

Commonwealth Securities Limited (CommSec) ABN 60 067 254 399

Australian Financial Services Licence Number: 238814

Registered Office: Ground Floor Tower 1,  
201 Sussex Street, Sydney NSW 2000, Australia

Effective Date: 27 November 2020

# Trading Terms and Conditions

# Terms and conditions

Commonwealth Securities Limited (CommSec) ABN 60 067 254 399 AFSL 238814 is a participant of the ASX Group and Chi-X Australia Pty Limited (Chi-X).

CommSec is a wholly owned but non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 (**Commonwealth Bank**).

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

- Part 1** – Customer Information and Privacy
- Part 2** – General Terms and Conditions
- Part 3** – General Conditions of Trade
- Part 4** – Trading Rules
- Part 5** – Conditional Order Instruction
- Part 6** – Direct Debit/Credit Request Service Agreement
- Part 7** – Terms and Conditions of CHESSE Sponsorship

In these Terms and Conditions, references to “you” means each account holder and owner of a holding, jointly and severally.

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

In Parts 2, 3, 4, 5, 6 and 7 of these Terms and Conditions, references to “us”, “we” or “our” are references to CommSec.

**Please keep these Terms and Conditions for future reference.**

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## PART 1. CUSTOMER INFORMATION AND PRIVACY

### What information we collect

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

### Why we collect your information and what we use it for

2. We collect your information because we are required to identify you in accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and in order to comply with taxation laws, such as the *Taxation Administration Act 1953* and the *Income Tax Assessment Act 1936*. We also collect it to administer our customer relationships and internal processes including risk management and pricing, under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to). If you don't want to receive marketing information you can opt out on our website at **commsec.com.au**.
3. If you give us your electronic and telephone details, you agree we may use this to communicate with you electronically, by phone or SMS including providing updates, reminders and (unless you tell us not to) marketing information.
4. You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require. If you change your personal details (e.g. address, name or email address) you must tell us straight away.

### Who we may exchange your information with

5. We may exchange your information with other members of the Group who may use your information for any of the purposes we can.
6. We may also exchange your information with others outside the Group, for example:
  - › your representatives, advisers, brokers and agents, and their service providers;
  - › our service providers and those who refer business to us;
  - › market operators, operators of clearing and settlements facilities, share and other registries, regulatory and government authorities;
  - › platform providers, issuers of financial products, other financial institutions, and other bodies (for example, if you do not perform your obligations under a share trade).
7. Sometimes it may be necessary to send your information overseas - for example, where we outsource functions overseas, send information

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

### Our Group Privacy Policy

8. Our Group Privacy Policy is available on our website at commsec.com.au (follow the Privacy Policy link) and should be read in conjunction with the above. It contains further details about our information collection and handling practices including information about:
  - › other ways and reasons we may collect, use or exchange your information;
  - › how you may access and seek correction of the information; and
  - › how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.
9. We encourage you to check our website regularly for any updates to the Policy.

### Additional Obligations

10. We may be subject to laws or regulations in Australia or another country that affect your relationship with us (e.g. laws that address taxation). So that we may comply with our obligations under these laws or regulations, we may:
  - › require you to provide information about you or your product;
  - › disclose any information we are required to concerning you (including sending your information overseas);
  - › withhold an amount from a payment to you if required to do so, and if we do, we will not reimburse you for the amount withheld; and/or
  - › take such other action as is reasonably required, including, for example, closing your account.

### How to contact us

11. For privacy-related enquiries, please contact us by calling **13 15 19** as we aim to resolve your query or complaint at your first point of contact with us, however if you have tried to resolve your complaint and are not satisfied with the outcome, you may also contact our Customer Relations team directly by calling **1800 805 605**, or writing to the address in our Group Privacy Policy.

## PART 2. GENERAL TERMS AND CONDITIONS

### General

1. These Terms and Conditions apply to all dealings between you (the **Client**) and us, CommSec. This includes dealings related to securities trading on a CommSec platform (the CommSec website at commsec.com.au, telephone, apps, CommSecIRESS, Web IRESS and Mobile IRESS) (collectively, the **CommSec Platforms**) and access to the content and functionality available through the CommSec Platforms.
2. You acknowledge that you have read and agree to be bound by these Terms and Conditions. Where there is more than one account holder, you acknowledge that all account holders and owners of the holding have read and agree to be bound by these Terms and Conditions.

### Your commitment

3. You warrant that all information provided by you in your application is complete and correct and is not misleading, and agree that we may rely on that information unless and until we receive written notice of any change signed by you or through a facility provided by us. Any such varied information will be covered by this warranty.
4. You warrant, if you are a company, that CommSec is able to rely on the Australian Securities and Investments Commission company search of you as being up to date and correct at all times.
5. You agree to notify us either in writing or through a facility provided by us of changes in information that are relevant to any dealing or proposed dealing. Email is not an acceptable method of notification. Information which is relevant to any dealing includes your:
  - (i) name
  - (ii) postal address
  - (iii) contact phone number, facsimile number and email address
  - (iv) bank account details
  - (v) settlement instructions
  - (vi) authorised representatives and particulars of that authorised representative as set out in (i) to (iii) above.
6. If you are a trustee, you warrant that you have full power and authority to enter into these arrangements and to exercise the rights and perform the obligations under these arrangements.

- 7(a).** You undertake not to reveal any access code, number or password for your account, not to otherwise allow or cause any unauthorised person to access, or to facilitate any unauthorised person accessing your account via any device app of ours and not to allow any unauthorised person to issue instructions on your account. You agree to abide by the following:
- › not tell anyone your code or let anyone find out your code - not even family or friends;
  - › not let anyone watch you enter your code;
  - › if codes are advised by letter or electronically we suggest that they be memorised as soon as the correspondence is received. The letter or electronic message should then be destroyed or deleted. This is the safest policy;
  - › make a reasonable attempt to disguise the code in any record - that is, scramble the details in such a way that others will not be able to decode;
  - › not allow or cause a fingerprint or facial identification record of another person to be used to permit another person to transact on your account through any device app of ours; and
  - › not to otherwise allow or cause another person to access your account through any device app of ours by the use of your fingerprint or face identification.
- 7 (b).** We are not liable to reimburse you if an unauthorised transaction occurs on your account and you or any other user have not made a reasonable attempt to disguise a code or to prevent unauthorised access to the code record. We are also not liable to reimburse you if an unauthorised transaction occurs on your account and you either allowed or caused a fingerprint or facial identification record of another person to be used to permit an unauthorised person to transact on your account through any device app of ours, or you allowed or caused another person to access your account through any device app of ours by the use of your fingerprint or face identification. For example, we will not consider that a reasonable attempt has been made to disguise a code if you or any user only:
- › recorded the code in reverse order;
  - › recorded the code as a 'phone' number where no other 'phone' numbers are recorded;
  - › recorded the code as a number, prefixed by a telephone area code;
  - › recorded the code as a series of numbers or words with any of them marked, circled or in some way highlighted to indicate the code;
  - › recorded the code disguised as a date (e.g. 9/6/63) where no other dates are recorded;
- › recorded the code in an easily understood code (e.g. A=1, B=2); or
- › self-selected a code which is an obvious word or number or one that can be found in a purse or wallet or can be easily guessed by someone else (such as a date of birth, middle name, family member's name or driver's licence number).
- 7(c).** You are responsible for all fraudulent, illegal or unauthorised dealings on your account which are attributable to your conduct, and you release, discharge and indemnify us and our Related Bodies Corporate (as defined in the Corporations Act 2001 (Cth)) (the **Group**) and our directors, employees, agents and representatives in relation to all liability in this regard.
- 8.** You acknowledge and agree that any search tools or calculators available on a CommSec Platform are provided solely for informative or illustrative purposes and should not be relied upon for the purposes of you making an investment decision or decision to purchase or sell any securities or influence your decision making and do not in any way constitute us giving you personalised advice or making personalised recommendations or are intended to advertise or promote any specific financial product. You should consider obtaining advice from a financial services licensee before making any investment or financial decisions.

## Third party information

- 9(a).** You acknowledge that information or data on a CommSec Platform supplied by a third party service provider which is not associated or affiliated with the Group (**Third Party Provider (Third Party Information)**) are for informative purposes only and such Third Party Information do not in any way constitute our personalised advice or personalised recommendations.
- 9(b).** A number of features on the CommSec Platforms may be offered or processed through a Third Party Provider. Unless otherwise noted, all authority granted to us, or limitations of liability to us, shall include all members of the Group, our directors, officers, employees, agents, representatives and any service provider. We, a member of the Group or our agents acting on our behalf are authorised to provide the services contemplated by these Terms and Conditions.
- 9(c).** You agree that we are not responsible for any Third Party Information available on a CommSec Platform and we make no warranties, express or implied, as to any such Third Party Information. You acknowledge and agree that such Third Party Information do not reflect our opinions or policies and we do not verify the accuracy or completeness of such Third Party Information.
- 9(d).** You agree that we do not act as a referrer for any Third Party Provider and we do not earn a commission for any referrals.
- 9(e).** You acknowledge and agree that we are not responsible for any third party advertisements or third party applications made available on a CommSec Platform and you access these third party advertisements or third party applications at your own risk.

## Recording of telephone calls

- 10(a).** You authorise us to record any telephone conversation(s) between you and us, with or without an audible tone warning device.
- 10(b).** You acknowledge that any recording is our property and that we reserve the right to charge you a cost recovery fee for access to a recording.
- 10(c).** You agree to record all relevant details of any conversation that you have with us, including the name of the operator and the date and time of the call, and you acknowledge that we will ask you for this information when you seek access to a recording.

## Variation

- 11(a).** We may from time to time vary these Terms and Conditions to:
- (i) add, change or remove any concessions or benefits;
  - (ii) adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, or ombudsman service regulator;
  - (iii) accommodate changes in the needs or requirements of our clients, such as new product features or services;
  - (iv) correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities;
  - (v) bring us into line with our competitors, industry or market practice or best practice in Australia or overseas; or
  - (vi) reflect changes in technology or our processes including our computer systems.
- 11(b).** Each of the changes in paragraphs 11(a)(i) to (vi) is a separate right and this clause is to be read as if such change was a separately expressed right.
- 11(c).** Without limiting our rights under paragraphs 11(a)(i) to (vi), we may from time to time vary any of the Terms and Conditions for reasons other than the ones mentioned above (e.g. due to unforeseen events).
- 11(d).** If we vary these Terms and Conditions, the changes shall apply to all dealings between you and us on and from the day on which the variation takes effect and your continued use of a CommSec Platform is an acceptance of the variation.
- 11(e).** Where we amend Parts 1, 2, 3, 4 or 5 of these Terms and Conditions, we will give not less than seven (7) days notice to you at the postal or electronic ("email") address last notified to us by you, or at our website or app.
- 11(f).** Where we amend Parts 6 or 7 of these Terms and Conditions, we will notify you in accordance with the provisions contained in those Parts.
- 11(g).** We may make a variation without prior notice where such variation is necessary to restore or maintain the security of our systems or any accounts.
- 11(h).** Also, we may use our Interactive Voice Response facility to notify you of change(s), and provide information about where you can access full details of the change(s).

## Notice

- 12(a).** Any notice, request, demand or other communication may be sent to your postal, facsimile or electronic address last notified to us and the notice, request, demand or other communication shall be taken to have been received by you:
- (i) when sent by email, one hour after we sent it;
  - (ii) when sent by facsimile transmission, when it has been sent;
  - (iii) when sent by mail, six (6) business days after we sent it;
  - (iv) when delivered, on the day of delivery.
- 12(b).** If you are a joint accountholder, a notice, request, demand or other communication sent to the postal, facsimile or electronic address last notified to us will be taken to be given to all of you.
- 12(c).** Any notice, request, demand or other communication that you send to us is taken to have been received by us when we receive it.

## Termination

- 13.** Subject to our other rights under these arrangements and the completion of any outstanding obligations:
- › these arrangements, other than Parts 6 and 7, may be terminated by either party giving not less than seven (7) days notice to the other party; or
  - › us, without prior notice to you, if you have not transacted on your account for a period exceeding 12 months and your account has a credit balance of less than \$10 and has no CHESS Sponsored holdings; and
  - › Parts 6 and 7 of these Terms and Conditions may be terminated in accordance with the provisions contained in those Parts.

## Liability

- 14.** Our liability under these Terms and Conditions is subject to any applicable contrary provisions in the Australian Securities and Investments Commission Act 2001 (Cth) and Competition and Consumer Act 2010 (Cth).
- 15.** If you are a consumer, as defined in consumer protection laws, our service comes with a non-excludable warranty under those laws that it will be carried out with due care and skill, and be reasonably fit for the purpose. If we breach any of those warranties you may be entitled to compensation. If you are not a consumer as defined in consumer protection laws, our liability for loss or damage is limited to resupplying the service to you or paying the costs of having the service resupplied to you. When you are a

consumer under consumer protection laws our liability is limited to resupplying the service to you or paying the costs of having the service resupplied to you, but only to the extent permitted by those laws.

- 16(a).** To the extent permitted by law, in no event shall we, any member of the Group or any of our officers, directors, agents, representatives or employees be liable for any damage, claim or loss incurred by you in connection with or arising from:
- (i) us undertaking your instructions;
  - (ii) us refusing to act on your instructions;
  - (iii) any failure by you to comply with these Terms and Conditions;
  - (iv) us not receiving your instructions;
  - (v) any dealing or proposed dealing is interrupted, unable to be completed or unable to take place due to the failure or delay of any telephone, computer or other electronic or technological service;
  - (vi) any error, omission or invalidity in your instructions;
  - (vii) any problems in relation to any exchange, Market Operator and/or failure of an exchange, including any error, omission, interruption, deletion, defect, delay in operation or transmission or any other factor;
  - (viii) market movements and other risks associated with dealing in securities;
  - (ix) us being unable to receive or act on your instructions due to circumstances that are beyond our reasonable control, including but not limited to riot or civil disturbance;
  - (x) our compliance with a direction, request or requirement of the Corporations Act 2001 (Cth) (Corporations Act), the Market Operating Rules or any regulatory authority;
  - (xi) your reliance on research reports provided by us;
  - (xii) your use of any Third Party Information;
  - (xiii) market movements and other risks associated with trading; or
  - (xiv) any insider trading, false or misleading trading, market rigging or market manipulation,
- including, without limitation, compensatory, incidental, direct, indirect, special, consequential or exemplary damages, irrespective of whether we have been informed of, knew of, or should have known of, the likelihood of such damage, claim or loss. This limitation applies to all causes of action in the aggregate.
- 16(b).** You acknowledge and agree that you shall not have access to any of the approved dispute resolution schemes to recover any loss or damage

you may suffer as a result of your reliance on any Third Party Information.

- 16(c).** You acknowledge and agree that your use of the CommSec Platforms or the Third Party Information is at your own risk.
- 16(d).** There are two different compensation arrangements that may provide protection for retail investors trading on Chi-X: NGF Arrangements or Division 3 Arrangements. This is because on 26 October 2020, Chi-X became a member of the SEGC, which operates the National Guarantee Fund (NGF).

**When do the NGF Arrangements apply?**

From 26 October 2020, the National Guarantee Fund (NGF) may apply in the circumstances set out in Division 4 of Part 7.5 of the Corporations Act 2001 and Corporations Regulations 2001. Transitional arrangements apply and these are set out on the SEGC's website at [www.segc.com.au](http://www.segc.com.au). For further information on the National Guarantee Fund and what it covers, please contact SEGC, see the SEGC website and refer to Division 4 of Part 7.5 of the Corporations Regulations 2001 (Cth).

**When do the Division 3 Compensation Arrangements apply?**

Where a retail investor suffers a loss in respect of conduct, a transaction or insolvency that occurred before 26 October 2020, that loss may be covered by the Division 3 compensation arrangements. Section 11 of the Chi-X Operating Rules outlines the Division 3 compensation arrangements, including the cessation of the arrangements on 25 October 2027 and the requirement, while the arrangements are in place, to make a claim no later than six months after becoming aware of the loss to which the claim relates. Section 11 also outlines that the losses covered by Division 3 are those resulting from devaluation or fraudulent misuse of your money, property or authority by a Chi-X participant.

## Indemnities

- 17.** In addition to any other indemnities contained in these Terms and Conditions, you agree to indemnify and hold us, the Group and our directors, officers, agents, representatives and employees harmless against any actions, claims, demands, proceedings, costs, damages, expenses, liabilities and losses (including without limitation legal costs on a solicitor and client basis) paid, suffered or incurred by us directly or indirectly as a result of:
- (a) us undertaking your instructions in respect of any dealings in securities;
  - (b) any failure by you to comply with these Terms and Conditions;
  - (c) your use of a CommSec Platform or any Third

Party Information in violation of these Terms and Conditions; or

- (d) any breach of your representations and warranties set forth in these Terms and Conditions.
- 18.** Each indemnity in these Terms and Conditions is a continuing obligation, which is independent of and separate from your other obligations, and survives termination of these Terms and Conditions.

## Severance

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

## Governing laws

- 20.** You acknowledge that these Terms and Conditions are governed by the laws of New South Wales, and you submit to the non-exclusive jurisdiction of the courts of New South Wales.
- 21.** If you choose to access a CommSec Platform from overseas, you are also responsible for complying with all relevant local laws.

# PART 3. GENERAL CONDITIONS OF TRADE

## Definitions

- 1.** In these General Conditions of Trade, "Proscribed Person" means a person who appears to us either:
- (a) to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth);
  - (b) to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism;
  - (c) to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or
  - (d) act on behalf, or for the benefit of, a person listed in subclauses (a) - (c).

## General

- 2.** These General Conditions of Trade apply to all dealings between you and us.
- 3.** All dealings between you and us are subject to:
- (a) the Corporations Act (including the ASIC

- Market Integrity Rules);
- (b) the Rules, directions, decisions and requirements from time to time of the operator of the market (**Market Operator**);
  - (c) the customs and usages of the market;
  - (d) the Rules and Procedures for the Clearing Facility operated by ASX Clear Pty Ltd (**ASX Clear**);
  - (e) the Rules and Procedures for the Settlement Facility operated by ASX Settlement Pty Ltd;
  - (f) the correction of errors and omissions; and
  - (g) the international and domestic anti-money laundering and counter-terrorism laws.
- 4(a).** Each dealing between you and us is also subject to the provisions of the relevant Confirmation issued by us and if there is any conflict between these General Conditions of Trade and those provisions, the provisions of the Confirmation shall prevail to the extent of the inconsistency.
- 4(b).** You acknowledge that the Confirmation is issued subject to:
- (i) the Rules, directions, decisions and requirements of the Market Operator, the ASIC Market Integrity Rules and the ASX Clear Operating Rules, and where relevant, the ASX Settlement Operating Rules;
  - (ii) the customs and usages of the market; and
  - (iii) the correction of errors and omissions.
- 4(c).** When you provide us with an electronic address ("email address") you authorise us to dispatch electronic Confirmations to your email address in respect of your dealings. It is your responsibility to ensure that your email address is operational and available for receipt of electronic Confirmations issued by us and to advise us of any change to your email address as soon as practicable after the change is made.
- 4(d).** You further acknowledge that at our discretion, we may:
- › provide you with access to a standing facility (**Standing Confirmation Facility**), through which you can obtain or view an electronic version of a Confirmation;
  - › issue paper based Confirmation to your postal address in lieu of electronic Confirmation at your email address, or in lieu of a Standing Confirmation Facility; or
  - › substitute electronic Confirmations with a Standing Confirmation Facility by giving you notice in accordance with these Terms and Conditions.
- 4(e).** If you do not wish to use the Standing Confirmation Facility, or you do not want to receive electronic Confirmations at your email address, you must notify us either in writing or through a facility provided by us.

- 4(f).** We may issue a further Confirmation if the previous one(s) contained any errors or omissions and, in this event, the further Confirmation shall supersede the previous one(s) in all respects.
- 5.** Each dealing between you and us is also subject to the Trading Rules at the time of dealing, and if there is any inconsistency between these General Conditions of Trade and the Trading Rules, the latter shall prevail to the extent of the inconsistency.
- 6(a).** You consent to your order being matched with an order of another client or an order we place as principal. Where your order is matched with another client order, we charge brokerage on both orders. We do not charge brokerage for the portion of your order that is matched with a principal order.
- 6(b).** In the event that you appear to be a Proscribed Person, we will not be responsible for any loss, damage, liability or costs incurred by you where we are unable to receive or act on your instructions.

## Your commitments

- 7(a).** You represent that at all times during your dealings with us you will be in a position to meet all your commitments and obligations arising from these dealings.
- 7(b).** You represent that when you wish to sell shares, you own those shares and that they are available for delivery, and when you wish to buy shares, you will have sufficient funds to pay for those shares at the time the order is placed, and at the time the order is settled.
- 7(c).** Where you have a margin lending account, you acknowledge that you are liable for:
- (i) all settlement obligations irrespective of whether your margin lender is able to deliver sufficient securities or funds to satisfy your obligations;
  - (ii) any over-sold positions on your account; and
  - (iii) the payment of monies owing on your account irrespective of whether the margin lender will advance you those monies.
- 8.** You agree that we may debit any of your accounts, or any margin lending facility, with monies that you owe us, e.g. unpaid settlement obligations.
- 9.** You acknowledge and agree that:
- (a) we are entitled to cancel or reverse a dealing or order without further reference to you where a Market Operator has recommended or required cancellation or reversal for market integrity reasons, or where the market was operating under an error, or where the cancellation or reversal is permitted under the Market Operating Rules;



- (b) the Market Operators are entitled under the Market Operating Rules to require cancellation or amendment of a dealing or order;
- (c) if you or a signatory appears to be a Proscribed Person, then we may immediately refuse to process or complete any transaction or dealing of yours; suspend the provision of a product or service to you; refuse to allow or to facilitate any of your assets held by us to be used or dealt with; refuse to make any asset available to you or to any other proscribed person or entity; or terminate these arrangements with you. We will be under no liability to you if we do any or all of these things. Our rights under this clause are in addition to all other rights we may have; and
- (d) if we exercise our rights under sub-clause 9(c), you must pay us any damages, losses, liabilities, costs or expenses that we incur in relation to any action taken under sub-clause 9(c), including without limitation administrative costs and/or costs of sale or purchase of any transaction or deal put in place for the purposes of meeting our obligations under these General Conditions.
10. You acknowledge that we do not give personalised advice or make personalised recommendations and that it is therefore your responsibility, before ordering the purchase or sale of any securities through us, to assess and evaluate the proposed transaction in light of your financial situation, investment objectives and particular needs.
11. You acknowledge that as soon as you become aware of an error or omission, you are responsible for taking necessary action to mitigate further loss within 24 hours of receipt of notification.

See Clause 12(a) of Part 2 – General Terms and Conditions for the definition of receipt. You acknowledge that time is of the essence in dealings with us.

## Market information

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

available to any other person or company, in any manner, including by way of downloading, copying, reproducing, adapting, publishing, selling, or distributing the Market Information, without our express written consent, which we may grant with or without conditions.

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

## Account aggregation

13. If we permit you to aggregate your accounts with one client ID and password, you authorise anyone who has access to your account through aggregation to have full use of any of the accounts, including trading privileges. You also acknowledge that where the accounts are aggregated, the person who is authorised to have access to your account will be able to have access to your personal information on any accounts that have been aggregated.

## Your instructions

14. We will only act within the parameters of your instructions in accordance with our Best Execution Policy.
15. If you are a body corporate, you acknowledge that we reserve the right at any time to request a guarantee from all or any one of your directors in such form as we may reasonably require relating to your obligations under these arrangements.
16. We are not obliged to accept any application or instruction to trade, nor are we obliged to provide you with reasons for refusing your application or instruction to trade. If we consider it is in our reasonable interest to do so, we may decline to act on your behalf in relation to any particular dealings, without explanation or advance notice. Additionally, we may decline to act on your behalf:
- › where the original instruction is more than 20 business days old and is not reconfirmed at that time;
  - › where the basis of quotation for the security has changed and the order has not been reconfirmed;
  - › where the security has been subject to a trading halt and the order has not been reconfirmed;
  - › where the Market Operator has purged the order from the Market Operator's trading platform;
  - › where we believe the transaction would result in no change of beneficial ownership;
  - › where we believe the transaction would have the effect, or is likely to have the effect, of creating a false or misleading appearance of active trading in any securities or with

respect to the market for, or the price of, any securities; or

- › where we believe the instructions are ambiguous, incomplete or unclear.

- 17(a).** If more than one person constitutes the Client, then they are jointly and severally bound by these arrangements and we are entitled to act upon the instructions of any one of those persons.
- 17(b).** We are entitled to assume that any instruction received from your individual Client ID and password originates from You or the authorised representative to whom the Client ID and password is assigned and that such instruction is a valid instruction to access the services. We are not obliged to inquire into the validity of any such instruction received.
- 18.** You acknowledge that we are not responsible for missed market opportunities during the time it takes us, acting reasonably, to follow our internal procedures or the procedures of share registries or product issuers, for example, processing corporate actions including but not limited to buy backs or share purchase plans, opening accounts, transferring Participant Sponsored Holdings or Issuer Sponsored Holdings or confirming your identity.
- 19(a).** You acknowledge that we will make all reasonable attempts to enter your instructions to buy or sell securities as quickly as possible. However, should delays be experienced:
- (i) in connection with the number of participants or persons attempting to participate in the market at a point in time;
  - (ii) due to verification or authorisation processes; or,
  - (iii) due to delays resulting from call waiting time or adherence to internal procedures,
- we will not be liable for any claims for lost opportunity.
- 19(b).** You acknowledge that we will make all reasonable attempts to effect any instructions to cancel or amend orders as quickly as possible. However, should an order be filled prior to a cancellation or amendment instruction being effected, you will be obliged to accept the transaction(s) on the original terms. Whilst all reasonable attempts will be made to inform you when the order is filled prior to an amendment or cancellation instruction being effected, we are not obliged to do so.
- 19(c).** You acknowledge and accept that there may be delays in processing between the time an amendment or cancellation instruction is dealt with by us and the time the amendment or cancellation is effected on market. In the event an order is filled between the time it has been 'approved' by us and the time we effect the instruction on market, you will be obliged to accept the transaction on the original terms.
- 19(d).** If you are uncertain as to whether your order has been received you will make all reasonable attempts to verify whether the order has been received, approved and effected prior to taking any further action. You agree to issue specific cancellation or amendment instructions with respect to an existing order and not to attempt to effect such changes by placing a second or duplicate order. You will be solely responsible and liable for any duplicate instruction that you place.
- 19(e).** You acknowledge that we are not liable to you for any loss you incur under a share purchase plan due to a seller or buyer or their broker failing to complete a transaction in accordance with the rules or procedures of the market, the clearing facility or the settlement facility.
- 19(f).** If you purchase on market a holding of rights for a security that is traded separately to the security, you acknowledge that we automatically exercise those rights on your behalf unless you tell us not to exercise them.
- 19(g).** In the course of processing a sell order for a security, we may remove your holding of the security from the register before the due date for settlement under the Market Operating Rules.
- 19(h).** If, in our reasonable opinion, we believe there is a dispute between us about an order or instruction you have given us, for example, the number of shares you have asked us to buy, or the bid price for shares, we may take, without prior notice to you, any action which in our reasonable opinion we consider necessary to close any open position the subject of the dispute, for example, by selling shares.
- 19(i).** You acknowledge that, due to market conditions, we may complete your order by multiple market transactions, across multiple markets in accordance with our Best Execution Policy and you authorise us to accumulate those transactions on a single Confirmation and specify the volume weighted average price for those market transactions.
- 20.** You agree that CommSec is authorised to transfer any security of yours held on the CHESS sub-register to the register or registers maintained by the Issuers of those securities (i.e. transfer your holding from Participant Sponsored to Issuer Sponsored). You agree that CommSec may do so at its sole discretion. CommSec will provide you with notice before doing so or as soon as reasonably possible after doing so.

## Authorities

- 21.** When you open a CommSec account you will need to make an election whether you authorise us to provide details of your Commonwealth Direct Investment Account (CDIA) held with Commonwealth Bank through the Bulk Electronic Clearing System to share registries, together

with an instruction on your behalf to deposit the dividends from your CHESS sponsored holdings into your CDIA. Where you do not make such an election, you will need to provide your nominated account details to share registries yourself. If you hold shares in a company that does not support electronic payment of dividends, you may still receive dividend cheques sent to your registered address.

- 22.** You agree to pay our normal costs associated with your trades, including, without limitation, brokerage and administration fees and to reimburse us for any extraneous costs, such as GST, for share transactions made on your behalf. Full details of our current fees and the schedules of our standard fees and charges may be obtained by visiting our website at [commsec.com.au](http://commsec.com.au) or by calling us on **13 15 19**.
- 23.** You authorise us to appropriate any credits, payments and other receipts from you or your account in such manner and order as we think fit against any amounts due or owing by you to us or otherwise.
- 24.** You acknowledge that we may pay money that we have received for you into a trust account, for example, if we cannot effect payment into your nominated bank account, and that we retain any interest earned on such money.

## Acceptable settlement methods

- 25.** We accept payment for settlement by direct debit from your nominated settlement account, BPay or from your margin lending facility. We do not accept cheques as a method of payment for settlement purposes.

## Failure to settle

- 26.** If by the settlement date shown on any Confirmation we have not received the relevant payment due, you agree to pay us:
- interest on the amount outstanding from time to time at the Commonwealth Bank Overdraft Index Rate plus 3%, calculated daily; and
  - a late settlement fee determined by us from time to time to cover our reasonable costs and expenses arising from your failure to settle by the due date together with any applicable GST.
- 27.** If by the settlement date shown on any Confirmation you have not delivered to us the relevant certificates or security holder information, you agree to pay us:
- any fail fees levied by a Market Operator or ASX Clear; and
  - a late settlement fee determined by us from time to time to cover our reasonable costs and expenses arising from your failure to settle by the due date together with any applicable GST.
- 28.** We may suspend your account at any time and

without notice to you if you fail to settle on time for orders we have executed for you.

- 29.** If, after a demand, you have not delivered to us the relevant certificates or security holder information, or payment due, then:
- (a) you direct us to buy back or sell on your behalf any of the securities that are the subject of the contract;
  - (b) you authorise us to sell any other securities outstanding on your account, or any securities in our control or possession (except, in each case, shares in Commonwealth Bank, unless the shares are subject of a trade that has failed to settle.); and
  - (c) you agree to indemnify us against all costs, expenses and losses incurred, including brokerage, GST, fail fees levied by a Market Operator or ASX Clear and bank fees, resulting from your failure to settle by the due date.

## Foreign Ownership Restricted Security

A Foreign Ownership Restricted Security is a security listed as a "FOR Financial Product" in Schedule 1 to the ASX Settlement Operating Rules. Foreign Ownership Restricted Securities have conditions, specified by the Issuer, in relation to whether foreign investors are permitted to hold the issuing company's securities or place limits on the level of foreign ownership permitted in the company. Each Issuer can specify its own definitions of a foreign investor, and those designated as a foreign investor are identified by their residency status being set as either FOREIGN or DOMESTIC on their CHESS Holder record (HIN) (Residency Indicator). Residency Indicators are stated on HIN documentation provided by CHESS.

You acknowledge:

- 30.** That should you:
- (a) acquire a holding in a Foreign Ownership Restricted Security, or
  - (b) hold a Foreign Ownership Restricted Security and update your address to an address in a foreign country or from an address in a foreign country to an Australian address,
- CommSec will assess, on a best endeavours basis, whether your Residency Indicator is appropriate for the Foreign Ownership Restricted Security. When assessing the appropriateness of your Residency Indicator, CommSec will not always have access to all the necessary and relevant information, relating to your personal circumstances, to make a determination based on the Issuer's definition of foreign residency.
- 31.** If it is determined by CommSec that a Residency Indicator may not be appropriate, CommSec will attempt to contact you to confirm whether our assessment is correct, and to advise you what options are available for you to maintain an

appropriate Residency Indicator, prior to taking any action that CommSec deems appropriate. There are a number of actions that may be required to ensure an accurate Residency Indicator for a Foreign Ownership Restricted Security. These include:

- (a) updating the Residency Indicator on your HIN; or
- (b) where updating the Residency Indicator is not possible, because you hold other Foreign Ownership Restricted Securities with relevantly different Issuer criteria, transfer the impacted Foreign Ownership Restricted security to:
  - (i) an alternative account that has a HIN with the correct Residency Indicator if applicable, or
  - (ii) an alternative account and HIN with the appropriate Residency Indicator that Commsec establishes for you; or
- (c) transfer the impacted Foreign Ownership Restricted Security from your Participant Sponsored Holding to an Issuer Sponsored Holding.

**32.** CommSec will perform actions relating to amending your Residency Indicator based on your direction. In the event that:

- (a) we are unable to contact you; or
- (b) you are unable to or decline to provide direction to our satisfaction; or
- (c) you provide a direction which conflicts with the personal information you have provided to us,

CommSec may transfer your Foreign Ownership Restricted Security from Participant Sponsored to Issuer Sponsored. CommSec will provide you with notice before doing so or as soon as reasonably possible after doing so.

**33.** If at any time you believe your Residency Indicator in respect of a Foreign Ownership Restricted Security is incorrect, you must contact us to request an update to your Residency Indicator.

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## PART 4. TRADING RULES

- 1.** We accept orders from registered clients on the CommSec Platforms. Orders must comply with these Trading Rules.
- 2.** When an order is received that does not comply with these Trading Rules, we will endeavour to contact you. However, you are ultimately responsible for revising your order. We will not be held responsible for any loss that may arise when an order is not accepted.
- 3.** These Trading Rules apply to all dealings between you as a client and us. We reserve the right to vary these Trading Rules at any time. Any

such variation shall apply to any dealing by you after it takes effect and your continued use of a CommSec Platform is an acceptance of the variation.

- 4.** Orders will be executed in accordance with our Best Execution Policy. We may from time to time amend our Best Execution Policy and make such amendments available on our website, or otherwise notify you of the amended Best Execution Policy.
- 5.** You should be aware that different Trading Rules may apply to the different CommSec Platforms and it is important that you understand the different Trading Rules when trading on the different CommSec Platforms. In addition, you need to understand that not all features or order types are available on all CommSec Platforms and we will notify you of this fact either in these Trading Rules or on the specific CommSec Platform itself.

### Limit Orders

- 6.** A limit order is an order to buy or sell specified units of a security at a specified price or better.
- 7.** A limit order will not be accepted, without any advice to you, if we consider the limit price to be too far away from the prevailing market price of that stock.
- 8.** Limit orders can be amended or cancelled provided the order has not already been executed.
- 9.** It will be your responsibility to manage any unfilled portions of your order.

### Market Orders

- 10.** An 'At Market' order is an order to buy or sell specified units of a security at the current market price at the time the order is given.
- 11.** We will use best endeavours when executing your 'At Market' order but cannot guarantee precise execution as to the price specified by guidance provided by us at order entry.
- 12.** We will place your 'At Market' order instruction for execution in accordance with our Best Execution Policy only when:
  - (a) trading for the particular stock is in continuous match mode;
  - (b) trading for the particular security is not suspended or halted; and
  - (c) placing the order will not contravene our obligation to maintain an 'orderly market'.
- 13.** 'At Market' orders cannot be accepted on the CommSec Platforms:
  - outside of market hours; or
  - when trading in a particular stock is halted/suspended.
- 14.** 'At Market' orders cannot be amended or cancelled online during market hours.

## Buy Orders

15. Buy orders can be placed for all ASX and Chi-X listed securities.
16. In some circumstances, a deposit may be required before your order is sent to market.
17. Unless otherwise advised, we provide each account with a limit. Part of this limit can be used for non-leading stocks.
18. If your order exceeds the limit, then a deposit may be required before your order is sent to market. The notional deposit amount is calculated by reference to:
  - › whether you are buying a leading or non-leading stock;
  - › the market value of the order; and
  - › other open or unsettled buy orders.
19. Where a deposit is required, we will automatically offset the notional deposit amount with the market value of your Participant Sponsored Holdings sponsored by us and any cleared funds held in your CDIA or Accelerator Cash Account. In many cases, no actual deposit will be needed and your order will be automatically sent to market.

## Sell Orders

20. We do not accept short selling orders.
21. If selling Issuer-sponsored stock, it is your responsibility to ensure that the Shareholder Reference Number (**SRN**) of the holding is correct and that there are sufficient units available for settling the trade.
22. Sell orders may not be accepted if:
  - › there are insufficient units available for settlement in your Participant Sponsored Holdings sponsored by us; or
  - › there are insufficient units available for settlement in an Issuer-sponsored holding quoted by you; or
  - › an invalid SRN for Issuer-sponsored stock is supplied; or
  - › more than one valid SRN for Issuer-sponsored stock is supplied; or
  - › stock is Participant Sponsored by a broker other than us.

## Amending Orders

23. If you wish to amend the price of an order to a new price that is further away from the prevailing market price, the change in the total value must be at least \$20. Smaller limit price amendments will only be accepted if the new price is closer to the prevailing market price for the stock.

## Orders not accepted online

24. Orders involving any of the following do not qualify for our Internet brokerage rates and must be placed over the telephone:
  - › limit price amendments away from the prevailing market price where the change in total value is less than \$20; or
  - › registration details which are different from your CommSec account details; or
  - › payment in the name of a person or entity other than the account holder; or
  - › request for early settlement; or
  - › payment instructions which are different from the standing instructions for your CommSec account; or
  - › multiple SRNs.

## General

25. Except as provided for in Clause 16 of Part 3 – General Conditions of Trade, a limit order if not cancelled or executed earlier is valid for:
  - › Exchange Traded International Securities – day only orders, for that business day only;
  - › Exchange Traded Commodities – day only orders, for that business day only;
  - › warrants and day only orders – for that business day only;
  - › orders involving settlement through a margin lender, if accepted – a further five (5) business days (order day +5) after the date your order is placed in the market;
  - › market orders - 20 business days (order day +20) after the date your order is placed in the market;
  - › Exchange Traded Funds – 20 business days (order day +20) after the date your order is placed in the market; or
  - › share limit orders – 20 business days (order day +20) after the date your order is placed in the market.
26. Usually, an order received after market closing time is treated as an order received on the next Trading Day.
27. In the event of a change in the basis of quotation of a stock (e.g. the stock going ex-dividend), your outstanding order will be purged by the Market Operator prior to the expiry date.
28. We reserve the right to take such steps as we consider necessary to check the bona fides of any client, order or instruction before acting on that order or instruction.

## PART 5. CONDITIONAL ORDER INSTRUCTION

1. We accept, administer and implement a Conditional Order Instruction, or a variation or cancellation of a Conditional Order Instruction, in accordance with the terms and conditions set out in this Part 5 – Conditional Order Instruction (**Conditional Order Instruction Terms and Conditions**).
2. Conditional Orders are not available on all CommSec Platforms through which you can trade.

### Definitions

3. **“Conditional Order Instruction”** means an instruction you give to us on a **CommSec Platform** to place an order for a Security on the market:
  - (a) when the Trigger occurs; and
  - (b) at market price or at a price in accordance with the Limit.

**“Limit”** means the minimum price at which we are instructed to sell, or the maximum price at which we are instructed to purchase, the Security under your Conditional Order Instruction.

**“Security”** means a security or securities for which you have placed a Conditional Order Instruction.

**“Trigger”** means criteria that are acceptable to us, which you nominate for your Conditional Order Instruction, which, when satisfied, causes us to place an order for the Security on the available markets. A Trigger may not consider all markets.

### Placing a Conditional Order Instruction

4. We are not obliged to accept a Conditional Order Instruction, for example, if there is market volatility, the security is too thinly traded, or the price for the Limit is too far from the price at which the security is currently traded.
5. We do not accept “at market” as a price for the Limit.
6. We accept a Trigger only if it relates specifically to the same Security for which the Conditional Order Instruction is being placed. We do not accept the price of another stock as a Trigger or a Limit.
7. You must not place a Conditional Order Instruction for the purposes of manipulating or influencing the price of a Security, market rigging, insider trading, disruption of the market, threatening the integrity of the market, misleading or deceptive conduct concerning dealings in the security, or where you do not have proper authority to place a Conditional Order Instruction.
8. The range between the price in the Trigger and the price in the Limit must be acceptable to us if

the Conditional Order Instruction has a Limit.

9. We accept a selling Conditional Order Instruction only for a Participant Sponsored Holding that is sponsored by us. You must nominate the Participant Sponsored Holding to which the Conditional Order Instruction applies. We apply the Conditional Order Instruction only to that holding.
10. A Conditional Order Instruction is not valid until we have told you that we have accepted it.

### Maintaining your Conditional Order Instruction

11. You must ensure that you have sufficient securities and funds, either in your bank account, or your margin lending facility, to satisfy an order.
12. We apply the Conditional Order Instruction for a holding only to securities which are in that holding. We do not satisfy an order by taking securities from another holding.
13. A Conditional Order Instruction is valid for 12 months unless it is varied or cancelled or as otherwise permitted on a CommSec Platform.
14. A Conditional Order Instruction remains valid in the event of a trading halt, unless the Market Operator purges orders for the Security from the market.

### Variation or cancellation of a Conditional Order Instruction

15. Conditional Order Instructions are taken on a ‘best endeavours’ basis. In the event of system failure, we may cancel Conditional Order Instructions.
16. We may cancel a Conditional Order Instruction if orders for the Security are purged from the market by the Market Operator, for example:
  - (a) the Security going ex-dividend;
  - (b) the Security being subject to a reconstruction of capital such as a share split or consolidation; or
  - (c) a rights issue.
17. You may vary or cancel a Conditional Order Instruction. When you do, we may accept or reject it, and in doing so, we are entitled to rely on these Conditional Order Instruction Terms and Conditions as if the variation or cancellation is a new Conditional Order Instruction.
18. We reserve the right to charge a fee for a cancellation or variation of a Conditional Order Instruction.
19. You must apply to us to reinstate a Conditional Order Instruction after it has been cancelled. When you apply, we will apply our rules and policies for accepting a new or varied Conditional Order Instruction. We may charge a fee for the reinstatement.

## Implementing a Conditional Order Instruction

20. A Conditional Order Instruction is triggered when the Trigger for the Security occurs.
21. When the Conditional Order Instruction is triggered, we place an order for the Security on the market:
  - (i) at a price not below the Limit, in the case of a sale order, and
  - (ii) at a price not greater than the Limit in the case of a purchase order.
22. When the Conditional Order Instruction without a Limit is triggered we place a market order for the Security.
23. If the order is triggered by events as a result of the closing price auction, the order may be placed on the market the following day, during the pre-open.
24. A Conditional Order Instruction will not be triggered by notional values or indicative prices.
25. We place a Conditional Order Instruction according to the time precedence of the Conditional Order Instruction, but we cannot guarantee the order in which it is placed onto the market.
26. In the event of system failure or malfunction, we may not have placed orders in accordance with the Conditional Order Instruction. Upon resumption from an outage, the system will not act on events that occurred during the system failure or malfunction.
27. The placement of an order on the market does not guarantee that the order will be filled.
28. The order remains on the market in accordance with our Trading Rules.
29. We use our best endeavours to place an order on the market following a Conditional Order Instruction being triggered. However, we reserve the right to review an order that results from a triggered Conditional Order Instruction and to refuse to place that order on the market, for example, if we consider that placing the order would not be consistent with a fair and orderly market. Also, it might not be possible for us to place an order on the market for example:
  - (a) where the basis for quotation for the Security has changed and you have not varied your Conditional Order Instruction;
  - (b) where the Security has been subject to a trading halt and you have not varied your Conditional Order Instruction;
  - (c) if we believe that your instructions are ambiguous, incomplete or unclear;
  - (d) where we believe that the instruction contravenes these Conditional Order Instruction Terms and Conditions, the General Conditions of Trade, the Trading Rules or the General Terms and Conditions; or

- (e) where acting on the order is inconsistent with our legal obligations in respect of the maintenance of an orderly market.

## General

30. You accept these Conditional Order Instruction Terms and Conditions, or any variation of them, the first time you place a Conditional Order Instruction after receiving these Conditional Order Instruction Terms and Conditions, or a notice of variation of these Conditional Order Instruction Terms and Conditions, in accordance with clause 11 of Part 2 – General Terms and Conditions.
31. Your obligations to us under these Conditional Order Instruction Terms and Conditions are in addition to your obligations to us under:
  - (a) our General Conditions of Trade;
  - (b) the rules of CHESS sponsorship;
  - (c) our Trading Rules; and
  - (d) our General Terms and Conditions.
32. An order that is placed pursuant to a Conditional Order Instruction is subject to:
  - (a) these Conditional Order Instruction Terms and Conditions;
  - (b) our General Conditions of Trade;
  - (c) the rules of CHESS sponsorship;
  - (d) our Trading Rules; and
  - (e) our General Terms and Conditions.
33. You agree to use Conditional Order Instructions only in connection with your personal investment activities, and not use Conditional Order Instructions in connection with any business activities or to hold or monitor security trading for another person.
34. In addition to any other indemnities contained in these Terms and Conditions, you indemnify us for any liability for loss or damage (including consequential loss, loss of profit and economic loss) that we incur as a result of your use of the Conditional Order Instruction in breach of these Conditional Order Instruction Terms and Conditions, or in a manner, or for a purpose, not reasonably contemplated by us.
35. If you are not a consumer as defined in consumer protection laws, our liability for loss or damage is limited to resupplying the service to you or paying the costs of having the service resupplied to you and we will not be liable for loss (including consequential loss, loss of profit and economic loss) that you incur or suffer as a result of:
  - (a) delays in executing orders following a triggered Conditional Order Instruction;
  - (b) system failure; or
  - (c) a triggered Conditional Order Instruction not being executed upon submission to the market.



36. If you are a consumer as defined in consumer protection laws, then to the extent permitted by those laws, our liability is limited to resupplying the service to you or paying the costs of having the service resupplied to you and we will not be liable for loss or damage (including consequential loss, loss of profit and economic loss) that you incur or suffer as a result of:
- delays in executing orders following a triggered Conditional Order Instruction;
  - system failure; or
  - a triggered Conditional Order Instruction not being executed upon submission to the market.
37. If there is more than one account holder, or there is more than one owner of a holding, you represent to us that all account holders and owners of the holding have read and that they accept:
- these Conditional Order Instruction Terms and Conditions; and
  - any Risk Disclosure Statement for the particular Conditional Order Instruction facility, and that each account holder and owner of the holding agrees to act in accordance with these Conditional Order Instruction Terms and Conditions.

## Conditional Trading Risk Disclosure Statement

38. This Risk Disclosure Statement does not disclose all the risks associated with the use of a Conditional Order Instruction. It should not be relied upon as a complete explanation of the risks involved with using a Conditional Order Instruction. If you need further explanation of the risks associated with the use of a Conditional Order Instruction, you should seek appropriate professional advice.
39. While the intention of a Conditional Order Instruction is to limit losses to a certain amount, an Instruction may not always be effective because market conditions may make it impossible to execute a particular instruction.
40. Market conditions such as illiquidity may make it difficult or impossible for CommSec to find sufficient counterparty volume to purchase/sell securities between the conditional Trigger price and the Limit price.
41. Action by a Market Operator such as the suspension of trading in certain securities may make it difficult or impossible to effect transactions so as to limit losses.
42. A Conditional Order Instruction does not make any provision for temporary falls or rises in security prices. Security prices may return to, exceed or fall short of the Trigger price at which CommSec was instructed to buy or sell, within a short period of time.

43. It may not be possible for CommSec to carry out your instruction, if to do so would, in the opinion of CommSec or the regulatory authorities, result in illegal conduct such as market manipulation.

## Trailing Buy and Trailing Sell Conditional Order Instruction

44. Trailing Buy and Trailing Sell conditional orders by nature are prone to share price movements. When using these conditional orders it is important to note that your trail start price may differ significantly from where your trail end condition is met. Further, as the fired conditional order is a market order, in a rapid moving market your conditional order may be executed at a significantly less favourable price than where your trigger condition is met.

## Falling Sell Conditional Order Instruction

45. A Falling Sell Conditional Order Instruction uses the last traded price on the market to determine whether the Trigger price condition has been met.
46. A triggered Falling Sell Conditional Order Instruction does not guarantee that your sale order will be filled. The market price might fall or rise rapidly through the Trigger price and the Limit price.
47. There may not be a buyer or seller at your Limit price.
48. By using Conditional Order Instructions you acknowledge that:
- › CommSec does not provide any guarantee as to the effectiveness of a Conditional Order Instruction in limiting your losses or ensuring gains;
  - › you accept without limitation all risks associated with the use of a Conditional Order Instruction;
  - › you have read and accept the Conditional Order Instruction Terms and Conditions and the Conditional Trading Risk Disclosure Statement; and
  - › CommSec recommends you seek appropriate professional advice before using a Conditional Order Instruction.

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## PART 6. DIRECT DEBIT/ CREDIT REQUEST SERVICE AGREEMENT

### Debit arrangements

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



2. Where the settlement date falls on a non-business day, we will draw the amount on the following business day.
  3. We may charge a dishonour fee if any debit from your nominated account is returned as unpaid by your financial institution. We will treat the payment as never having been made.
  4. We will keep your information about your nominated account at the financial institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
  5. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.
  6. We will advise you 14 days in advance of any changes to the Direct Debit/Direct Credit arrangements.
  7. If you provide an incorrect bank account number, you may incur a fee if we have processed a transaction to that account.
  8. If you are uncertain as to when the debit/credit will be processed to your account, you should enquire with your nominated financial institution.
- full range of accounts;
  - › to complete your account details, including Bank State Branch (BSB) number, directly off a recent account statement from your financial institution and to contact your nominated financial institution prior to completing the DDR if you are uncertain of the account details;
  - › to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by CommSec;
  - › to ensure that the authorisation to debit/credit the nominated account has been provided by the account holders who must sign to effect the instruction held by the financial institution where the account is held;
  - › to check direct debit and credit transactions against recent account statements from your nominated financial institution;
  - › to advise us if the account you have nominated to debit/credit is transferred or closed; and
  - › to ensure that suitable arrangements are made if the Direct Debit/Credit arrangement is cancelled;
    - by yourself;
    - by your nominated financial institution; or
    - for any other reason.

## Your rights

9. You may terminate the Direct Debit/Direct Credit arrangement of your trades with us, however this termination must be in writing.
10. Where you consider the debit/credit is incorrect in either the due date or amount or both, you should raise the matter with CommSec on **13 15 19** between 8am and 7pm (Sydney time), Monday to Friday.
11. Please contact CommSec on **13 15 19** between 8am and 7pm (Sydney time), Monday to Friday for all matters relating to the Direct Debit/Direct Credit arrangement, including to request a deferment or stopping of debits/credits, questions regarding amounts or dates of debits/credits or altering or stopping the arrangement. You can also contact your financial institution to request a stop or cancellation of the arrangement or to dispute a debit to your nominated account. We have a dispute resolution process available if you have a complaint which we do not resolve. Further information on that process is set out in our Financial Services Guide, which is available online at [commsec.com.au](http://commsec.com.au) or by calling CommSec on **13 15 19**.

## Your responsibilities

12. It is your responsibility:
  - › to check with the financial institution where your account is held before completing the Direct Debit/Credit Request (DDR) as Direct Debiting/Crediting through the Bulk Electronic Clearing System (BECS) is not allowed on a

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## PART 7. TERMS AND CONDITIONS OF CHESSE SPONSORSHIP

### Explanation of effect of CHESSE Sponsorship

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

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

Being CHESSE sponsored by us means you can buy and sell shares more quickly than if your shares were 'issuer sponsored', and to buy shares without providing a deposit if you have sufficient holdings. Being CHESSE sponsored by us also allows you to automatically track portfolio and market values using our online Portfolio Summary tool.

You can also discuss the Terms and Conditions of CHESSE Sponsorship with us. To do so, please call CommSec on **13 15 19** between 8am and 7pm (Sydney time), Monday to Friday.

## 1. Interpretation

- 1.1** Any term used in this Sponsorship Agreement which is defined in, or given a meaning under, the ASX Settlement Operating Rules (the **Rules**) has the meaning given in the Rules. (Should you require a copy of these definitions please contact CommSec).
- 1.2** In this Sponsorship Agreement, CommSec is referred to as the **“Participant”** and the Client is referred to as the **“Participant Sponsored Holder”**. These terms are defined in the Rules.

## 2. Appointment

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

## 3. Authorisations, participant rights and participant sponsored holder’s rights

### 3.1 Authorisations

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

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

### 3.2 Participant Rights

- 3.2.1** Where the Participant Sponsored Holder authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those Financial Products on or before the date agreed with the Participant for payment.
- 3.2.2** Subject to Clause 3.2.3, the Participant is not obliged to Transfer Financial Products into the Participant Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.
- 3.2.3** Where a contract for the purchase of Financial Products remains unpaid, after the Participant has made a demand of the Participant Sponsored Holder to pay for the Financial Products, the Participant may sell those Financial Products that are the subject of that contract at the Participant

Sponsored Holder’s risk and expense and that expense will include brokerage and stamp duty.

- 3.2.4** Where the Participant claims that an amount lawfully owed to it has not been paid by the Participant Sponsored Holder, the Participant has the right to refuse to comply with the Participant Sponsored Holder’s Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current market value of the amount claimed). Where the Participant exercises this right, it must inform the Participant Sponsored Holder, within a reasonable period, of the action it has taken.

### 3.3 Participant Sponsored Holder’s Rights

- 3.3.1** Subject to Clauses 3.2.3 and 3.2.4, the Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.
- 3.3.2** Subject to Rule 7.4, the Participant will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without the express authority of the Participant Sponsored Holder.
- 3.3.2A** For the purpose of Rule 7.2.2(a), where the CHES Holding is a new CHES Holding, the Participant must insert the HIN in this Sponsorship Agreement once the HIN has been allocated to the Participant Sponsored Holder in accordance with Rule 8.7.2.
- 3.3.3** The Participant will notify the Participant Sponsored Holder of the HIN for each CHES Holding of the Participant Sponsored Holder to which this Sponsorship Agreement relates.
- 3.3.4** The regulatory regime which applies to the Participant is the regime established under the Corporations Act and Corporations Regulations, the ASIC Market Integrity Rules, the Market Operating Rules, the ASX Settlement Operating Rules and the ASX Clear Operating Rules. The Participant Sponsored Holder can obtain information as to the status of the Participant from the relevant regulatory authorities under this regime, namely, the Australian Securities and Investments Commission (**ASIC**), ASX Limited (**ASX**), Chi-X Australia Pty Limited (**Chi-X**), ASX Settlement Pty Ltd (**ASX Settlement**) and ASX Clear Pty Ltd (**ASX Clear**).
- 3.3.5** The Participant Sponsored Holder may lodge a complaint against the Participant with ASIC, ASX, Chi-X, ASX Settlement, ASX Clear or the Australian Financial Complaints Authority (**AFCA**). The Participant Sponsored Holder may lodge any claim for compensation:

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

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

## 4. Other rights and duties

### 4.1 Supply of Information

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

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

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

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

**4.2.1** Where the Participant Sponsored Holder arrange with ASX Clear to lodge Financial Products in a Participant Sponsored Holding as cover for written positions in the Australian Options Market, and inform the Participant of the arrangement, you:

- (i) authorise the Participant to reserve the Financial Products in the ASX Clear Subposition so that the Financial Products come under the control of ASX Clear and are subject to the security interest granted in favour of ASX Clear to secure the performance by the relevant Clearing Participant of its obligations to ASX Clear under and in accordance with ASX Clear Operating Rule 14.6.7;
- (ii) authorise any subsequent dealing (including, without limitation, any transfer) of the reserved Financial Products in accordance with the Rules and ASX Clear Operating Rules;
- (iii) acknowledge that the Financial Products will remain subject to that security interest for so long as those Financial Products remain

reserved in the ASX Clear Subposition in accordance with ASX Clear Operating Rule 14.6.7; and

- (iv) authorise the Participant to take whatever other action is reasonably required by ASX Clear in accordance with the Rules to give effect to that arrangement.

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

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

**4.2.4** Nothing in this Sponsorship Agreement operates to override any interest of ASX Clear in the Financial Products.

## 5. Notifications and acknowledgements

### 5.1 General

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

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

- (a) the Participant Sponsored Holder may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by the Participant or that the Participant was not authorised by the Participant Sponsored Holder to effect the Transfer; and
- (b) unless the Transfer is also taken to have been

effected by a Market Participant of an Approved Market Operator or a Clearing Participant of ASX Clear, the Participant Sponsored Holder has no claim arising out of the Transfer against the compensation arrangement applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations.

- 5.1.3** In the event that the Participant breaches any of the provisions of this Sponsorship Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.
- 5.1.4** In the event that the Participant is suspended from CHES participation, subject to the assertion of an interest in Financial Products controlled by the Participant, by the liquidator, receiver, administrator or trustee of that Participant:
- (a) the Participant Sponsored Holder has the right, within twenty (20) Business Days of ASX Settlement giving Notice of suspension, to give notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:
    - (i) from the CHES Subregister; or
    - (ii) from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10;
  - (b) where the Participant Sponsored Holder does not give notice under Clause 5.1.4 (a), ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11. and the Participant Sponsored Holder will be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where a Participant Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant Sponsored Holder must enter into a Sponsorship Agreement with the Participant Sponsored Holder within ten (10) Business Days of the change of Controlling Participant.
- 5.1.5** The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed this Sponsorship Agreement, the Participant provided the Participant Sponsored Holder with an explanation of the effect of this Sponsorship Agreement and that the Participant Sponsored Holder understood the effect of this Sponsorship Agreement.
- 5.1.6** The Participant Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Participant Sponsored Holder, a Holder Record Lock will be applied to all Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless the Participant Sponsored Holder's

legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHES Subregister.

- 5.1.7** The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of the Holder Record Lock applied pursuant to Clause 5.1.6.
- 5.1.8** The Participant Sponsored Holder is entitled to receive an executed copy of this Sponsorship Agreement from the Participant but acknowledges that the Participant shall not be required to provide such copy unless requested by the Participant Sponsored Holder.
- 5.2 Joint Holdings Only**
- 5.2.1** The Participant Sponsored Holder acknowledges that in the event of the death of one of the Holders, the Participant will transfer all Holdings under the joint Holder Record into new Holdings under a new Holder Record in the name of the surviving Participant Sponsored Holder(s), and that this Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 5.2.2** The Participant Sponsored Holder acknowledges that in the event of the bankruptcy of one of the Holders the Participant will:
- (a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHES Subregister, establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under the new Holder Record and request that ASX Settlement apply a Holder Record Lock to all Holdings under that Holder Record; and
  - (b) establish a new Holder Record in the name(s) of the remaining Participant Sponsored Holder(s) and Transfer the interest of the remaining Participant Sponsored Holder(s) into new Holdings under the new Holder Record.

## 6. Change of controlling participant

- 6.1** If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least twenty (20) Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the Participant Sponsored

Holder is under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in Clauses 6.2 or 6.3.

- 6.2** The Participant Sponsored Holder may choose to terminate this Sponsorship Agreement by giving Withdrawal Instructions under the Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:
- (a) transfer its Participant Sponsored Holding to another Controlling Participant; or
  - (b) transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.
- 6.3** If the Participant Sponsored Holder does not take any action to terminate the agreement in accordance with Clause 6.2 above, and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree to the change of Controlling Participant then, on the Effective Date, the Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the Effective Date:
- (a) the New Controlling Participant is a party to the Agreement in substitution for the Existing Controlling Participant;
  - (b) any rights of the Existing Controlling Participant are transferred to the new Controlling Participant; and
  - (c) the Existing Controlling Participant is released by the Participant Sponsored Holder from any obligations arising on or after the Effective Date.
- 6.4** The novation in Clause 6.3 will not take effect until the Participant Sponsored Holder has received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Participant Sponsored Holder. The Effective Date may as a result, be later than the date set out in the Participant Change Notice.
- 6.5** The Participant Sponsored Holder will be taken to have consented to the events referred to in Clause 6.4 by the doing of any act which is consistent with the novation of the Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
- 6.6** This Sponsorship Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in Clause 6.3 not binding or effective on the Effective Date, then this Sponsorship Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of

the Agreement on trust for the New Controlling Participant.

- 6.7** Nothing in this Clause 6 will prevent the completion of CHESS transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the Effective Date and this Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of this Sponsorship Agreement to the New Controlling Participant under this Clause 6.
- 6.8** In the event that any of the Holdings comprise AQUA Products, the new Controlling Participant is accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. Note: Under Rule 7.4, ASX Settlement will not accept a Notice of change of Controlling Participant where the new Controlling Participant is not accredited to facilitate the transfer of AQUA Products.

## **7. Claims for compensation**

- 7.1** With respect to the compensation arrangements that apply to the Participant Sponsored Holder, the Participant would seek to rely, to the extent possible, on the cover which it has under the professional indemnity insurance policy which applies to its activities as an Australian Financial Services licensee.
- 7.2** If the Participant breaches a provision of this Sponsorship Agreement and the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant.
- 7.3** If a breach by the Participant of a provision of this Sponsorship Agreement falls within the circumstances specified in the compensation arrangements applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations, a Participant Sponsored Holder may make a claim under the relevant compensation arrangements.

## **8. Termination**

- 8.1** Subject to the ASX Settlement Operating Rules, this Sponsorship Agreement will be terminated upon the occurrence of any of the following events:
- (a) by notice in writing from either the Participant Sponsored Holder or the Participant to the other party to this Sponsorship Agreement;
  - (b) upon the Participant becoming insolvent; or
  - (c) upon the termination or suspension of the Participant; or
  - (d) upon the giving of Withdrawal Instructions

by a Participant Sponsored Holder to a Controlling Participant in accordance with the Rule 7.1.10(c); or

(e) upon termination under Part 2 – General Terms and Conditions.

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

## **9. Rules and variation**

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

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

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



