

Lonsec Direct Investment Services Terms and Conditions

Terms of your agreement with Lonsec Limited (trading as Lonsec Stockbroking) when buying and selling Financial Products on the ASX market.

Important Notice

LDIS Pty Ltd (LDIS) is a related company of Lonsec Limited. LDIS is the platform administration provider that allows individual members of superannuation funds to acquire and dispose of Financial Products that are listed on Australian exchanges using Lonsec Limited as the executing stock broker.

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1 Arrangements for Trading on an Australian Market through Lonsec Stockbroking

If you want to buy or sell or otherwise deal in Financial Products on a Market in Australia, Lonsec Stockbroking may execute the Market Transaction on your behalf. This document sets out the terms and conditions between you and Lonsec Stockbroking in relation to the Market Transactions executed by Lonsec Stockbroking on your behalf or where you execute orders using Lonsec Stockbroking Market Access Service.

2 Conduct of Business

You acknowledge and agree:

- (a) to comply with these Terms and Conditions and all applicable legislation and all applicable Market Integrity Rules, Market Competition Rules, Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules and the directions, decisions and requirements of the Market and the customs and usages of the Market, the Clearing Facility and the Settlement Facility. Copies of the applicable Market Integrity Rules, Market Competition Rules, Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules can be inspected at Lonsec's offices on request; and
- (b) all Market Transactions are subject to the Terms and Conditions (if any) on the confirmation issued by Lonsec Stockbroking (Confirmation) (if any) and set out below, and to the applicable Market Integrity Rules, Market Competition Rules, Operating Rules, the ASX Clear Operating Rules, the directions, decisions and requirements of the Market and the customs and usages of the Market, and if the sale or purchase is in relation to CHES Approved Products, the ASX Settlement Operating Rules; and
- (c) You acknowledge and agree that you have read and understood these Terms and conditions and this Terms and conditions form part of our agreement with you; and
- (d) You warrant that you are a natural person, principally resident in Australia and 18 years of age or over; and
- (e) You may not close your trading account without us having received all financial Products for which the trading account is liable to deliver for sale; and
- (f) You must not disclose or share your Security Identifications (password and login details) with anyone including other family members; and
- (g) You should commit your Security Identification to memory and not leave a written record available for anyone else to see; and
- (h) You are absolutely responsible for the use of any Security Identifications and for retaining its security; and
- (i) You acknowledge that you are responsible for any unauthorised, illegal or fraudulent transactions which are attributable to your conduct or omission; and
- (j) You agree that we do not provide personal advice and therefore it is up to you to ensure that before entering into any transaction you make your own enquiries as to whether or not the transaction meets your financial situation, needs and objectives; and
- (k) You acknowledge that we are not responsible for failing to execute your instructions on market or for any missed opportunities whilst we complete our internal tasks and processes. These processes or tasks can include buy backs, ongoing customer due diligence, corporate actions or other back office functions.

3 Orders and Instructions

3.1 Placing Orders

You agree that, if you wish to place any Order, you must do so using the Lonsec Stockbroking Market Access Service utilising LDIS Pty Ltd (LDIS) platform.

4 Orders Relating to Covered Short Sales

You agree that whenever you place a sell Order with Lonsec Stockbroking, you must inform Lonsec Stockbroking whether or not your sell order relates to a covered short sale – i.e. a sale where you do not hold the securities the subject of the sell order but have, at the time you place the sell Order with Lonsec Stockbroking, a legally binding commitment from a securities lender to lend the securities to you under a securities lending arrangement.

Where your sell Order relates to a covered short sale, you must also inform Lonsec Stockbroking at the time of placing the sell Order:

- (a) the number of Traded Products to be sold that are to be delivered under the securities lending arrangement;
- (b) a description of the Traded Products (e.g., fully paid ordinary shares); and
- (c) the name of the entity that issued the Traded Products (e.g., National Australian Bank Limited).

You acknowledge that Lonsec Stockbroking will not be permitted to execute a sell Order for you unless you have notified Lonsec Stockbroking whether or not the sell Order relates to a covered short sale.

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You agree that, each time you place a sell Order with Lonsec Stockbroking that is a covered short sale, you will be taken to have warranted and represented to Lonsec Stockbroking that the information that you provide to Lonsec Stockbroking is true and correct and the sale will meet the requirements and conditions of the Corporations Act, Corporations Regulations and ASIC Class Orders (if any) relating to covered short sales, (including without limitation that you have obtained a legally binding commitment from a securities lender to lend the relevant securities to you under a securities lending arrangement).

You will not be permitted to enter into a naked short sale unless an exemption under the Corporations Act, Corporations Regulations and ASIC Class Orders applies.

5 Right to Refuse Orders

Lonsec Stockbroking may at any time, in its absolute discretion:

- (a) refuse to accept an order from you; or
- (b) refuse to accept you as a client or to accept orders from you;
- (c) refuse to execute and cancel an order that has previously been accepted.

You acknowledge that Lonsec Stockbroking may be required to refuse to accept you as a client if the Clearing Participant refuses to accept you as a client and will refuse to accept orders or execute orders including cancelling any orders Lonsec Stockbroking has accepted.

6 Market/Limit orders

When you submit an order using Lonsec Stockbroking you must mark the order as either "At Market" or "At Limit".

"At Market" orders cannot be accepted outside of market hours or when trading in a particular stock which is a trading halt or has been suspended from official quotation.

An "At Limit" order will not be accepted if the price limit is considered too far away from the prevailing market price of the stock.

Limit orders can be amended or cancelled provided the order has not been placed in the market.

Market orders cannot be amended or cancelled during market hours.

7 Best Execution / Use of Other Exchanges

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 (see <http://www.beyond.lonsec.com.au/files/best-execution-and-procedures>) and you authorise Lonsec Stockbroking to accumulate those transactions on a single confirmation and specify

the volume weighted average price for those market transactions.

Lonsec Stockbroking will also provide you with a summary of any material change or changes to its Best Execution policy as soon as practicable and will provide a copy of its Best Execution Policy as soon as reasonably practicable, noting that once the policy has been changed it will be published on its website

8 Allocation and Execution Policy

Subject to any instructions from you, Lonsec Stockbroking will generally execute Orders in the sequence in which they are received.

However, you acknowledge and agree that:

- (a) your order may match opposite orders in a Trading Platform entered by Lonsec Stockbroking (which will effectively result in a Crossing and if permitted by the relevant Market Integrity Rules Lonsec Stockbroking will be entitled to commission from both sides of the transaction);
- (b) Lonsec Stockbroking and/or any of its related bodies corporate and certain other related persons may place orders which involve Lonsec Stockbroking acting on its own behalf or as Principal on the same terms as any of your Orders, and that its order may be filled before yours due to its order being entered into the LDIS Trading Platform before your Order; and

Lonsec Stockbroking may not be aware of Principal orders that are being (or may be) executed, and that market access arrangements and program trading may make it impossible to prevent Principal orders from being executed at the same time as (or before) your Order.

Accordingly, you agree that Lonsec Stockbroking may execute Principal orders where your Order on the same terms is outstanding and that these Terms and Conditions constitute disclosure as required by Rule 5.1.8 of the Market Integrity Rules (ASX Market).

9 Confirmations

You will be given Confirmations as required by the Corporations Act and the relevant Market Integrity Rules. You acknowledge that these may be given by the Clearing Participant on behalf of Lonsec Stockbroking.

You authorise Lonsec Stockbroking and the Clearing Participant on behalf of Lonsec Stockbroking to dispatch Confirmations to you electronically to the email address notified to Lonsec Stockbroking by you from time to time for this purpose.

You must promptly check the accuracy of every Confirmation sent to you and notify your Adviser immediately of any error that you consider may have occurred. If we do not receive any such notification from you within 24 hours from the

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time when the confirmation is sent to you, you will be taken to have accepted the accuracy of the Confirmation.

A Confirmation may at any time be reissued 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 Lonsec Stockbroking is required to give you a Confirmation and enters into multiple Market Transactions in order to complete your Order, you authorise Lonsec Stockbroking (or the Clearing Participant on our behalf) 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, Lonsec Stockbroking will, if required under the Market Competition Rules or the applicable Market Integrity 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, within the meaning of the Corporations Act, for the purposes of the Market Integrity Rules, Lonsec Stockbroking may elect not to give any Confirmations to you in relation to Market Transactions executed for you. If Lonsec Stockbroking so elects, you acknowledge that Markets Transactions are subject to:

- (a) the directions, decisions and requirements of the operator of the Market, the applicable Market you undertake that the payment of monies by Lonsec Stockbroking in accordance with these Terms and Conditions, or any instructions given by you, will not breach the AML/CTF Laws and you agree to indemnify Lonsec Stockbroking against any loss arising were you to breach this undertaking

10 Cancellations

You authorise Lonsec Stockbroking to, and agree that Lonsec Stockbroking may, without your consent, cancel or amend (or request or agree to the cancellation or amendment of) any Market Transactions relating to the sale or purchase (as the case may be) of some or all of the Financial Products to which a Confirmation relates or otherwise which Lonsec Stockbroking has executed on your behalf if permitted by the relevant Operating Rules:

- (a) in Lonsec Stockbroking's absolute discretion having regard to the desirability of maintaining a fair and orderly market;
- (b) if the operator of a Market exercises its power under its Operating Rules to cancel or amend (or require the cancellation or amendment of) the Market Transaction; or
- (c) in the event of an Error or otherwise in the circumstances contemplated in the operating rules of the relevant Market.

Your obligations referred to in clauses 9 and 10 cease to apply in respect of a cancelled transaction from the time it is cancelled or, in the case of an amended Market Transaction, apply as amended.

You acknowledge that you have been given notice by Lonsec Stockbroking of the power of the operator of the Market under the Operating Rules to cancel or amend Market Transactions.

11 Complaints

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

Lonsec Stockbroking encourages you to refer any complaints to your fund's help desk in the first instance. If you are dissatisfied with the response then please write to:

Compliance Officer
Lonsec Stockbroking
 L7, 90 Collins St, Melbourne, 3000
 Ph.: 03 9623 6367

When Lonsec Stockbroking receives a written complaint from you, it will initially respond with a written acknowledgement that it has received your complaint; and then it will aim to respond to all matters raised within 45 days.

If you are not satisfied with Lonsec Stockbroking's response and wish to proceed further you may have the right to take your complaint to an independent complaints resolution body:

Financial Ombudsman Service
 GPO Box 3
 Melbourne Vic 8007
 Telephone: 1300 780 808
 Facsimile: (03) 9913 7345
 Website: www.fos.org.au
 Email: info@fos.org.au

12 National Guarantee Fund

As Lonsec Stockbroking is a participant of ASX, you may make a claim on the National Guarantee Fund (NGF) in the circumstances specified under Part 7.5 of the Corporations Act and the Corporations Regulations. (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 Exchange Guarantee Corporation Limited ABN 19 008 626 793).

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13 Trading – Use of LDIS Platform and Lonsec Market Access Service

The following rules apply when you use this service:

- 13.1** We may communicate with you using any method of communication such as email, SMS or by post. However, you may only provide us with instructions to buy or sell Financial Products or send other instructions by the method and format as notified to you by us from time to time. We will not be responsible for any changes to your instructions unless you provide sufficient notice prior to the receipt of your original instructions. We will be deemed to have received your electronic communication only at the time we have actual notice of the communication. We will use our reasonable endeavours to execute your instructions but we do not guarantee that your instructions will be wholly or partially executed or will be executed by a certain time.
- 13.2** You will not place an order for the sale or purchase of Financial Products where the beneficial ownership in those Financial Products would not clearly change if the order was executed. Furthermore we are not obliged to accept instructions or orders and may decline to process your instructions where we believe the order may not involve a change of beneficial ownership.
- 13.3** You acknowledge that we may, at our discretion, execute your order using Market Access, provided that:
- (a) the order satisfies our order rules (filters) which rules may, at our discretion, change from time to time without notification to you. We are not required to inform you as to what these rules (filters) are;
 - (b) the order satisfies the fund's business rules which may at the Fund's discretion change from time to time without notification to you;
 - (c) the order satisfies the ASIC Market Integrity Rules, ASX Operating Rules or other exchanges operating rules, with regard to time, price and volume characteristics or other characteristics as specified by ASIC, the Corporations Act, ASX or other Exchanges (our reasonable opinion your instructions breach or may breach any law or statutory or other regulatory your order was placed. Your orders may be subject to manual review and entry, which may cause delays in their processing.
 - (d) You acknowledge that the ASX has the power under ASX Rule 3200 to cancel or amend, or to require us to cancel or amend, orders, market transactions or crossings and we will take whatever action is required by ASX whether or not you consent.
 - (e) Acting reasonably and in good faith we may in relation to our ongoing compliance with a regulatory requirement or in relation to the management of our financial or reputational risk at any time refuse your instructions to purchase, sell, amend or cancel any order for Financial Products on your behalf. Additionally, we may generally prohibit or restrict your ability to trade Financial Products, access information or utilise portfolio tools under the Service without providing any advance notice. We accept no liability for any losses incurred by you arising directly or indirectly as a result of our declining your instructions or restricting your access to the service.
 - (f) You acknowledge that your order will be executed at the price available on the ASX or other exchange (subject to any limit imposed by you) which may be different from the price at which the Financial Products are trading when your order was placed. Your orders may be subject to manual review and entry, which may cause delays in their processing.
 - (g) You acknowledge that all dealings in Financial Products on your behalf are subject to the ASIC Market Integrity Rules, the Corporations Act, the ASX Rules, the ASX Clear Rules, the ASX Settlement Rules, the AML/CTF Laws and applicable rules, the customs and usage of the market and are subject to the correction of errors and omissions.
 - (h) You acknowledge that the ASX has the power under ASX Rule 3200 to cancel or amend, or to require us to cancel or amend, orders, market transactions or crossings and we will take whatever action is required by ASX whether or not you consent. Where ASX exercises these powers you release us from any right you may have to make any claim for Loss incurred or suffered which may arise from the actions of the ASX.
 - (i) You acknowledge that we may request, agree to or effect cancellation of any orders or ASX transaction for any reason without Your consent where, acting reasonably and in good faith, we believe cancellation is appropriate having regard to our obligations under the ASIC Rules, Corporations Act, ASX Operating Rules, ASX Clear Operating Rules and ASX Settlement Operating Rules
 - (j) Where we are obliged by law or otherwise to provide you with information that is not specific to you, and you have provided us an email address, you agree that we may satisfy that obligation by posting that information or a link to it on our website, or by emailing that information or a link to it to you at that address.

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- (k) When you trade you will ensure that your email address is current at all times and capable of receiving confirmations. You will notify us of any changes to your email address. Where a confirmation is not delivered, you consent to receipt of the confirmation and any future confirmations by mail and agree to pay the relevant costs until you notify us of your current effective email address. You agree to pay these costs pursuant to the Product Disclosure Statement (PDS) and Financial Services Guide (FSG).
- (l) You acknowledge that your orders may be purged from the market subject to the ASX Rules, procedures, customs, usages and practices of the ASX (and other exchanges as applicable) without notice to you. You further acknowledge that we are not obliged to notify you of any orders which are purged from the market although we will make reasonable endeavours to notify you of any relevant purges. We are not however, liable for any loss suffered by you if you do not receive notification in this regard. An order that is cancelled or purged by ASX (or any other exchange as applicable) will not be reinstated by us without instructions from you.

14 Anti-Money Laundering and Counter-Terrorism Financing

14.1 AML/CTF Laws apply

You agree that:

- (a) Lonsec Stockbroking is subject to various AML/CTF Laws which include prohibitions against any person dealing with the proceeds of, or assets used in, criminal activity (wherever committed) and from dealing with any funds or assets of, or the provision of finance to, any person or entity involved (or suspected of involvement) in terrorism or any terrorist act; and
- (b) the AML/CTF Laws may prohibit us from offering services to, or entering into, or conducting transactions with, you.

14.2 Lonsec Stockbroking's rights in order to comply with AML/CTF Laws

- (a) Lonsec Stockbroking is not required to accept or execute any Order, or take any other action or perform any obligation under, or in connection with, these Terms and Conditions if Lonsec Stockbroking is not satisfied as to your identity, or where Lonsec Stockbroking suspects on reasonable grounds that by doing so Lonsec Stockbroking may breach the AML/CTF Laws;
- (b) Lonsec Stockbroking may delay, block or refuse to make any payment, or refuse to release any funds that it holds on your account, if it believes on reasonable grounds that to do so may breach any law in Australia

or of any other country, including the AML/CTF Laws; and

- (c) Lonsec Stockbroking will incur no liability to you for any loss you suffer (including consequential loss) however caused by reason of any action taken or not taken by it as contemplated in clauses 13.1(a) and 13.1(b) above.
- (d) You agree to provide all information and documents to Lonsec Stockbroking which it reasonably requires to comply with any law in Australia or of any other country, including any AML/CTF Laws and agree that Lonsec Stockbroking may disclose information which you provide to it, or about transactions you conduct, or seek to conduct, with it where it is required to do so by any such laws.

15 Indemnity

To the maximum extent permitted by law, at all times and from time to time, you indemnify and undertake to keep indemnified each of Lonsec Stockbroking and its related bodies corporate and any of their respective directors, officers, contractors, agents and employees (each an **Indemnified Person**) from and against all liabilities, losses, damages, costs or expenses directly or indirectly incurred or suffered by the Indemnified

Person and from and against all actions, proceedings, claims or damages made against the Indemnified Person (each a **Loss**) as a result of:

- (a) any order placed, transaction entered into by Lonsec Stockbroking or cancellation of a transaction on your behalf as contemplated by these Terms and Conditions;
- (b) any failure by you to settle;
- (c) any other breach by you of these Terms and Conditions;
- (d) any breach by you of any other agreement with Lonsec Stockbroking or the Clearing Participant; or
- (e) any breach by you of any representation or warranty made or taken to have been made by you (including without limitation in relation to any disclosure to be made in respect of sale orders) not being true or correct, other than to the extent that the loss is found finally and conclusively by a court of competent jurisdiction to have resulted primarily from the gross negligence, wilful default or fraud of an Indemnified Person.

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16 Governing Law

These Terms and Conditions are governed by the laws of State of Victoria and the parties consent to submit to the non-exclusive jurisdiction of the Courts of the State of Victoria.

17 Interpretation

In these Terms and Conditions (including the Schedules)

- (a) Words expressed in the singular include the plural and vice versa.
- (b) 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 or operating rules includes any modification or re-enactment of, or provision substituted for, and any subordinate legislation issued under or procedure applicable to, that legislation or legislative provision or operating rule.
- (c) Words used in this document have the meanings given to them in the Market Integrity Rules, Market Competition Rules, Operating Rules, ASX Clear Operating Rules or the ASX Settlement Operating Rules, as applicable.

18 Definitions

In these Terms and Conditions (including the Schedules) unless the context otherwise requires:

Adviser means your Lonsec Stockbroking financial adviser.

AML/CTF Laws means the Anti-money Laundering and Counter-terrorism Financing Act 2009 (Cth) and associated Regulations.

ASIC means the Australian Securities and Investments Commission or such other body that replaces it from time to time.

ASIC Class Orders means the class orders issued by ASIC and amended from time to time.

ASX means the Australian Securities Exchange.

ASX Clear means ASX Clear Pty Limited ACN 001 314 503.

ASX Clear Operating Rules means the operating rules of ASX Clear.

ASX Operating Rules means the operating rules of ASX, excluding the ASX Listing Rules.

ASX Settlement Operating Rules means the operating rules of ASX Settlement.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504. **ASX** means ASX Limited ABN 98 008 624 691 or, if the context requires, the financial market operated by it.

Clearing Facility means the clearing facility operated by ASX Clear under the ASX Clear Operating Rules.

Clearing Participant means Pershing Securities Australia **Confirmation** means an e-mail message informing a purchaser or seller that an order has been received.

Corporate Actions means actions generated by the listed entity, for example, the payment of dividends, rights issue, buy back of securities and bonus issues.

Corporations Act means the Corporations Act 2001 (Cth)

Corporations Regulations means the other regulations made under the Corporations Act.

Designated Trading Representative has the meaning given to it in the applicable Market Integrity Rules.

FSG means the Lonsec Financial Services Guide as amended from time to time

Market Service "MA Service" means service under which a person enter orders to be registered in Lonsec Stockbroking's system and, if accepted for submission into a Trading Platform by Lonsec Stockbroking, submitted as corresponding Trading Messages.

Financial Product has the meaning given to it in Division 3 of Part 7.1 of the Corporations Act.

Market means ASX or any other financial market on which Lonsec Stockbroking from time to time executes orders in accordance with these Terms and Conditions.

Market Competition Rules means the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011.

Market Integrity Rules means the ASIC Market Integrity Rules applicable to a Market on which an Order is placed.

Market Transaction has the meaning given to it in the relevant Market Integrity Rules and includes transactions in Warrants but (except in clause 8) does not include Options Market Transactions (as defined in the ASX Operating Rules).

Operating Rules means the rules and procedures governing the operation of a relevant Market (for example, in relation to ASX, the ASX Operating Rules).

Order means an order for the sale or purchase of, or the amendment or cancellation of a prior order for the sale or purchase of, or other dealing in, Traded Products to be executed by Lonsec Stockbroking.

Principal has the meaning given to it in the applicable Market Integrity Rules. In the case of Lonsec Stockbroking, it includes its directors, company secretary, substantial holders and any of its related bodies corporate.

Security Identifications means the login details and password details that are provided to or generated by the user in order to access the Market Service.

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Settlement Facility means the settlement facility operated by ASX Settlement under the ASX Settlement Operating Rules.

Settlement Date means trade date plus 3 days or in the case of deferred settlement then that relevant date on which the settlement date is stipulated.

Traded Product has, in the case of ASX, the meaning given to Cash Market Product in the Market Integrity Rules applicable to ASX.

Trading Platform has the meaning given to that term in the Market Integrity Rules applicable to the relevant Market on which Traded Products are traded.

Warrant has the meaning given to it in the ASX Operating Rules.

We, our, us means Lonsec Limited and its related entities.

You, your means the person or persons in whose name uses the MA Service. 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.