

**DISCLOSURE STATEMENT**  
**to clients of Trader Dealer Online Pty Ltd**, an authorised representative of **Norris Smith Stockbroking Pty Ltd (Broker)**

**TERMS OF YOUR AGREEMENT WITH BERNDALE SECURITIES LIMITED ABN 63 006 687 467 (BERNDALE)**

A reference in this document to the **Broker** is to each of:

- (a) **Norris Smith Stockbroking Pty Ltd** ABN 98 113 959 596 (AFSL No. 297950) (**Norris Smith**), a Trading Participant of ASX; and
- (b) also, where the context requires or permits, to **Trader Dealer Online Pty Ltd** ABN 17 090 611 680, an authorised representative (No. 324537) of Norris Smith.

**1. Your agreement with Berndale**

Berndale is admitted as a Clearing Participant in accordance with the Clearing Rules of Australian Clearing House Limited ABN 48 001 314 503 (**ACH**), a wholly owned subsidiary of Australian Stock Exchange Limited ABN 98 008 624 691 (**ASX**).

Whenever you effect a Market Transaction through the Broker, Berndale carries the obligations (**Settlement Obligations**) to complete the sale or purchase, together with all obligations which are ancillary to the completion. Berndale must settle such Market Transactions as principal with ACH or the relevant counterparty, even though the Market Transaction was entered into on your behalf. Accordingly, your settlement obligations under the sale or purchase contract are owed directly to Berndale.

If you fail to pay the amounts due in respect of a Market Transaction or you fail to complete a contract in accordance with the ACH Clearing Rules, Berndale has direct rights against you, including rights of sale under the ACH Clearing Rules and those set out below.

Once the Broker as your agent has received an Order to purchase or sell Traded Products by means of a Market Transaction, an agreement is immediately deemed to come into existence between you and Berndale on the terms and conditions set out below. By placing an Order

with the Broker you accept the following terms and conditions.

**2. Conduct of Business**

You acknowledge and agree:

- (a) to comply with these terms and conditions and all applicable legislation and the ASX Market Rules, ACH Clearing Rules and ASTC Settlement Rules and the directions, decisions and requirements of ASX and the customs and usages of the

Market. Copies of the ASX Market Rules, ACH Clearing Rules and ASTC Settlement

Rules can be inspected at the Broker's offices on request; and

- (b) all Market Transactions are subject to the terms and conditions on the reverse of the confirmation issued by Berndale on behalf of the Broker (**Confirmation**) (if any) and set out below, and to the ASX Market Rules, ACH Clearing Rules, the directions, decisions and requirements of ASX and the customs and usages of the Market, the correction of errors and omissions and, if the sale or purchase is in relation to CS Approved Products, the ASTC Settlement Rules.

**3. Settlement Date and Time**

The "Settlement Date and Time" for sales or purchases is the date and time specified on the front of the relevant Confirmation, or, if no date and time are specified or no Confirmation is required to be given, is 9.00am (Sydney time) on the third Business Day after the execution of the Market Transaction.

The Broker has no authority to extend the Settlement Date and Time.

You represent and warrant that before placing any Order with the Broker, you will be in a position to pay for any Traded Products purchased and have a presently exercisable and unconditional right to vest any Traded Products sold in the buyer, to enable settlement at the Settlement Date and Time.

#### 4. Purchases

Payment in full must be received by Berndale (rather than the Broker) prior to the Settlement Date and Time. Payment in cash is not acceptable.

Pending settlement by you, in accordance with the provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**), and the regulations made under the Corporations Act, these terms and conditions and the relevant Confirmation (if any) constitutes notice to you that Berndale may deposit the Traded Products purchased for you in a particular transaction as security for a loan if Berndale has received and paid for such Traded Products on your behalf.

#### 5. Settlement using BPAY facility

Please call your participating financial institution to make payment from your cheque or savings account by BPAY. Please quote the Biller Code and your BPAY reference number (see the front page of the relevant Confirmation (if any)). If you nominate another method for payment, Berndale will act in accordance with those payment instructions.

#### 6. Sales

All documents and security holder information (including the holder identification number or personal identification number and, if applicable, holder reference number) (**Security Holder Information**) must be received by Berndale (rather than the Broker) in deliverable form **two business days** prior to the Settlement Date and Time.

All documentation and Security Holder Information must be sent to:

Berndale Securities Limited  
PO Box 18022  
Collins Street East  
Melbourne Vic 3000

If you have entered into a Sponsorship Agreement with Berndale, you will be taken to have satisfied this obligation if you ensure that sufficient Traded Products are held in your Sponsored Holding with Berndale, those Traded Products are unencumbered and, if the consent of any third party is required before Berndale may withdraw those Traded Products, that consent has been obtained and communicated

to Berndale. You irrevocably authorise Berndale to apply any Traded Products held in your Participant Sponsored Holding to satisfy your Settlement Obligations arising from any Market Transaction executed by the Broker on your behalf.

Credits in respect of sales are not available until the latest of:

- (a) the Settlement Date and Time;
- (b) when all documents and Security Holder Information have been received by Berndale in deliverable form; and
- (c) all amounts due and payable by you to Berndale or the Broker have been paid.

Sale proceeds will be paid directly to you unless Berndale has agreed alternative arrangements with you.

#### 7. Confirmations

You will be given Confirmations as required by the Corporations Act and the ASX Market Rules.

You authorise Berndale on behalf of the Broker to give Confirmations to you electronically to the email address notified to Berndale by the Broker on your behalf from time to time for this purpose.

You must promptly check the accuracy of every Confirmation sent to you and notify the Broker immediately of any error that you consider may have occurred. If the Broker does not receive any such notification from you within 24 hours, you will be taken to have accepted the accuracy of the Confirmation.

A Confirmation may at any time be re-issued to you in order to correct any errors or omissions and the terms and conditions of the original Confirmation will apply in relation to the reissued Confirmation.

Where the Broker enters into multiple Market Transactions in order to complete your Order, you authorise Berndale on behalf of the Broker to accumulate those Market Transactions on a single confirmation and to specify the volume weighted average price for those Market Transactions on that confirmation. If requested by you, the Broker will, if required under the ASX Market Rules, give you a statement of all the individual prices of the relevant transactions which are accumulated and averaged in a confirmation.

If you are a Wholesale Client for the purposes of the ASX Market Rules, the Broker may elect not to give any Confirmations to you in relation to Market Transactions executed for you. If the Broker so elects, this Disclosure Statement is taken to be the notification required to be given by the Broker to you under the ASX Market Rules.

## 8. Failure to Settle

If you fail to make payment or deliver any documents or Security Holder Information to Berndale in accordance with these terms and conditions or the relevant Confirmation, if any (**fail to settle**), Berndale may, in addition to any rights conferred by the ASX Market Rules and the ACH Clearing Rules, do any one or more of the following:

- (a) charge an administration fee calculated by reference to the additional cost which may be incurred by Berndale or the Broker as a result of your failure to settle;
- (b) levy a default charge on the amount from time to time outstanding at a rate of up to 15.0% per annum;
- (c) sell out any Traded Products purchased (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Berndale and to recover Berndale's costs in so acting;
- (d) sell out any Traded Products otherwise held on your behalf (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Berndale and to recover Berndale's costs in so acting;
- (e) apply any cash held by Berndale or the Broker on your account or to which they have access, or payments received for or from you in reduction of your liability to Berndale; or
- (f) instruct the Broker to cancel any of your unexecuted Orders,

and you authorise Berndale and each of its directors and employees as your attorney to give instructions on your behalf in respect of your Traded Product holdings sponsored by Berndale or the Broker in CHESS, or held by

their related bodies corporate in nominee holdings, and in respect of call deposit facilities or cash management trust accounts on which they are authorised to give instructions, to enable Berndale to realise those Traded Products or funds and apply the proceeds in reduction of your liability to Berndale and to recover Berndale's costs in so acting.

If you fail to settle, Berndale may make arrangements on your behalf to ensure that your Settlement Obligations are performed.

It is Berndale's policy that, if you have not met your settlement obligations owed to Berndale in respect of a Market Transaction executed for you by the Broker by the date which is 10 Business Days after the date on which that transaction was executed, Berndale will, without any notice to you:

- (a) in the case of a purchase, execute a Market Transaction to close out the failed purchase (by selling the relevant Traded Products); or
- (b) in the case of a sale, execute a Market Transaction to close out the failed sale (by buying-in the relevant Traded Products),

and recover any resulting loss from you. Berndale reserves the right to take the above action before the 10th business day in its absolute discretion.

You must pay or reimburse Berndale any such administration fees and default charges (together with any GST payable on those amounts) immediately upon demand or at Berndale's option it may deduct such administration fees and default charges (and any GST) from any sale proceeds or other amounts otherwise payable to you.

Berndale will not be liable to you for any failure by Berndale to exercise (or any delay in the exercise by Berndale of) any right Berndale may have against you, or any loss incurred by you as a result of Berndale not exercising any of its rights against you immediately, or at all, following any failure by you to comply with your obligations.

The manner in which Berndale may exercise or not exercise, or the timing of or any delay in any exercise by Berndale of, any right of Berndale under this clause is not to be taken to be financial product advice by Berndale to you, and you must not represent to any person that it is financial product advice by Berndale.

## 9. Cancellations

You authorise Berndale to, and agree that Berndale may, without your consent, cancel or amend (or request or agree to the cancellation or amendment of) any Market Transactions or Crossing relating to the sale or purchase (as the case may be) of Traded Products:

- (a) if requested to do so by the Broker in accordance with the ASX Market Rules;
- (b) if ASX exercises its power under the ASX Market Rules to cancel or amend (or require the cancellation or amendment of) the Market Transaction or Crossing; or
- (c) in the event of an Error or otherwise in the circumstances contemplated in the ASX Market Rules.

Your obligations referred to in clauses 4 and 6 of this Disclosure Statement, and Berndale's obligations in relation to the settlement of a Market Transaction, cease to apply in respect of a cancelled transaction from the time it is cancelled.

## 10. Interest on Berndale's trust account

You acknowledge that Berndale will retain the interest (if any) earned on monies held in its trust account from time to time.

## 11. Indemnity

In addition to the above, if, as a result of failure by you to settle or other breach by you of these terms and conditions or other agreement with Berndale, Berndale or the Broker suffers any claim, liability, direct or consequential loss or incur any cost, charge or expense of any nature, you must on demand fully indemnify Berndale and the Broker and keep Berndale and the Broker fully indemnified in respect of such claim, liability, loss, cost, charge or expense.

## 12. Assignment of Amounts Owing

You acknowledge that, if you have not paid any debt to Berndale, Berndale may (by notice to you and the Broker) assign that debt to the Broker and the assigned debt will become an obligation of yours to the Broker, and the Broker (and each of its directors and employees) will have the rights and powers (and may do all the

things) set out in clause 8 as if a reference to Berndale were a reference to the Broker.

## 13. Information

You warrant that all information provided by you to the Broker or Berndale is, or will be when given, accurate, true and correct and further agree to immediately notify Berndale in writing upon becoming aware that such information is no longer accurate, true and correct. You agree that Berndale and the Broker may share such information, as well as your account details and information regarding your transactions in Traded Products with each other and with Berndale's related bodies corporate on a confidential basis as Berndale considers appropriate. You also consent to Berndale and/or the Broker disclosing this information and your account details to any regulatory authority, and consent to Berndale and/or the Broker using such information and your account details for the purposes of monitoring compliance by you, the Broker and/or Berndale with their respective regulatory and contractual obligations, and resolving disputes.

## 14. Misdirected Market Transactions

You acknowledge that, if at any time Market Transactions executed by the Broker are also to be cleared through a Clearing Participant (other than Berndale):

- (a) the Broker may, incorrectly or otherwise, direct a Market Transaction which it has executed on your behalf to a Clearing Participant other than Berndale (**Misdirected Market Transaction**);
- (b) Berndale will not carry the Settlement Obligations in respect of any Misdirected Market Transaction; and
- (c) Berndale will not give you a confirmation in respect any Misdirected Market Transaction.

## 15. Short sales

A "short sale" is defined in the ASX Market Rules and is when Traded Products are sold on your behalf, or you place an Order with the Broker to sell Traded Products, at a time when you do not own the Traded Products and have them available to sell, or otherwise have a presently exercisable and unconditional right to vest the Traded Products in a buyer.

Under the ASX Market Rules, the Broker is required to inform you that you must inform the Broker whenever you place an order to effect a sale which would, if executed, constitute a short sale. However, you may not give the Broker instructions to effect a short sale.

#### **16. Berndale's right to refuse to accept Orders**

You acknowledge that Berndale may at any time in its absolute discretion direct the Broker to:

- (a) refuse to accept you as a client or not to accept Orders from, or execute Orders for you; or
- (b) refuse to accept a particular Order from you.

#### **17. Instructions by fax or e-mail**

You acknowledge that, unless you have authorised Berndale to accept and act without any inquiry upon instructions provided (including Orders placed) by fax or e-mail which appear to Berndale to have been given by or for you, and have indemnified Berndale in respect of any losses or expenses that Berndale may suffer or incur as a result of so acting, Berndale will refuse to accept instructions it receives by fax or e-mail in respect of you.

#### **18. No Advice**

You acknowledge that Berndale does not provide financial product advice, and neither Berndale does not accept responsibility for any financial product advice given to you by the Broker, and you must not represent to any person that Berndale has given any financial product advice to you. If you are placing any Order on the basis of advice given to you by the Broker, you must provide the Broker with:

- (a) all information (and documentation) regarding your financial situation, investment objectives and particular needs sufficient and necessary for the Broker to give informed financial product advice;
- (b) any relevant new information (and documentation) as soon as it becomes available; and
- (c) details of or any change in your financial situation, investment objectives and

particular needs as soon as such change occurs.

#### **19. Credit references**

You agree that Berndale may make such enquiries as it thinks fit of any person, including your employer, your bank or a credit agency relating to your creditworthiness.

#### **20. Complaints**

You have a right to complain about any aspect of your dealings with Berndale, and to have that complaint dealt with in accordance with Berndale's complaint resolution procedures. A summary of those procedures is set out below.

However, if your complaint relates to services provided by the Broker, your complaint should be dealt with in accordance with the Broker's complaint resolution procedures. If you have such a complaint please contact the Broker.

You have the right to have any complaint about the service you have received from Berndale, or any other aspects of your dealings with Berndale, investigated and dealt with as quickly as possible in accordance with Berndale's complaints resolution procedure.

To assist Berndale to respond appropriately to complaints, you are asked to set out complaints in writing, addressed to the Compliance Manager. You should include as much detail about the circumstances of your complaint as possible, including the name(s) of any Berndale staff involved. If available, copies of any background documentation should also be provided.

Following receipt of your complaint, the Compliance Manager will acknowledge receipt of it in writing and provide an estimate of the time it will take to investigate the circumstances. The Compliance Manager will fully investigate your complaint and follow up if further information is required from you. The Compliance Manager will then prepare a detailed written response to you after consideration of all relevant documents and following interviews with the involved employees and their manager(s), if required. The written response will be mailed or delivered to you.

As Berndale is a member of the Financial Industry Complaints Services (**FICS**), Berndale will advise you if you continue to have a complaint that you have the option to pursue your complaint with FICS.

If you are not satisfied with the response to your complaint, you may wish to pursue the matter with ASX. The Australian Securities and Investments Commission also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

## 21. National Guarantee Fund (NGF)

As Berndale is a Participant of the ASX Group, you may make a claim on the NGF in the circumstances specified under Part 7.5 of the Corporations Act and the Corporations Regulations 2001. Except in limited circumstances, NGF protection does not apply to dealings in ASX exchange-traded options. NGF protection does not apply to dealings in ASX futures contracts. (For more information on the circumstances in which you may make a claim on the NGF or for information on the NGF generally, contact the Securities Exchanges Guarantee Corporation Limited ABN 19 008 626 793.)

## 22. Sponsorship

If you are not currently sponsored by Berndale, Berndale recommends that you enter into a Sponsorship Agreement with Berndale to enable easy transfer of your Traded Products under CHES (Clearing House Electronic Subregister System).

## 23. Amendment

These terms and conditions may be amended from time to time. Berndale will give you 10 days notice of any amendment, after which time, the amendment will become effective.

## 24. Governing law

These terms and conditions are governed by the law in force in Victoria and you and Berndale submit to the non-exclusive jurisdiction of the courts of Victoria and courts which may hear appeals from those courts.

## 25. Interpretation

**ACH Clearing Rules** means the operating rules of ACH as amended from time to time.

**ASTC Settlement Rules** means the operating rules of ASX Settlement and Transfer

Corporation Pty Ltd ABN 49 008 504 532 as amended from time to time.

**ASX Market Rules** means the operating rules of ASX as amended from time to time.

**Market Transaction** has the meaning given to Cash Market Transaction in the ASX Market Rules.

**Order** means an order or instruction for the sale or purchase of Traded Products for the purposes of the ASX Market Rules to be executed by the Broker.

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

**Traded Products** has the meaning given to Cash Market Products in the ASX Market Rules.

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

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

Unless the context otherwise requires, a reference to a document or agreement includes any variation or replacement of it and a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision.

Words used in this document have the meanings given to them in the ASX Market Rules, ACH Clearing Rules or the ASTC Settlement Rules. If you require a copy of these definitions please contact the Broker.

If you are a joint holder, these terms and conditions bind each person jointly and severally, and each person is authorised to issue instructions to the Broker and give receipts to Berndale in relation to any purchase or sale of Traded Products or other matters to which these terms and conditions relate.

You agree that in the event of any inconsistency between this document and any applicable laws, the ASX Market Rules, ACH Clearing Rules or ASTC Settlement Rules, the latter will prevail to the extent of the inconsistency.

You acknowledge that this document is not exhaustive and agree to be bound by other policies and procedures which concern the operations of your account with the Broker as notified to you from time to time.

**Berndale Securities Limited**  
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**Level 19, 120 Collins Street**  
**MELBOURNE VIC 3000**  
**Telephone: 03 9659 2558**

**A participant of ASX Group**