limited

ABN 24 003 221 583

Participant of ASX Limited, Chi-X Australia  
Pty Limited and holder of Australian Financial  
Services Licence Number 236048

All data in this document is current as at  
1 November 2018 and is subject to change.

ShawandPartners