

Terms of Business for

Norris Smith Stockbroking Pty Ltd

ABN 98 113 959 596 AFSL 297950

AND

Trader Dealer Online Pty Ltd

ACN 090 611 680

1. Terms of business

The following terms and conditions (**Terms**) will apply to all services provided by Norris Smith Stockbroking Pty Ltd (**Norris Smith**) and its Authorised Representative Trader Dealer Online Pty Ltd (**Trader Dealer Online**). Any Order placed by you will constitute assent by you to be bound by these Terms. Any additional or different terms stipulated by you will not be effective or binding upon us unless agreed by us in writing.

2. Definitions

ACH means Australian Clearing House Pty Limited ABN 48 001 314 503.

ACH Clearing Rules means the operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ACH, as amended from time to time.

Application Form means the application form completed and submitted by the Client.

ASTC means ASX Settlement and Transfer Corporation Pty Limited ABN 49 008 504 532 or another clearing facility approved to clear Securities and other financial product transactions effected on the ASX.

ASTC Rules means the operating rules, procedures, directions, decisions requirements, customs, usages and practices of ASTC, as amended from time to time.

ASX means ASX Limited ABN 98 008 624 691.

ASX Derivative Products or **ASX Derivatives** includes Exchange Traded Options, Share Ratios, LEPOs, or any other Derivative Product.

Authorised Operator means the person (if any) described as the authorised agent of the Client in the Application Form or another person notified by the Client to the Broker in writing.

Authorised Representative means Trader Dealer Online.

Automated Order Processing means the process by which the Client's Orders are registered in the Broker's system and, if accepted for submission into the Stock Exchange Automated Trading System (SEATS) by the Broker, submitted as corresponding trading messages without being re-keyed by a designated trading representative of the Broker.

Berndale means Berndale Securities Limited ABN 63 006 687 467.

Broker means Norris Smith and Trader Dealer Online.

Cash Management Trust Account means Adelaide Bank Cash Management Trust and Macquarie Cash Management Trust.

CHESS means the Clearing House Electronic Subregister System.

Claim means any or all, actual or potential claim, action, suit, cause of action, arbitration, debt due, costs, claim, entitlement, allegation, demand in respect of damages and any other benefit verdict and judgment whether both at law or in equity or arising under the provisions of any statute, award or determination whether known at the date of these Terms or not.

Clearing Participant means Berndale Securities Limited ABN 63 006 687 467.

Client means the person or persons described as the client in the Application Form.

Client Account means the Client's trading account with the Broker.

Confirmation means any confirmation issued by us or on our behalf on execution of an Order and includes an electronically transmitted confirmation.

Corporations Act means *Corporations Act 2001* (Cth).

Exchange Traded Options means Options traded on the market of the ASX.

Exchange Traded Warrants means Warrants traded on the market of the ASX.

Explanatory Booklet means the current explanatory booklet provided by the ASX for the relevant traded product.

Loss means a damage, loss, cost, expense or liability incurred by the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Market Participant means Norris Smith Stockbroking Pty Ltd ABN 98 113 959 596.

Market Rules means the market rules of the ASX.

Norris Smith means Norris Smith Stockbroking Pty Ltd ACN 113 959 596 and the holder of Australian Financial Services Licence number 297590.

Online Trading Service means the online trading and information service provided by the Broker to the Client and includes the Automated Order Processing facility.

Options means options traded on the market of the ASX, i.e. exchange-traded options.

Order means any order placed by you with us to purchase or sell or otherwise deal in Securities.

Rules means the Market Rules, the ACH Clearing Rules or the Settlement Rules, as the context requires.

Securities has the meaning given to that term in the Market Rules.

Security Information means any of the Client's email address, log-on code, password or trading password.

Services means any services provided by us as set out below.

Settlement Agent means the Broker's third party clearer, Berndale Securities Limited ABN 63 006 687 467.

Settlement Rules means the settlement rules of ASTC.

Sponsored Holding means the Client's CHESS Holding which is identified by a HIN, which is notified to the Client by the ASX after these Terms commence.

Traded Product has the meaning given to it in the Market Rules.

Trader Dealer Online means Trader Dealer Online Pty Ltd ABN 17 090 611 680.

Transaction means a transaction formed on execution of an Order.

Warrant means a warrant traded on the market of the ASX.

We or **us** means Norris Smith and its Authorised Representative, Trader Dealer Online .

3. Application of Market Rules

You, Norris Smith and Trader Dealer Online are bound by the Rules, the Corporations Act and the procedures, customs, usages and practices of the ASX and its related entities as amended from time to time in so far as they apply to Traded Products.

4. Norris Smith and Trader Dealer Online services

We provide you with execution services in relation to Securities products traded on local markets accessible to us including shares, Warrants and ASX Derivatives and any other securities agreed by you and us. If you require investment advice on other matters you should consult an independent financial planner or advisor.

5. Appointment as Broker

The Client appoints the Broker as its agent for the purposes of executing Orders to enter into the ASX Transactions in accordance with these Terms. The Client authorises the Broker to:

- (a) open a Client Account for the Client; and
- (b) act on the instruction of the Client or its Authorised Operator/Agent.

6. Authority

- (a) You represent and warrant that:
 - (i) you have the authority and power necessary to place Orders with us under these Terms (including as applicable obtaining all necessary consents and authorisations under your constituent documents);
 - (ii) you will comply with all applicable laws; and
 - (iii) if you are an individual, that you are over the age of 18.
- (b) You acknowledge that you are either:
 - (i) acting as principal; or
 - (ii) acting as an intermediary on another's behalf and are specifically authorised to transact the Traded Products, by the terms of:
 - (A) an Australian Financial Services Licence (as that term is used in the Corporations Act) held by you;
 - (B) a trust deed (if you are a trustee); or
 - (C) an agency contract.

7. Nature of Market Participant's obligations

Notwithstanding that the Market Participant may act in accordance with the instructions of, or for the benefit of the Client, the Client acknowledges that any contract arising from any Order submitted to the market, is entered into by the Market Participant as principal.

8. Right to refuse to deal

- (a) The Client acknowledges that the Market Participant may at any time refuse to deal in, or may limit dealings in, the ASX Derivative Products for the Client.
- (b) The Market Participant is not required to act in accordance with the Client's instructions, where to do so would constitute a breach of the Rules or the Corporations Act.
- (c) The Market Participant will notify the Client of any refusal or limitation as soon as practicable.

9. Execution

- (a) Either you or your Authorised Operator may place Orders with us electronically.
- (b) Each Order we execute for you is subject to the Rules, Regulations and the customs, usages and practices of the ASX and the Corporations Act as amended from time to time.

- (c) We reserve the right to refuse to accept or place a limit on any Order (including any ASX Derivatives) in our absolute discretion for any reason.
- (d) We will not be responsible for confirming the receipt of instructions or verifying the authenticity of your instructions.

10. Online trading rules

- (a) Buy Orders will only be accepted if there are sufficient cleared funds in a Client's trading account or an approved Cash Management Trust Account or an approved margin lending facility to execute the Order and meet all brokerage and government fees.
- (b) Sell Orders will only be executed if Clients have adequate stock registered on Berndale CHESS holding reports or an approved margin lending facility.
- (c) We will not be held responsible for any errors in CHESS or margin lender holding reports.
- (d) Once an Order has partially traded, only the remaining volume can be cancelled and the Client remains liable for volume traded plus brokerage and government levied fees.
- (e) All partially filled Orders will be booked out at the end of the day with the relevant brokerage charges as outlined in our Financial Services Guide.
- (f) We do not accept responsibility for reinstating lapsed Orders or for contacting the Client to seek new instructions.
- (g) All Confirmations will be distributed to Clients electronically or at the Broker's discretion.
- (h) We reserve the right not to accept and/or to remove an Order without penalty at any time and without notice to the Client.
- (i) At any time, We may immediately and without notice to you suspend or prohibit any access granted to the Client to submit Orders electronically at our discretion if We consider that there may have been (but not restricted to):
 - (i) breaches in the general trading rules and regulations of either the ASX or us;
 - (ii) activity that may be interpreted as manipulative conduct;
 - (iii) activity that may detract from the orderly nature of the market;
 - (iv) high volatility in the market as a whole or in particular stocks;
 - (v) an instance where our obligation(s) to Clients is compromised;
 - (vi) a possible breach of the Market Rules in relation to capital adequacy;
and
 - (vii) a circumstance that may result in financial loss to us or a breach of relevant regulations
- (j) At any time, We may immediately and without notice to you suspend or terminate any access to our trading platform at our discretion.

- (k) The Client shall be responsible for the confidentiality and use of its login and password. We accept no responsibility for security of the Client's login and password.
- (l) We shall be entitled but not obliged to accept any instructions or Orders communicated using the Client's login and password.
- (m) All equity Orders will remain open until either cancelled by the Client or purged by the system using the default Order expiry of nine weeks from Order entry.
- (n) In the event of ASX security code changes, the Client shall be responsible for replacing all live and contingent Order codes with the new relevant ASX security codes. We will not be responsible for any live or contingent Orders remaining in the system with the incorrect security code.
- (o) All Options Orders are good for the day only.
- (p) All Options accounts will be coded as follows:
 - (i) auto close out, i.e. no back to back positions will be held;
 - (ii) auto exercise if "in the money".
- (q) Any unfilled Orders or part of an Order expires at the end of that day's trading.
- (r) An Order for a short Options position will only be accepted if sufficient stock is held for lodgment to ACH prior to placing the Order.

11. Confirmations – accumulation and price averaging

The Client agrees to and authorises the Broker to accumulate and price average two or more market Transactions in a single Confirmation.

12. Online trading

Further information on how to use and understand the online trading system can be obtained by accessing the following web page: <http://web.iress.com.au/help/>

13. Client to provide information

- (a) The Client will take all reasonable steps to deliver information or documentation to the Market Participant, which are requested by a person having a right to request such information or documentation.
- (b) The Market Participant is authorised to produce the information or documentation to the person making the request.

14. Disclosure

- (a) Before We can accept an Order from you We are obliged by the Market Rules to make a declaration to you.

- (b) The terms of this declaration are as per clause 45 entitled "Risk Disclosure Statement".

15. Client as principal

- (a) In placing an Order you acknowledge that We will be acting as your agent and that you will be acting as principal and not as agent for any other party.
- (b) All Transactions will be undertaken on the basis that you undertake as per these Terms of Business, all obligations with respect to the execution of any Order.

16. Multiple parties and capacity

- (a) If more than one person constitutes the Client, then each person constituting the Client is jointly and severally liable under these Terms, and the Broker may act on the instructions of any one of those persons.
- (b) If the Client is acting as trustee, the Client warrants that it has authority to be bound by these Terms as trustee, and agrees that it is liable under these Terms both in its capacity as a trustee and in its personal capacity.
- (c) If the Client is a corporation, the Client warrants that it holds a valid ACN, ABN or ARBN (as applicable) under the Corporations Act.

17. Recording conversations

You acknowledge that We may record our telephone conversations with you and, if there is a dispute, you can listen to any such recordings.

18. Settlement date and time

The settlement date and time for sales or purchases is the date and time specified on the relevant Confirmation, or if no date and time are specified, is determined in accordance with the Rules.

19. Payment

- (a) The Client agrees to and must ensure that all funds required by the Broker to settle the relevant Transaction, and all brokerage, taxes costs, duties and charges in respect of that Transaction, are made available for use by the Broker prior to the settlement date and time. Payment in cash is not acceptable.
- (b) On the execution of an ASX Transaction, which will, on settlement, require the Client to pay an amount of money to the Broker, the Client acknowledges that that amount will be "locked" in the Cash Management Trust Account of the Client. From that time, the Client will not be entitled to withdraw those "locked" funds from the Cash Management Trust Account. Only the Broker or its Settlement Agent will be entitled to use those funds for the purposes of settling the relevant Transaction or otherwise as permitted under these Terms.

- (c) The Client authorises the Broker or its Settlement Agent to:
 - (i) appropriate any credits, payments receipts or amounts to which the Client is entitled (including amounts standing to the credit of any trading or Cash Management Trust Account); and
 - (ii) set off those credits, payment, receipts or amounts against any amount due or owing by the Client to the Broker.
- (d) The Broker is not required to transfer to the Client any Securities or other financial products acquired or purchased on behalf of the Client, until the Broker has been paid in full for the relevant acquisition.

20. Settlement of sales

- (a) Credits in respect of sales will not be made available to the Client until all amounts due and payable by the Client to the Broker have been paid.
- (b) All proceeds of sale to which the Client is entitled under these Terms will be paid directly to the Client and not to any third party.

21. Failure to settle

- (a) If the Client fails to make payment, deliver any documents or security holder information to the Broker in accordance with the relevant Confirmation and these Terms, the Broker may do one or more of the following:
 - (i) pass on to the Client all costs incurred as a result of that failure;
 - (ii) charge an administration fee calculated by reference to the additional cost which may be incurred by the Broker as a result of the Client's failure to settle;
 - (iii) levy a default charge on the amount from time to time outstanding at a rate which the Broker would be required to pay on an overdraft facility with its then current bankers;
 - (iv) charge interest on any debit balances resulting from the failure to settle;
 - (v) sell any Securities or other financial products purchased on behalf of the Client at the risk and expense of the Client;
 - (vi) sell out any Securities or other financial products otherwise held on behalf of the Client and apply the proceeds to reduce the Client's liability to the Broker and to recover the Broker's costs in so acting;
 - (vii) apply any cash held by the Broker or to which the Broker has access, or payments received for or from the Client, to reduce its liability to the Broker; and
 - (viii) cancel any unexecuted Orders of the Client.
- (b) The Client is responsible for and indemnifies the Broker against all costs (including legal costs on a full indemnity basis), expenses, damages and losses arising in connection with any settlement failure referred to above

including, without limitation, any consequential loss, brokerage, stamp duty, taxes, penalties, interest and legal costs.

- (c) The Client must pay or reimburse the Broker any amounts covered by the indemnity as above immediately upon demand. The Broker may deduct any of those amounts (and any GST) from any sale proceeds or other amounts otherwise payable to the Client.

22. No advice provided

- (a) The Client acknowledges that the Broker provides an execution-only service, and does not provide financial product advice.
- (b) The Client acknowledges that:
 - (i) any material or information made available or provided (whether in writing, orally or through the Online Trading Service) to the Client, has not been prepared taking into account or to take into account the particular investment objectives, financial situation or needs of the Client, is not personal financial product advice and is not suitable to be relied upon by the Client as personal advice;
 - (ii) it is the Client's responsibility to obtain personal financial product advice before making any investment or trading decision; and
 - (iii) no warranty or representation is or has been made by or on behalf of the Broker as to the current or future accuracy, completeness or currency of that material or information.

23. Disclosure of interest

You acknowledge that We may execute Orders for you in circumstances where We or our associates:

- (a) hold a principal position or deal in the Securities;
- (b) provide similar services to other persons in relation to the Securities;
- (c) are allocated a sale or purchase of Securities when We have an unexecuted Order on the same terms from you;
- (d) take the opposite position in a Transaction (including a crossing either acting for another Client entitling us to charge commission on both sides of the Transaction or on our own account);
- (e) sponsor or underwrite a new issue involving the Securities;
- (f) have material price sensitive information relating to Securities where the individuals processing your Order are prevented from knowing or taking into account such information by reason of Chinese Walls; or
- (g) have a potential conflict of interest of which you are not aware and which We are unable to disclose to you.

24. Fees and charges

- (a) You agree to pay Berndale on demand all Transaction fees and charges, including our commission, software fees and other duties and taxes payable at the rates determined by the Market Participant from time to time and notified to the Client in writing.
- (b) You agree to pay us on demand:
 - (i) all amounts incurred by us as a result of your default under these Terms, the Corporations Act, the Market Rules or otherwise; and
 - (ii) Interest on any amounts owing to us, which is charged using the method and interest rate We determine from time to time.

25. Authorisation for lodgment and withdrawal of CHESSE Securities with ACH

- (a) The Client agrees to authorise Berndale to lodge or withdraw ACH approved CHESSE Securities held by the Client or the Client's designated accounts with Norris Smith for the purpose of covering ACH margin requirements.
- (b) When a Client wishes to write an Option and this Option is to be covered by stock as collateral, the Client agrees to instruct Trader Dealer Online to lodge the relevant stock (Include details of account number, stock, quantity which is to be lodged) prior to the Client entering an Order into the system.
- (c) An Order will only be accepted once this stock has been physically lodged with ACH. This instruction can be faxed to (02) 9438 3444 or emailed to options@traderdealer.com.au

26. Revised Terms prescribed by the ASX

If the ASX prescribes amended minimum terms for a Client agreement for the purposes of the Rules (the **New Terms**), to the extent of any inconsistency between these minimum terms and the New Terms, the New Terms will override the terms of the Client agreement and apply as if the Client and the Market Participant had entered into an agreement containing the New Terms.

27. Market Participant to provide Client with copy of changes

The Market Participant will provide a copy of the New Terms to the Client as soon as practicable after the ASX prescribes the New Terms.

28. Brokers right to sell Client's Sponsored Holdings

If you fail to pay an amount due from a Transaction in accordance with the Market Rules, you agree that We have the right to sell any or all of your Securities in addition to the Securities which are the subject of the defaulting contract in Order to offset any debt owed to us.

29. Cancellation of trades

- (a) The Broker may request or agree to, and effect, the cancellation of any Order or ASX Transaction without the consent of the Client in any of the following circumstances:
 - (i) where the Broker considers the cancellation appropriate, having regard to the desirability of maintaining a fair and orderly market;
 - (ii) where the ASX, ACH or ASTC requests or directs that the Transaction be cancelled;
 - (iii) where the Rules require or contemplate that the Transaction will be cancelled;
 - (iv) where the security or other financial product the subject of the ASX Transaction has been subject to a trading halt and the Client has not reconfirmed instructions.
- (b) The obligations of the Client and the Broker under these Terms in relation to the settlement of a Transaction which is cancelled in accordance with above, cease to apply in respect of that cancelled Transaction from the time it is cancelled (whether or not the Broker has given you a Confirmation in respect of any affected ASX Transaction).

30. Cancellation in the case of errors or otherwise by the ASX

- (a) The Client acknowledges that under Section 15 of the Market Rules, the ASX has a range of powers including the power to cancel or amend an ASX Transaction.
- (b) The Client agrees not to make, and releases the Broker from any right the Client may have to make, any Claim against the Broker for any Loss incurred or suffered by the Client which may arise in connection with the exercise of any power by the ASX pursuant to Section 15 of the Market Rules (whether or not the Broker has given you a Confirmation in respect of any affected ASX Transaction).
- (c) The Market Rules give the ASX the power to cancel, amend or require the cancellation of amendment of Transactions. This power can be exercised without your permission or our agreement.

31. Capital gains tax consequences

Where a Transaction is cancelled in the circumstances described in the two preceding paragraphs you should be aware that there might be capital gains tax consequences for you. In that regard you should seek appropriate independent advice.

32. Indemnity

You indemnify us (including our employees, agents and representatives) in respect of all sums of money, actions, proceedings, suits, claims, demands, damages, costs, expenses and any other amounts whatsoever arising out of any Order or Transaction or any default by you under these Terms, or anything lawfully done by us in

accordance with these Terms or at your request, by reason of us complying with any direction, request or requirement of the Market Rules, the Corporations Act or any regulatory authority.

33. Warranties and acknowledgements

- (a) The Client warrants and represents that:
 - (i) the information supplied by the Client in its application for a Client Account or other information that We may require is accurate, complete and truthful. The Client must notify us immediately in writing (signed) of any change in information supplied by it including any change in address, telephone number or email address;
 - (ii) the Client is constituted by no more than 3 persons;
 - (iii) each trade conducted by the Client is lawful and that the Client will at all times be in a position to meet all commitments on its part arising from Transactions under these Terms.

- (b) The Client acknowledges that:
 - (i) they have received a copy of the Norris Smith Financial Services Guide (**FSG**) and the Trader Dealer Online FSG. We reserve the right to change the FSG at any time without notice. A copy of the current FSG can be obtained on the website or on request;
 - (ii) if a Client has been referred to us or on behalf of a broker or other third party, that broker or third party may receive benefits in the form of a commission or rebate from us;
 - (iii) We will not provide the Client with any legal, tax, financial or accounting advice or advice regarding the suitability or profitability of any security or investment and, to the extent permitted by law, will have no liability (including for any negligence) with respect to any transactions, including any diminution in value, in or for the Client's account and the Client's investment decision;
 - (iv) We do not operate any discretionary accounts;
 - (v) the Client has read and understood all documentation provided to it by us including these Terms; and
 - (vi) where the Client receives Confirmations by electronic means only, the Client accepts that the conditions set out in Market Rules apply.

34. General trading rules and regulations

- (a) The Client is solely responsible for placing Orders and for all errors made in placing Orders through the Automated Order Processing facility.
- (b) We reserve the right to change filters within the system at any time.
- (c) We reserve the right to block Orders, thereby preventing them from reaching the market where We, in our sole discretion, consider such Orders may constitute market manipulation or the beneficial ownership of the Securities or other financial products which are the subject of the Order would not clearly

change if the Order was executed and We shall not be liable for any loss resulting there from.

- (d) We reserve the right to remove existing Orders from the market where We in our sole discretion consider such Orders may constitute market manipulation or the beneficial ownership of the Securities or other financial products which are the subject of the Order would not clearly change if the Order was executed and We shall not be liable for any loss resulting there from.
- (e) We reserve the right to stop the trading of any Client at any time without any notice to the Client.
- (f) We reserve the right to amend or cancel any Order in the market at any time.
- (g) We reserve the right to use filters that may prevent Orders from passing directly to the market. These filters may include, but are not limited to filters that detect:
 - (i) breaches in the general trading rules and regulations;
 - (ii) activity that may be interpreted as manipulative conduct; and
 - (iii) activity that may detract from the orderly nature of the market.
- (h) We are not liable for any delay, disadvantage or loss resulting from:
 - (i) exercising our right to check Clients' Orders and instructions, available cleared funds and shareholdings;
 - (ii) any error, omission, non-receipt or invalidity in Clients' Orders or instructions;
 - (iii) any disruption, failure or malfunction of Order entry systems.

35. Electronic communications

- (a) The Client agrees not to contest the validity or enforceability of any electronic communications between the Client and the Broker. If a failure, interruption or malfunction of electronic communication between the parties prevents an Order from being placed, cancelled or amended, neither party shall be liable to the other party for any loss caused by that failure, interruption or malfunction.
- (b) The Client acknowledges that, in using the Online Trading Service:
 - (i) there may be delays in the dissemination of market information or in processing an Order or instruction to amend or cancel an Order;
 - (ii) an Order may be wholly or partly filled before an instruction for its amendment or cancellation is processed;
 - (iii) the Client remains liable for the original Order until any relevant amendment or cancellation is effected in the trading facility of the ASX; and
 - (iv) the Broker will not be liable for any loss or damage to the Client arising from any delay in the dissemination of market information or

the processing of any Order or instruction to amend or cancel an Order.

36. Limitation of liability

Subject to those provisions of the *Trade Practices Act 1974*, the *Australian Securities and Investments Commission Act 2001* and any other rights implied by law, which cannot be excluded by agreement between the parties:

- (a) the Broker makes no warranties either express or implied as to merchantability, fitness for a particular purpose, or otherwise (including as to accuracy, currency, availability, completeness or quality), with respect to the goods and services supplied under these Terms including the Online Trading Service.
- (b) The Broker excludes all liability in contract or otherwise relating to or resulting from use of the Online Trading Service and for any loss incurred by the Client directly or indirectly without limitation as a result of or arising out of:
 - (i) any inaccuracy, error or delay in or omission from any information provided to the Client under these Terms including the Online Trading Service;
 - (ii) any delays or failures or inaccuracies in the transmission of the Online Trading Service to the Client by the Broker's transmission of the Client's Orders or instructions or any other communications;
 - (iii) any misinterpretation of the Client's Orders or instructions which are unclear, ambiguous, or not specific;
 - (iv) any delay, default, failure in or loss of access to the Online Trading Service;
 - (v) any government restriction, exchange or market rulings, suspension of trading, computer or telephone failure, unlawful access to the Online Trading Service, theft, sabotage, war, earthquakes, strike force majeure and, without limitation, any other conditions beyond the Broker's control.

37. Privacy statement

- (a) The Client authorises the Broker to make any enquiries regarding the Client's credit worthiness from any person including (without limitation) SMRS, any bank or credit agency.
- (b) The Client agrees that information about the Client is collected for the purposes of these Terms, including (without limitation):
 - (i) to assess the Client's application to open a Client Account or a Cash Management Trust Account;
 - (ii) to effect purchases and sales of financial products;
 - (iii) to effect the transfer of funds and payments;

- (iv) where applicable to allow the Broker to communicate with third parties in connection with the matters contemplated by these Terms; and
 - (v) to ensure that legal and regulatory requirements are met.
- (c) The Broker may use or disclose any information about the Client which is collected by the Broker from the Application Form or otherwise in accordance with an authority or consent given by the Client, for any purpose connected with these Terms. Without limiting the above, the Client specifically acknowledges and agrees that the Broker may:
- (i) use the information to assess the application of the Client to open a Client Account;
 - (ii) use or disclose the information to a third party, (including the operator of any Cash Management Trust Account) in connection with the opening of a Cash Management Trust Account for the purposes of these Terms;
 - (iii) use or disclose any such information to the extent required by law or the Rules;
 - (iv) disclose any tax file number(s) provided by the Client to any relevant person or share registry;
 - (v) provide the Client's name and credit rating to such credit reporting agencies;
 - (vi) unless the Client otherwise indicates on the Application Form or at any later time in writing to the Broker, disclose (including to third parties) or use the information for marketing purposes; and
 - (vii) provide the information on a confidential basis to a prospective purchaser, or investor in, the Broker or all or part of the business of the Broker.
- (d) The Broker agrees to comply with its obligations under the *Privacy Act 1988* as amended from time to time, to the extent that they are relevant to these Terms

38. Variation and termination

The Broker may:

- (a) vary these Terms by giving the Client not less than five business days' notice of any variation, in writing, by updating its website or by electronic mail. If the Broker believes a variation is necessary to maintain or restore the security of any accounts or of its systems or to comply with any legal or regulatory requirement, the Broker may make the variation without notice; and
- (b) terminate these Terms at any time and for any reason by giving five business days' notice to the Client. Termination does not affect outstanding obligations under these Terms which are undischarged at the time of termination. Each indemnity in these Terms survives the termination of these Terms.

39. Notices

- (a) Notices given by the Broker may be sent to the address, fax number or email address specified in the Application Form or later notified by the Client, or by posting the notice on its website. Any notice or Confirmation given by the Broker is taken to have been received on the business day following the transmission or posting of the notice, demand or Confirmation.
- (b) Notices given by the Client must be in writing and sent by post or facsimile to the address or facsimile number of the Broker specified in the Application Form or later notified by the Broker. A notice given by the Client is taken to have been given at the time it is actually received by the Broker.
- (c) Where a Client Account is opened in the joint names of more than one Client, each Client agrees that the Broker may discharge any obligation it has to give a notice or a document to the Clients under these Terms or the Corporations Act by giving notice to any one of those Clients.

40. Authorised Agents

- (a) The Client may at any time, by notice to the Broker, revoke the appointment of an Authorised Operator and substitute another person as Authorised Operator. Where another person is appointed Authorised Operator, the notice must include the full name, telephone number, fax number, and email address of that person and be verified by the Client and, in the case of a corporate Client, by a Director of the Client.
- (b) The Client is and remains solely liable and responsible for all acts and omissions of its Authorised Operator notwithstanding the act or omission of the Authorised Operator was outside their actual or ostensible authority or in error, fraudulent, negligent, in breach of its fiduciary duties or criminal.
- (c) The Client agrees not to make, and releases the Broker from any right the Client may have to make any Claim against the Broker for any Loss incurred or suffered by the Client which may arise in connection with any act or omission by the Authorised Operator.

41. Complaints

Complaints should be referred to us in accordance with the procedure in the Financial Services Guide provided to you. Unresolved complaints will be referred to the Financial Industry Complaints Service Limited Resolution Scheme or another independent dispute resolution scheme subscribed by us, from time to time.

42. Governing law

These Terms are governed by and construed in accordance with the laws of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales.

43. Severability

Each part of these Terms is severable from the balance of these Terms and if any part of these Terms is illegal, void, invalid or unenforceable, then that will not affect the legality, effectiveness, validity or enforceability of the balance of these Terms.

44. ASX Warrants

44.1 About ASX Warrants

You are aware that admission to trading status of a Warrant does not imply that the ASX or the Securities Exchanges Guarantee Corporation Limited gives any guarantee or warranty as to the viability of the Warrant-issuer or guarantor. You acknowledge that failure of the Warrant-issuer or the guarantor (if applicable) to fulfil their obligations does not give rise to a claim against the ASX, Market Participants or the Securities Exchanges Guarantee Corporation Limited.

44.2 Explanatory Booklet – Warrants

You acknowledge that you have read and understood the relevant Explanatory Booklets on Warrants (this can be obtained by accessing the following site): Understanding Trading and Investment Warrants
<http://www.asx.com.au/markets/pdf/Warrants.pdf>

44.3 Warrant Terms

You acknowledge that:

- (a) a Warrant has a limited life and cannot be traded after its expiry date;
- (b) Warrants do not have standardised terms of issue and that it is your responsibility to become aware of the terms of issue of any Warrant in which you choose to invest;
- (c) Warrants may be subject to adjustments after their initial issue and that it is your responsibility to become aware of any adjustments which may have been made to any Warrant in which you choose to invest.

45. Risk disclosure statement

45.1 Disclosure Documents

The issuer must produce Disclosure Documents and these will be in the form of a Product Disclosure Statement or a Prospectus that will include an Offering Circular and terms of issue as required by the ASX. These documents contain contractual rights and obligations of both the issuer and Warrant holder. It is important for investors to read these documents in order to determine whether the Warrant matches the investor's investment profile. Furthermore, there is the possibility that the Warrant may have been issued with non-standard conditions which must be disclosed in the Disclosure Documents. It is the responsibility of the investor to ensure that they are familiar with their rights and obligations. The Disclosure Document is available from the issuer upon request.

45.2 **Time decay**

The purchaser of a Warrant, whether it is a call Warrant or a put Warrant, has a known and limited potential loss. Warrants are a wasting asset and if a purchased Warrant expires worthless (i.e. out of the money) the purchaser will lose the total value paid for the Warrant (known as the premium) plus transaction costs.

45.3 **Effect of "Leverage" or "Gearing"**

Transactions in all derivative products traded on the ASX carry a degree of risk. The initial outlay of capital may be small relative to the total contract value so that transactions are 'leveraged' or 'geared'. A relatively small market movement may have a proportionately larger impact on the value of the contract. This may work against you as well as for you. You may sustain a total loss of funds in relation to your position.

45.4 **Settlement**

The terms of each Warrant are outlined in the Disclosure Documents including the settlement method if the Warrant is exercised. Investors should be aware that Warrants may be settled either by cash or by physical delivery of the Securities. For this reason Warrants are referred to as "Cash Settled Warrants" or "Deliverable Warrants". Investors should refer to the Disclosure Documents for specific details of which settlement method is applicable. If a Warrant holder does not exercise a deliverable Warrant which expires more than 5% in-the-money, then the holder of a deliverable Warrant may be entitled to an Assessed Value Payment in accordance with ASX Market Rule 10.11.

45.5 **Fractional Warrants**

Fractional Warrants usually require more than one Warrant to be exercised in order to acquire or sell one unit of the underlying security. Disclosure Documents document will stipulate the number of Warrants required to be exercised to be entitled to one unit of the underlying security.

A fractional Warrant will have a lower market value than a standard equity Warrant with the same exercise price and maturity which can be exercised on a 1-for-1 basis. For example, a 4-for-1 call Warrant (with a conversion ratio of 4 Warrants for 1 share) means that the holder has the right to buy one share by exercising four Warrants. If a non-standard number of fractional Warrants are exercised, the nearest standard number below that number will be exercised and an Assessed Value Payment will be made for the residual Warrants.

The market price of a 4-for-1 fractional Warrant could be expected to be approximately 25% of the standard equity Warrant. Values of sensitivity measures such as delta could also be expected to be approximately 25% of a standard equity Warrant.

45.6 **Comparable products**

Investors should give consideration as to whether a particular Warrant suits their financial situation, investment objectives and particular needs. Investors should also familiarise themselves with similar or alternative products (such as Exchange Traded Options) which may equally suit their requirements.

45.7 **Issuer risk**

- (a) A Warrant is a contract between the Warrant holder and the Warrant issuer and is not cleared through a clearing house such as the Australian Clearing House Traded Options. This exposes the Warrant holder to issuer risk, which

is the risk that the issuer of the Warrant will not fulfil its obligations (i.e. in the event of exercising the Warrant). To assist investors in assessing the credit risk of an issuer, information on the financial situation of the issuer and guarantor (if applicable) is included in the Disclosure Documents. Some issuers are listed on the ASX and therefore provide this information to the market on a regular basis. Credit rating agencies such as Moody's or Standard & Poor's may also provide useful information.

- (b) If a deliverable Warrant is exercised and the issuer fails to fulfil its obligations under the terms of issue within 20 business days of exercise the investor may, by giving notice to the issuer, request an amount of liquidated damages calculated in accordance with Market Rule 10.12.1(c).

45.8 **Specific product risks**

Warrants traded on the ASX:

- (a) Warrants are issued over underlying Securities, baskets of Securities, an underlying index or a currency. Purchasers of Warrants should be familiar with the mechanics of the two different types of Warrants, call and put Warrants, and the nature and extent of the risks, the rights and obligations associated with each.
- (b) The value of a Warrant will depend on a range of factors, such as the exercise price, the price of the underlying shares or the level of the underlying index, the volatility of the underlying shares or the underlying index, the time remaining to expiry date, interest rates, dividends and other factors and general risks applicable to markets.

45.9 **Other general considerations**

Risk-reducing Orders or strategies: The placing of certain Orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such Orders. Strategies using combinations or positions, such as 'straddle' positions may be more risky than taking simple 'long' positions.

Terms and conditions of contracts: Investors should refer to the Disclosure Documents to familiarise themselves with the terms and conditions of the relevant traded Warrant contract.

Suspension or restriction of trading and pricing relationships

- (a) Market conditions (for example, illiquidity) or actions by the ASX or the issuer may increase the risk of loss by making it difficult or impossible to effect transactions or close out existing positions.
- (b) Normal pricing relationships may not exist in certain circumstances, for example, in period of high buying or selling pressure, high market volatility or illiquidity in the market for a particular Exchange Traded Warrant.
- (c) The ASX and Warrant issuers have broad powers under the Market Rules and Disclosure Documents to take action in the interests of maintaining fair and orderly markets and, in some circumstances, this may affect your positions.

46. Exchange Traded Options

46.1 Explanatory Booklet – Options

You acknowledge that you have read and understood the relevant Explanatory Booklet on Options (this can be obtained by accessing the following site):

<http://www.asx.com.au/investor/options/booklets.htm>

46.2 Margins

You agree not to breach, either alone or in concert with others, the position or exercise limits referred to in the Explanatory Booklet. You agree to maintain a deposit or bank guarantee for such sum as shall from time to time be required by the ASX. You acknowledge our rights to close out any contract if you fail to deposit the required margin or make the required payments as advised by us in accordance with ACH Rules.

47. Obligations of Norris Smith and Trader Dealer Online

Upon registration of an Options contract with ACH, you acknowledge that our clearer incurs obligations to ACH as principal, even though We may have entered into the contract on your behalf.

48. Instructions

- (a) The Client may from time to time instruct the Trading Participant to deal in the following ASX Derivative Products:
 - (i) Options (including LEPOs);
 - (ii) Share Ratio Contracts; and
 - (iii) other Derivative Instruments traded on the ASX.
- (b) If the Client gives instructions to the Trading Participant to deal in an ASX Derivative Product in which the Trading Participant is not authorised to deal under this clause, those instruction are taken to vary these Terms to authorise the Trading Participant to deal in that ASX Derivative Product under this clause.

49. ASX-Derivatives Client agreement

Prior to placing an Order with the Market Participant to deal in ASX-Derivative Products, the Client must have signed an ASX-Derivatives Client agreement with Berndale.

50. Nature of Berndale's obligations

The Client acknowledges that, subject to clause 56 below, immediately upon execution of a transaction in ASX Derivative Products by the Market Participant on behalf of the Client, Berndale (and not the Market Participant) is obliged as principal and has the Clearing Obligations (as defined in section 12 of the Market Rules) for

that transaction (including upon registration, obligations to Australian Clearing House Pty Ltd (**ACH**) as principal) even though the transaction has been entered into by the Trading Participant on the Client's behalf.

51. Obligations of Client owed to Berndale

- (a) The Client acknowledges that on execution of a transaction in an ASX Derivative Product by the Market Participant on behalf of the Client, the Client owes obligations to Berndale in relation to that ASX Derivative Product.
- (b) Where the Client owes an obligation to deliver funds, security or information to Berndale that obligation will not be satisfied by delivery to the Market Participant.

52. Commissions and fees

- (a) The Client must pay to Berndale commissions and fees charged by the Market Participant in connection with execution services for the Client in relation to Securities products traded including shares, Warrants and ASX Derivatives dealings for the Client at the rates determined by the Market Participant from time to time and notified to the Client in writing.
- (b) Commission charged by the Market Participant to the Client is collected by Berndale on behalf of the Market Participant. Berndale will account to the Market Participant for such commission after deducting fees which Berndale charges to the Market Participant.
- (c) Commission is also payable to Berndale on a contract for the transfer of underlying Securities following the exercise of an Option. Berndale will pass on part of that commission to the Market Participant.

53. Right to refuse to deal

The Client acknowledges that the Market Participant may at any time refuse to deal in, or may limit dealings in, the ASX Derivative Products for the Client. The Market Participant will notify the Client of any refusal or limitation as soon as practicable.

54. Amendment

These Terms may be amended by the Market Participant from time to time. The Market Participant will give the Client 10 days' notice of any amendment, after which time, the amendment will become effective.

55. Provision of information

- (a) The Client will provide the Market Participant with all information necessary for the Market Participant to provide the Services requested by the Client. The Client agrees to notify the Market Participant of any relevant new information or change in the Client's situation, when such change occurs. The Client acknowledges that if the Client does not provide the Market Participant with that information the Trading Participant may be unable to provide Services.

- (b) The Client agrees that the Market Participant may use, and disclose to Berndale, such information, any of the Client's account details and information regarding Securities transactions (including transactions relating to ASX Derivative Products or to the exercise of ASX Derivative Products) of the Client for the purposes of these Terms, and for the purposes of Berndale monitoring compliance by the Client, the Trading Participant or Berndale with their regulatory and contractual obligations, and resolving disputes.

56. Allocation (give up)

The Client acknowledges that Berndale is obliged as principal and has the Clearing Obligations in respect of all transactions in relation to ASX Derivative Products which are executed by the Market Participant on behalf of the Client, unless, in relation to a specified transaction or transactions:

- (a) Berndale has consented to the allocation of the market contract to another Clearing Participant;
- (b) Berndale has provided that consent prior to the market contract being registered with the Clearing House; and
- (c) another Clearing Participant has accepted the allocation of those trades in accordance with the Market Rules.

57. Interpretation

Unless otherwise defined or the contrary intention appears, any expression used in these Terms which is defined in the Market Rules or the Settlement Rules of ASTC has the meaning given to it in the applicable Market Rules. Words expressed in the singular include the plural and vice versa. A reference to a document or agreement includes any variation or replacement of it.

58. Inconsistency

If the Board of the ASX prescribes amended minimum terms for ASX Derivative Products for the purposes of the Market Rules (**New Terms**), to the extent of any inconsistency between these Terms and the New Terms, the New Terms will override these Terms and apply as if you and us had entered into an agreement comprising the New Terms. We will provide you with a copy of any New Terms applicable to your trading in ASX Derivative Products.

11 April 2008