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# CommSec Pocket Terms and Conditions

Effective Date: 25 October 2023



CommSec

Commonwealth Securities Limited (CommSec) ABN 60 067 254 399 is a wholly owned by non-guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234 945.

Australian Financial Services Licence Number: 238814

**Registered Office:** Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, NSW 2000.

# Terms and Conditions

**Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 (CommSec) is a wholly owned but non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA). CommSec is a Market Participant of ASX Limited (ASX) and Cboe Australia Pty Limited (Cboe), a Clearing Participant of ASX Clear Pty Limited and a Settlement Participant of ASX Settlement Pty Limited.**

Registered Office: Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney NSW 2000, Australia

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

**Part 1** – Customer Information and Privacy;

**Part 2** – General Terms and Conditions;

**Part 3** – General Conditions of Trade;

**Part 4** – Trading Rules;

**Part 5** – Direct Debit/Credit Request Service Agreement; and

**Part 6** – Terms and Conditions of CHES Sponsorship.

In these Terms and Conditions, references to “you” means the individual account holder.

In Part 1 of these Terms and Conditions, references to “us”, “we” or “our” are references to both CommSec and Commonwealth Bank. References to “group” are references to the Commonwealth Bank of Australia and its subsidiaries (the CommBank Group).

In Parts 2, 3, 4, 5 and 6 of these Terms and Conditions, references to “us”, “we” or “our” are references to CommSec. References to “group” are references to the Commonwealth Bank of Australia and its subsidiaries (the CommBank Group).

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

## **PART 1. CUSTOMER INFORMATION AND PRIVACY**

We are subject to the Australian Privacy Principles under the Privacy Act 1988 (Cth) as amended from time to time, to the extent they are relevant to this Agreement.

By opening an account with us, you acknowledge that you have read this privacy collection notice. Neither this privacy collection notice nor our Group Privacy Statement form part of any contract you have with us.

### **Group Privacy Statement**

1. Our Group Privacy Statement which is available on our website at **commsec.com.au** (follow the Privacy Statement link).
2. You acknowledge that you have reviewed and understood the Group Privacy Statement which contains further details about our information collection and handling practices including information about:
  - other ways and reasons we may collect, use or exchange your information;
  - how you may access and seek correction of the information; and
  - how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.
3. We encourage you to check our website regularly for any updates to the Group Privacy Statement (the Statement).

### **Information we collect**

4. We collect information about you (such as your name, address and contact details), and information about your interactions with us, such as activity on your account. We may also collect publicly available information about you.

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

5. We must obtain and collect your information to provide products and services to you,

provide information and marketing material and satisfy certain legislative and regulatory requirements including identifying you in accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and to comply with taxation laws, such as the *Taxation Administration Act 1953* and the *Income Tax Assessment Act 1936*.

6. We also collect your information to administer our customer relationships and internal processes including risk management and pricing, under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to).
7. You must give us accurate and complete information. If you change your personal details (e.g. address, name or email address) you must notify us immediately.

#### **Who we may exchange your information with**

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

where we need to complete a transaction on your behalf or where this is required by laws and regulations in Australia or in another country. Refer to the Group Privacy Statement for more information.

11. We may be subject to laws or regulations in Australia or another country that affect your relationship with us (e.g. laws that address taxation). So that we may comply with our obligations under these laws or regulations, we may:
  - require you to provide information about you or your product;
  - disclose any information we are required to concerning you (including sending your information overseas);
  - withhold an amount from a payment to you if required to do so, and if we do, we will not reimburse you for the amount withheld; and/or;
  - take such other action as is reasonably required, including, for example, closing your account, or debiting your account for any fees, charges or other costs we or you incur in relation to domestic or foreign tax. We accept payment by direct debit from your nominated settlement account, or from your margin lending facility.

#### **Privacy enquiries and complaints**

12. If you wish to make a privacy-related enquiry or complaint, please contact us by calling **13 15 19** and we will aim to resolve your query or complaint at your first point of contact with us. If you are not satisfied with the outcome, you may also or contact our Customer Relations team directly by calling **1800 805 605** or submit your enquiry in writing to the address in our Group Privacy Statement. If you remain dissatisfied with the outcome, you may lodge your complaint to the Australian Financial Complaints Authority (AFCA) or the Office of the Australian Information Commissioner (OAIC).

## **PART 2. GENERAL TERMS AND CONDITIONS**

### **General**

1. These Terms and Conditions apply to all dealings and arrangements between you (the **Client**) and us, CommSec, in relation to the "CommSec Pocket App" and the "CommBank Mobile App" (insofar as the dealings and arrangements made through the CommBank Mobile App relate to a CommSec Pocket Account). Collectively these two applications are referred to as "**CommSec Pocket**".
2. This includes dealings, sponsorship arrangements, and access to content and selected features available through the CommSec website at [commsec.com.au](http://commsec.com.au), telephone, other apps, CommSecIRESS Viewpoint (collectively, the **CommSec Platforms**) relating to Exchange Traded Fund (ETF) trading via CommSec Pocket.
3. The financial services (trading, clearing, settlement and sponsorship arrangements) provided via CommSec Pocket are provided by CommSec. The CommBank Mobile App is an application provided by CBA and not by CommSec.
4. You acknowledge that you have read and agree to be bound by these Terms and Conditions.

### **Your commitment**

5. You warrant that all information provided by you in your application is accurate, complete, correct and is not misleading, and agree that we may rely on that information unless and until we receive written notice of any change signed by you or through a facility provided by us.
6. You agree to notify us immediately either in writing or through a facility provided by us of changes in information that are relevant to any dealing or proposed dealing. Email is not an acceptable method of notification. Information which is relevant to any dealing includes your:

- i. name;
  - ii. postal address;
  - iii. contact phone number, facsimile number and email address;
  - iv. bank account details; and
  - v. settlement instructions;
- 7a. To open an account with CommSec for the purposes of dealings in units in ETFs via CommSec Pocket (**CommSec Pocket Account**);
    - you must be an existing client of ours, or of CBA, with an approved settlement account;
    - your CommSec Pocket Account must be opened through CommSec Pocket;
    - you must be a natural person who is over 18 years of age;
    - you must ordinarily reside in Australia; and
    - you must provide all information required.
  - 7b. If you open a CommSec Pocket Account, you agree that:
    - i. you will not use another person's email address, identity or contact details;
    - ii. you are solely responsible from maintaining the confidentiality of your code (including where your fingerprint is used), whether or not you authorise the activity; and
    - iii. we may reject the use of any email address or password (including the use of your fingerprint) for any reason in our sole discretion.
  - 8a. You undertake:
    - i. not to reveal any access code, number or password for your CommSec Pocket Account (collectively referred to as your "**code**" in these Terms and Conditions);
    - ii. not to otherwise allow or cause any unauthorised person to access, or to facilitate any unauthorised person accessing your CommSec Pocket Account via CommSec Pocket (or in any other way) and not to allow any unauthorised person to issue instructions on your account; and

- iii. to let us know immediately if you believe your password and account details have become known to someone else.
- 8b. You agree to abide by the following:
- not tell anyone your code or let anyone find out your code - including family or friends;
  - not let anyone watch you enter your code;
  - if codes are advised by letter, or electronically we suggest that they be memorised as soon as the correspondence is received. The letter or electronic message should then be destroyed or deleted.
  - make a reasonable attempt to disguise the code in any record - that is, scramble the details in such a way that others will not be able to decode;
  - do not write down your password or keep a copy of it on your device;
  - regularly change your password;
  - not allow or cause a fingerprint or facial identification record of another person to be used to permit another person to transact on your CommSec Pocket Account via CommSec Pocket (or in any other way);
  - not override the software lockdown on your device through which you access your CommSec Pocket Account (i.e. jailbreak or root your device); and
  - not to otherwise allow or cause another person to access your CommSec Pocket Account via CommSec Pocket (or in any other way) by the use of your fingerprint or facial identification.
- 8c. We are not liable to reimburse you if an unauthorised transaction occurs on your CommSec Pocket Account and you or any other user have not made a reasonable attempt to disguise a code or to prevent unauthorised access to the code record. We are also not liable to reimburse you if an unauthorised transaction occurs on your CommSec Pocket Account and you either allowed or caused a fingerprint or facial identification record of another person to be used to permit an unauthorised person to transact on your CommSec Pocket Account via CommSec Pocket (or in any other way), or you allowed or caused another person to access your CommSec Pocket Account via CommSec Pocket (or in any other way) by the use of your fingerprint or facial identification. For example, we will not consider that a reasonable attempt has been made to disguise a code if you or any user only:
- recorded the code in reverse order;
  - recorded the code as a 'phone' number where no other 'phone' numbers are recorded;
  - recorded the code as a number, prefixed by a telephone area code;
  - recorded the code as a series of numbers or words with any of them marked, circled or in some way highlighted to indicate the code;
  - recorded the code disguised as a date (e.g. 9/6/63) where no other dates are recorded;
  - recorded the code in an easily understood code (e.g. A=1, B=2); or
  - self-selected a code which is an obvious word or number or one that can be found in a purse or wallet or can be easily guessed by someone else (such as a date of birth, middle name, family member's name or driver's licence number).
- 8d. i. You may be given the option of using your fingerprint or facial recognition as your password, if supported by your device.
- ii. If you choose to use the fingerprint or facial recognition access for your CommSec Pocket Account, you will still need your password and must set and protect your password in the manner outlined in these Terms and Conditions. For certain transactions, you may still be prompted to enter your password as an additional security measure.

- iii. You must not activate, or keep activated, the fingerprint access or facial recognition setting if you store any fingerprints or facial records (as applicable) on your device other than your own. If you do allow anyone else's fingerprints or facial records to be stored on your device, and if you activate the fingerprint or facial recognition access setting (as applicable), despite this being against these Terms and Conditions, you will be deemed to have authorised that person to use your CommSec Pocket Account on your behalf and you agree that you will be responsible for that person's requests and transactions.
  - iv. If you or someone else changes the fingerprint or facial recognition access settings on your device, then (as a security measure) fingerprint or facial recognition (as applicable) access to your CommSec Pocket Account will become disabled and you will be prompted to enter your password to log on to your CommSec Pocket Account. You should only re-enable the fingerprint or facial recognition access setting if you are sure that the changes that were made to your access settings were made by you.
  - v. Fingerprint and facial recognition functionality is technology provided by third parties such as Apple, Google and mobile phone manufacturers. Accordingly we are not responsible:
    - for any malfunction to the fingerprint or facial recognition functionality; or
    - if those third parties make any changes to fingerprint or facial recognition technology that impacts the way you access your CommSec Pocket Account.
  - vi. You will still be able to access your CommSec Pocket Account using your password.
- 8e. You are responsible for all fraudulent, illegal or unauthorised dealings on your CommSec Pocket Account which are attributable to your conduct, and you release, discharge and indemnify us and our Related Bodies Corporate (as defined in the Corporations Act 2001 (Cth)) and our directors, employees, agents and representatives in relation to all liability in this regard.
- 8f. You are responsible for notifying us immediately upon awareness of any unauthorised or suspicious activity on your account.
  9. You acknowledge and agree that any search tools or calculators available on a CommSec Platform or on CommSec Pocket are provided solely for informative or illustrative purposes and should not be relied upon for the purposes of you making an investment decision or decision to purchase or sell any securities or influence your decision making and do not in any way constitute us giving you personalised advice or making personalised recommendations or are intended to advertise or promote any specific financial product. You should consider obtaining advice from a financial services licensee before making any investment or financial decisions.
  10. You understand that you are not permitted to copy, reproduce, duplicate or use any content on CommSec Pocket or the selected features available on our website. You are not permitted to distribute, sell, reproduce or publish any aspect of our website or any materials provided by us as a part of this agreement.
- Third party information**
11. You acknowledge that information or data on a CommSec Platform or on CommSec Pocket supplied by a third party service provider which is not associated or affiliated with the Group (**Third Party Provider**) (**Third Party Information**) is for informative purposes only and such Third Party Information do not in any way constitute our personalised advice or personalised recommendations.
  - 12a. A number of features on the CommSec Platforms or on CommSec Pocket may be

offered or processed through a Third Party Provider. Unless otherwise noted, any limitation of liability in our favour agreed to by you, shall extend to all members of the Group, our directors, officers, employees, agents, representatives and any service provider. We, a member of the Group or our agents acting on our behalf are authorised to provide the services contemplated by these Terms and Conditions.

12b. We are not responsible for any Third Party Information available on a CommSec Platform and to the extent permitted by law, we make no warranties, express or implied, as to any such Third Party Information. You acknowledge that such Third Party Information does not reflect our opinions or policies and we do not verify the accuracy or completeness of such Third Party Information.

12c. You acknowledge and agree that we are not responsible for any third party advertisements or third party applications made available on a CommSec Platform or on CommSec Pocket and you access these third party advertisements or third party applications at your own risk.

### **Recording of telephone calls**

13a. You authorise us to record any telephone conversation(s) between you and us, with or without an audible tone warning device. You agree that we may use these recordings for the purposes of monitoring compliance with our regulatory and contractual obligations (including any regulator's request). We may also use the recordings for training purposes or for resolving disputes.

13b. You acknowledge that any recording is our property and that we reserve the right to charge you a cost recovery fee for access to a recording.

13c. You agree to record all relevant details of any conversation that you have with us, including the name of the operator and the date and time of the call, and you acknowledge that

we will ask you for this information when you seek access to a recording.

### **Variation**

14a. We may from time to time vary these Terms and Conditions to:

- i. add, change or remove any concessions or benefits;
- ii. adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, or ombudsman service regulator;
- iii. accommodate changes in the needs or requirements of our clients, such as new product features or services;
- iv. correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities;
- v. bring us into line with our competitors, industry or market practice or best practice in Australia or overseas; or
- vi. reflect changes in technology or our processes including our computer systems.

14b. Each of the changes in paragraphs 12a. i to vi is a separate right and this clause is to be read as if such change was a separately expressed right.

14c. Without limiting our rights under paragraphs 12a. i to vi, we may from time to time vary any of the Terms and Conditions for reasons other than the ones mentioned above (e.g. due to unforeseen events).

14d. If we vary these Terms and Conditions, the changes shall apply to all dealings between you and us on and from the day on which the variation takes effect and your continued use of a CommSec Platform or CommSec Pocket is an acceptance of the variation.

14e. Where we amend Parts 1, 2, 3 or 4 of these Terms and Conditions, we will give not less than seven (7) days' notice to you at the electronic address (referred to in these Terms and



Conditions as your "email address") last notified to us by you, or at our website, or via CommSec Pocket, unless the change is unfavourable to you, in which case we will give you not less than thirty (30) days' notice. If the change is unfavourable to you and we notify you of the change at our website or CommSec Pocket, we will draw your attention to the change via a 'pop up' message or similar prompt alert.

- 14f. Where we amend Parts 5 or 6 of these Terms and Conditions, we will notify you in accordance with the provisions contained in those Parts.
- 14g. We may make a variation without prior notice where such variation is necessary to restore or maintain the security of our systems or any accounts.
- 14h. Also, we may use our Interactive Voice Response facility to notify you of change(s), and provide information about where you can access full details of the change(s). Interactive Voice Response facility is an automated phone system technology which provides access to information via a voice response system of prerecorded messages.

### Notice

- 15a. i. Any notice, request, demand, variation or other communication (collectively referred to as "notice" in these Terms and Conditions) may be published on our website, or sent to the email address, postal address or mobile phone number for you that was last notified to us, or via a facility provided by us (including CommSec Pocket); and
- ii. Unless otherwise specified in these Terms and Conditions, our notices to you are taken to be received by you:
- when sent by email, one hour after we sent it;
  - when sent by post, six (6) business days (being a day on which banks are open in Sydney) after posting;
  - when sent by SMS, four (4) hours after we send it unless we receive a delivery

failure receipt;

- when published on our website, the day of publication; or
  - when sent via the CommSec Pocket App, at the time of uploading.
- 15b. Subject to Clause 6, any notice, request, demand or other communication that you send to us must be in writing and sent to the postal or electronic address specified on our website. Your notice is taken to have been given to us when sent by post, six (6) business days (being a day on which banks are open in Sydney) after posting, and when sent by email, one (1) hour after you send it.

### Termination

16. Subject to our other rights under these arrangements and the completion of any outstanding obligations:
- these arrangements, other than Parts 6 and 7, may be terminated by you giving not less than seven (7) days' notice to us or by us giving you not less than thirty (30) days' notice to you
  - us, without prior notice to you, if you have not transacted on your account for a period exceeding 12 months and your account has a credit balance of less than \$10 and has no CHESS sponsored holdings. (CHESS refers to the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited) (CHESS sponsorship is explained in Part 6 of these Terms and Conditions); and
  - Parts 5 and 6 of these Terms and Conditions may be terminated in accordance with the provisions contained in those Parts.
  - Each indemnity outlined in these Terms and Conditions survives termination of these arrangements.

### Liability

17. Our liability under these Terms and Conditions is subject to any applicable contrary provisions in the Australian Securities and Investments Commission Act 2001 (Cth) and Competition and Consumer Act 2010 (Cth).

18. If you are a consumer, as defined in consumer protection laws, our service comes with a non-excludable warranty under those laws that it will be carried out with due care and skill, and be reasonably fit for the purpose. If we breach any of those warranties you may be entitled to compensation. If you are not a consumer as defined in consumer protection laws, our liability for loss or damage is limited to resupplying the service to you or paying the costs of having the service resupplied to you unless the loss or damage was caused by our fraud, negligence or wilful misconduct. When you are a consumer under consumer protection laws our liability is limited to resupplying the service to you or paying the costs of having the service resupplied to you, but only to the extent permitted by those laws and excluding where the loss or damage was caused by our fraud, negligence or wilful misconduct
- 19a. To the extent permitted by law and unless caused by our fraud, negligence or wilful misconduct, in no event shall we, any member of the Group or any of our officers, directors, agents, representatives or employees be liable for any damage, claim or loss incurred by you in connection with or arising as a consequence of:
- i. us undertaking your instructions;
  - ii. us refusing to act on your instructions;
  - iii. any failure by you to comply with these Terms and Conditions;
  - iv. us not receiving your instructions;
  - v. any dealing or proposed dealing is interrupted, unable to be completed or unable to take place due to the failure or delay of any telephone, computer or other electronic or technological service;
  - vi. any error, omission or invalidity in your instructions;
  - vii. any problems in relation to any exchange, Market Operator and/or failure of an exchange, including any error, omission, interruption, deletion, defect, delay in operation or transmission or any other factor;
  - viii. market movements and other risks associated with dealing in securities;
  - ix. us being unable to receive or act on your instructions due to circumstances that are beyond our reasonable control, including but not limited to riot or civil disturbance;
  - x. our compliance with a direction, request or requirement of the Corporations Act, the ASX and Cboe Market Operating Rules or any other regulatory authority;
  - xi. your reliance on research reports provided by us;
  - xii. your use of any Third Party Information;
  - xiii. market movements and other risks associated with trading; or
  - xiv. any insider trading, false or misleading trading, market rigging or market manipulation, including, without limitation, compensatory, incidental, direct, indirect, special, consequential or exemplary damages, irrespective of whether we have been informed of, knew of, or should have known of, the likelihood of such damage, claim or loss. This limitation applies to all causes of action in the aggregate.
- 19b. You acknowledge and agree that you shall not have access to any of the approved dispute resolution schemes to recover any loss or damage you may suffer as a result of your reliance on any Third Party Information.
- 19c. You acknowledge and agree that your use of the CommSec Platforms, CommSec Pocket or the Third Party Information is at your own risk.
- Compensation Arrangements**
- 19d. There are two different compensation arrangements that may provide protection for retail investors trading on Cboe: NGF Arrangements or Division 3 Arrangements. This is because on 26 October 2020, Cboe became a member of the SEGC, which operates the National Guarantee Fund (NGF).

### When do the NGF Arrangements apply?

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

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

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

### Indemnities

20. In addition to any other indemnities contained in these Terms and Conditions, and unless caused by our fraud, negligence or wilful misconduct, you agree to indemnify and hold us, the Group and our directors, officers, agents, representatives and employees harmless against any actions, claims, demands, proceedings, costs, damages, expenses, liabilities and losses (including without limitation legal costs on a solicitor and client basis) paid, suffered or incurred by us directly or indirectly as a result of:
- us undertaking your instructions in respect of any dealings in securities;

- any failure by you to comply with these Terms and Conditions;
  - your use of a CommSec Platform, the CommSec Pocket App or any Third Party Information in violation of these Terms and Conditions; or
  - any breach of your representations and warranties set forth in these Terms and Conditions.
21. Each indemnity in these Terms and Conditions is a continuing obligation, which is independent of and separate from your other obligations, and survives termination of these Terms and Conditions.

### Severance

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

### Governing laws

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

## PART 3. GENERAL CONDITIONS OF TRADE

### Definitions

1. In these General Conditions of Trade, "Proscribed Person" means a person who appears to us either:
- to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth);
  - to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism;

- c. to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or
- d. act on behalf, or for the benefit of, a person listed in subclauses a - c.

### **General**

- 2. These General Conditions of Trade apply to all dealings between you and us.
- 3. All dealings between you and us are subject to:
  - the Corporations Act 2001 (Cth) (**Corporations Act**) (including the ASIC Market Integrity Rules (Securities Markets) 2017 (**ASIC Market Integrity Rules**);
  - the Rules, directions, decisions and requirements from time to time of the operator of the ASX and Cboe market (**Market Operator(s)**);
  - the customs and usages of the ASX and Cboe market;
  - the Rules and Procedures for the Clearing Facility operated by ASX Clear Pty Ltd (**ASX Clear**);
  - the Rules and Procedures for the Settlement Facility operated by ASX Settlement Pty Ltd (**ASX Settlement**);
  - the correction of errors and omissions; and
  - the international and domestic anti-money laundering and counter-terrorism laws.
- 4a. All dealings between you and us through CommSec Pocket only relate to ETFs that are listed as available for trading through CommSec Pocket ("**Pocket Securities**"). We do not accept instructions in respect of other financial products.
- 4b. You cannot transfer into, or hold, any other type of financial product or security in your CommSec Pocket Account other than Pocket Securities.
- 4c. Each dealing between you and us is also subject to the provisions of the relevant Confirmation issued by us and if there is any

conflict between these General Conditions of Trade and those provisions, the provisions of the Confirmation shall prevail to the extent of the inconsistency.

- 4d. You acknowledge that the Confirmation is issued subject to:
  - i. the Rules, directions, decisions and requirements of the Market Operator, the ASIC Market Integrity Rules and the ASX Clear Operating Rules, and where relevant, the ASX Settlement Operating Rules;
  - ii. the customs and usages of the market; and
  - iii. the correction of errors and omissions.
- 4e. When you provide us with an email address, you authorise us to dispatch electronic Confirmations to your email address in respect of your dealings. It is your responsibility to ensure that your email address is operational and available for receipt of electronic Confirmations issued by us and to advise us of any change to your email address as soon as practicable after the change is made.
- 4f. You further acknowledge that, at our discretion, we may:
  - i. provide you with access to a standing facility (**Standing Confirmation Facility**), through which you can obtain or view an electronic version of a Confirmation;
  - ii. issue paper based Confirmation to your postal address in lieu of electronic Confirmation at your email address, or in lieu of a Standing Confirmation Facility; or
  - iii. substitute electronic Confirmations with a Standing Confirmation Facility by giving you notice in accordance with these Terms and Conditions.
- 4g. If you do not wish to use the Standing Confirmation Facility, or you do not want to receive electronic Confirmations at your email address, you must notify us either in writing or through a facility provided by us.
- 4h. We may issue a further Confirmation if the previous one(s) contained any errors

or omissions and, in this event, the further Confirmation shall supersede the previous one(s) in all respects.

5. Each dealing between you and us is also subject to the Trading Rules at the time of dealing, and if there is any inconsistency between these General Conditions of Trade and the Trading Rules, the latter shall prevail to the extent of the inconsistency.
6. You consent to your order being matched with an order of another client or an order we place as principal. Where your order is matched with another client order, we charge brokerage on both orders. We do not charge brokerage for the portion of your order that is matched with a principal order.
7. In the event that you appear to be a Proscribed Person, we will not be responsible for any loss, damage, liability or costs incurred by you where we are unable to receive or act on your instructions.

#### **Your commitments**

- 8a. You represent that at all times during your dealings with us you will be in a position to meet all your commitments and obligations arising from these dealings.
- 8b. You represent that when you wish to sell shares, you own those shares and that they are available for delivery, and when you wish to buy shares, you will have sufficient funds to pay for those shares at the time the order is placed, and at the time the order is settled.
9. You acknowledge and agree that:
  - a. we are entitled to cancel or reverse a dealing or order without further reference to you where a Market Operator has recommended or required cancellation or reversal for market integrity reasons, or where the market was operating under an error, or where the cancellation or reversal is permitted under the Market Operating Rules;

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

See Clause 15a of Part 2 – General Terms and Conditions for the definition of receipt of notice. You acknowledge that time is of the essence in dealings with us.

### **Market information**

12a. You acknowledge that:

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

12b. You must not make the Market Information available to any other person or company, in any manner, including by way of downloading, copying, reproducing, adapting, publishing, selling, or distributing the Market Information, without our express written consent, which we may grant with or without conditions.

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

### **Account aggregation**

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

### **Your instructions**

14. We will only act within the parameters of your instructions in accordance with our Best Execution Statement.

15. We are not obliged to accept any application or instruction to trade, nor are we obliged to provide you with reasons for refusing your application or instruction to trade. If we consider it is in our reasonable interest to do so, we may decline to act on your behalf in relation to any particular dealings, without explanation or advance notice. Additionally, we may decline to act on your behalf:
- where you have exceeded your trading limits as set out in Part 4 of these Terms and Conditions;
  - where the original instruction is more than **1 trading day** (which is a day on which the relevant financial market is open for trading in Pocket Securities) old and is not reconfirmed at that time (other than regular investment orders);
  - where the basis of quotation for the security has changed and the order has not been reconfirmed;
  - where the Security has been subject to a trading halt and the order has not been reconfirmed;
  - where the Market Operator has purged the order from the Market Operator's trading platform;
  - where we believe the transaction would result in no change of beneficial ownership;
  - where we believe the transaction would have the effect, or is likely to have the effect, of creating a false or misleading appearance of active trading in any Pocket Securities or with respect to the market for, or the price of, any Pocket Securities; or
  - where we believe the instructions are ambiguous, incomplete or unclear.

16. You acknowledge that we are not responsible for missed market opportunities during the time it takes us, acting reasonably, to follow our internal procedures or the procedures of share registries or product issuers, for example opening accounts, transferring Participant Sponsored Holdings or Issuer Sponsored Holdings or confirming your identity.
17. We are entitled to assume that any instruction received from your individual Client ID and password originates from you and that such instruction is a valid instruction to access the services. We are not obliged to inquire into the validity of any such instruction received.
18. In the course of processing a sell order for a security, we may remove your holding of the security from the register before the due date for settlement under the Market Operating Rules.
19. If, in our reasonable opinion, we believe there is a dispute between us about an order or instruction you have given us, for example, your maximum investment amount, the number of Pocket Securities you have asked us to sell, or the frequency of your regular investment order, we may take, without prior notice to you, any action which in our reasonable opinion we consider necessary to close any open position the subject of the dispute, for example, by selling Pocket Securities.
20. 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 Statement and you authorise us to accumulate those transactions on a single Confirmation and specify the volume weighted average price for those market transactions.
21. You agree that CommSec is authorised to transfer any security of yours held on the CHESSE subregister to the register or registers maintained by the Issuers of those securities (i.e. transfer your holding from Participant Sponsored to Issuer Sponsored). You agree that CommSec may do so at its

sole discretion. CommSec will provide you with notice before doing so or as soon as reasonably possible after doing so.

### **Authorities**

22. When you open a CommSec Pocket Account, you authorise us to provide the BSB, account number and account name of your nominated settlement account held with Commonwealth Bank through the Bulk Electronic Clearing System to registries, together with an instruction on your behalf to deposit the distributions from your CHESSE sponsored holdings into your nominated account. If you hold Pocket Securities in an issuer that does not support electronic payment of distributions, you may still receive distribution cheques sent to your registered address.  
  
You may opt out of directing distributions to your nominated settlement account from the CommSec website.
23. You agree to pay our normal costs associated with your transactions, including, without limitation, brokerage and administration fees and to reimburse us for any extraneous costs, such as GST, for transactions made on your behalf. Full details of our current fees and the schedules of our standard fees and charges may be obtained by visiting our website at **commsec.com.au**.
24. You authorise us to appropriate any credits, payments and other receipts from you or your account in such manner and order as we think fit against any amounts due or owing by you to us or otherwise.
25. You acknowledge that we may pay money that we have received for you into a trust account, for example, if we cannot effect payment into your nominated bank account, and that we retain any interest earned on such money.

### **Acceptable settlement methods**

26. We accept payment for settlement by direct debit from your nominated Commonwealth Bank account only.

**Failure to settle**

27. If by the settlement date shown on any Confirmation we have not received the relevant payment due, you agree to pay us:
- interest on the amount outstanding from time to time at the Commonwealth Bank Overdraft Index Rate plus 3%, calculated daily; and
  - a late settlement fee determined by us from time to time to cover our reasonable costs and expenses arising from your failure to settle by the due date together with any applicable GST,
- and you agree that we may, at our absolute discretion, cancel any other order (including regular investment orders).
28. If by the settlement date shown on any Confirmation you have not delivered to us the relevant certificates or security holder information, you agree to pay us:
- any fail fees levied by a Market Operator or ASX Clear; and
  - a late settlement fee determined by us from time to time to cover our reasonable costs and expenses arising from your failure to settle by the due date together with any applicable GST.
29. We may suspend your CommSec Pocket Account at any time and without notice to you if you fail to settle on time for orders we have executed for you.
30. If, after a demand, you have not delivered to us payment due, then:
- a. you direct us to buy back or sell on your behalf any of the Pocket Securities that are the subject of the contract;
  - b. you authorise us to sell any other Pocket Securities outstanding on your CommSec Pocket Account, or any securities in our control or possession;
  - c. you agree that we may debit any of your accounts held with us or any deposit or transaction account held with the Group (but not any term deposit), or any margin

lending facility held with us or the Group, with monies that you owe us, e.g. unpaid settlement obligations; and

- d. you agree to indemnify us against all costs, expenses and losses incurred, including brokerage, GST, fail fees levied by a Market Operator or ASX Clear and bank fees, resulting from your failure to settle by the due date.

**PART 4.  
TRADING RULES APPLICABLE TO COMMSEC  
POCKET**

**General**

1. CommSec accepts specific types of orders as set out in this Part from registered clients who have a CommSec Pocket Account through CommSec Pocket
2. Your CommSec Pocket Holder Identification Number (**HIN**) is separate to any other HIN you may hold with CommSec. Only Pocket Securities are eligible for CHESS sponsorship with CommSec on your CommSec Pocket HIN.
3. To be accepted and qualify for the brokerage rates that apply to orders placed through CommSec Pocket, an order must comply with these Trading Rules.
4. When an order is received that does not comply with these Trading Rules, we will endeavour to contact you, however, we are entitled to reject an order you have placed without contacting you. You acknowledge that you are ultimately responsible for revising your order. We will not be held responsible for any loss that may arise when an order is not accepted.
5. Orders will be executed in accordance with our Best Execution Statement. We may from time to time amend our Best Execution Statement and make such amendments available on our website, or otherwise notify you of the amended Best Execution Statement.
6. You must not engage in any form of market misconduct which may interfere with the efficiency and integrity of the market. The



precluded activity is inclusive of, but not limited to market rigging, market manipulation, false trading, insider trading and misleading or deceptive conduct.

7. Subject to these Trading Rules, you will be able to use your CommSec Pocket Account to trade on CommSec Pocket and access the content and select features available through the CommSec Platforms.
8. It is important that you understand that the Trading Rules for dealings through CommSec Pocket are different from the Trading Rules associated with dealings through other CommSec Platforms. Not all features or order types are available on all platforms and we will notify you of this fact either in these Trading Rules or on the specific platform itself.
9. In these Terms and Conditions:
  - a. when the market is “**open**”, this means the period during which the market operated by the ASX is open for trading (as in, it is in Open Session State (as that term is defined in the ASIC Market Integrity Rules));
  - b. when the “**market opens**” is the time that the market is first open on a relevant trading day; and
  - c. “**outside of market hours**” is any time when the market is not open as defined in clause 9a above.

## **ORDERS WE DO NOT ACCEPT**

### **Orders not accepted**

10. We do not accept the following types of orders through CommSec Pocket:
  - a. orders relating to Issuer-sponsored Pocket Securities;
  - b. orders in respect of financial products that are not Pocket Securities;
  - c. limit orders;
  - d. conditional orders; or
  - e. short selling orders.

### **Order types we accept**

11. You acknowledge that you can provide the following types of orders to us through CommSec Pocket:
  - a. a value order that is a “one-off buy order” to buy Pocket Securities;
  - b. a value order that is a “regular investment order” to buy Pocket Securities; or
  - c. a “sell order” to sell Pocket Securities, each of which is set out in more detail below.
12. One-off buy orders and sell-orders are referred to as “**one-off orders**”.
13. You acknowledge that, for a one-off order received when the market is open, we will make all reasonable attempts to action your instructions as quickly as possible. However, should delays be experienced:
  - a. in connection with the number of participants or persons attempting to participate in the market at a point in time;
  - b. due to verification or authorisation processes; or
  - c. due to delays resulting from adherence to internal procedures,
  - d. we will not be liable for any claims for lost opportunity.
14. You acknowledge that for:
  - a. regular investment orders; and
  - b. one-off orders received outside of market hours,
 we will make all reasonable attempts to execute the aggregated orders (as described below) in accordance with our Best Execution Statement. However, should delays be experienced, for example:
  - i. due to pricing uncertainty and wide bid/offer spreads in relation to the Pocket Securities;
  - ii. in connection with the number of participants or persons attempting to participate in the market at a point in time;

due to verification or authorisation processes: or

- iii. due to delays resulting from adherence to internal procedures,
  - iv. we will not be liable for any claims for lost opportunity.
15. You acknowledge that we will make all reasonable attempts to effect any instructions to cancel orders as quickly as possible. However, should an order be filled prior to a cancellation instruction being effected, you will be obliged to accept the transaction(s) on the original terms. Whilst all reasonable attempts will be made to inform you when the order is filled prior to a cancellation instruction being effected, we are not obliged to do so.
16. You acknowledge and accept that there may be delays in processing between the time a cancellation instruction is dealt with by us and the time the cancellation is effected on market. In the event an order is filled between the time it has been 'approved' by us and the time we effect the instruction on market, you will be obliged to accept the transaction on the original terms.
17. If you are uncertain as to whether your order has been received you will make all reasonable attempts to verify whether the order has been received, approved and effected prior to taking any further action. You agree to issue specific cancellation instructions with respect to an existing order and not to attempt to effect such changes by placing a second or duplicate order. You will be solely responsible and liable for any duplicate instruction that you place.

## VALUE ORDERS

### Value orders generally

- 18a. i. A value order is an order to purchase a maximum investment amount of a Pocket Security, for example A\$1,000.
- ii. After you have specified the maximum investment amount, we will determine the maximum number of Pocket Securities able to be purchased (after accounting for the brokerage, other fees, and normal or extraneous costs) in accordance with these Terms and Conditions and our Best Execution Statement, and apply the relevant funds to acquire the applicable Pocket Securities on your behalf.
- 18b. We only accept value orders to buy Pocket Securities.
- 18c. We will only accept a value order at or above the minimum investment amount as stipulated in CommSec Pocket.

### One-off buy orders

- 19a. A one-off buy order is a value order to buy Pocket Securities on a one-off basis.
- 19b. One-off buy orders will be handled in accordance with these Terms and Conditions and our Best Execution Statement.

### Regular investment orders

- 20a. Regular investment orders are value orders which are:
  - i. received through CommSec Pocket as a "regular investment order"; and
  - ii. taken to be an instruction to:
    - apply the maximum investment amount to purchase the relevant number of the applicable Pocket Securities (after accounting for the brokerage, other fees, and normal or extraneous costs);
    - at a time after the market opens at which there is sufficient market liquidity to allow the applicable Pocket

Securities to be executed at or close to its indicative net asset value;

- on each Investment Date.

20b. An Investment Date is:

- each day within a 6 month period from the Selection Date that occurs at specified intervals (as selected by you in CommSec Pocket); or
- if that day is not a trading day, the next trading day (unless that trading day falls outside the 6 month period referred to above).

20c. The Selection Date is the date you select to place, or reconfirm, a regular investment order in CommSec Pocket.

20d. We may cancel your regular investment order:

- if it relates to a Pocket Security that is going through a reconstruction, immediately by giving you notice; or
- otherwise, upon giving you seven days' notice.

#### **Additional provisions related to execution of value orders**

21a. We will only execute value orders when there are funds equal to or greater than the maximum investment amount available in your nominated account at:

- the time your order is received by us (for one-off buy orders);
- the time the market opens on the relevant trading day (for regular investment orders or one-off buy orders received outside of market hours); and
- the time your order is placed in the market.

21b. For a regular investment order, if you do not have funds equal to or greater than the maximum investment amount at the time the market opens on three consecutive Investment Dates, CommSec will cancel the relevant regular investment order.

21c. We will only execute value orders which comply with the trading limits set on your CommSec Pocket Account. Details of these trading limits are available in CommSec Pocket.

#### **SELL ORDERS**

22a. A sell order is an order to sell a specified number of units of a Pocket Security at the prevailing market price.

22b. Sell orders will not be accepted if there are insufficient units available for settlement in your Participant Sponsored Holdings sponsored by us.

## **GENERAL**

### **Orders generally**

23. Orders in respect of Pocket Securities are valid 'Good for day' only.
24. We will use best endeavours when executing your order but cannot guarantee (a) execution at any price (for sell orders), or (b) precise execution of the value specified by you at value order entry (for value orders).
25. We will place your order for execution in accordance with our Best Execution Statement only when:
  - a. trading for the particular security is in continuous matching on its primary exchange;
  - b. trading for the particular security is not suspended or halted; and
  - c. placing the order will not contravene our obligation to maintain an 'orderly market'.
26. We may aggregate orders that are:
  - a. regular investment orders with the same Investment Date and one-off buy orders received outside of market hours in the period prior to that date into an aggregated order; or
  - b. sell orders that are received outside of market hours into an aggregated order;
  - c. and, in each case, execute the aggregated order after the market opens on the relevant date in accordance with our Best Execution Statement.
27. Any order aggregated as contemplated by clause 26 will be allocated the volume weighted average price for the aggregated order.

### **Cancellation and amendment of orders**

28. One-off orders received outside of market hours and regular investment orders can only be cancelled prior to 10am (Sydney Time) of the next trading day.
29. Orders cannot be amended through CommSec Pocket. Should you wish to amend an order, you must cancel and re-enter the instruction.

30. If you cancel a regular investment order for a particular Investment Date, the entire regular investment order will be cancelled.
31. Once placed in the market, orders cannot be amended or cancelled.
32. It is your responsibility to cancel your order if a change in market conditions means you no longer wish to proceed with your order (for example, due to an overnight market sensitive announcement).

### **General**

33. Usually, an order received outside market hours is treated as being received on the next trading day.
34. In the event of a change in the basis of quotation of a Pocket Security, your outstanding order will be purged by the Market Operator prior to the expiry date.
35. We reserve the right to take such steps as we consider necessary to check the bona fides of any client, order or instruction before acting on that order or instruction.

### **Your commitments**

36. You represent that you will have funds equal to or greater than the maximum investment amount in your nominated account at the time:
  - a. your value order is received by us (in the case of one-off buy orders);
  - b. your value order is placed in the market; and
  - c. your value order is settled.
37. You represent that when you place an order to sell Pocket Securities, you own those Pocket Securities unencumbered and that they are available for delivery.
38. You represent that at all times during your dealings with us you will be in a position to meet all your commitments and obligations arising from these dealings.

## **PART 5. DIRECT DEBIT/CREDIT REQUEST SERVICE AGREEMENT**

### **Debit arrangements**

1. We will advise you, in writing or electronically, in the form of a Confirmation Contract Note, the drawing details that include the settlement amount due and the settlement date.
2. Where the settlement date falls on a non-business day, we will draw the amount on the following business day.
3. We may charge a dishonour fee if any debit from your nominated account is returned as unpaid by your financial institution. We will treat the payment as never having been made.
4. We will keep your information about your nominated account at the financial institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
5. In the event of a debit returned unpaid we may attempt a redraw on your nominated account or any other transaction or deposit account that you hold with the Group (other than a term deposit).
6. We may change any term of, or add any new term to, the Direct Debit/Direct Credit arrangements. We will notify you fourteen (14) days in advance of any changes or additions to the Direct Debit/Direct Credit arrangements unless the change or addition is unfavourable to you in which case we will provide you with thirty (30) days' prior notice.
7. If you provide an incorrect bank account number, you may incur a fee if we have processed a transaction to that account.
8. If you are uncertain as to when the debit/credit will be processed to your account, you should enquire with your nominated financial institution.

### **Your rights**

9. You may terminate the Direct Debit/Direct Credit arrangement of your trades with us, however this termination must be in writing. You may also change your nominated account online through the CommSec website.
10. Where you consider the debit/credit is incorrect in either the due date or amount or both, you should raise the matter with CommSec on **1300 726 608** between 8am and 6pm (Sydney Time).
11. Please contact CommSec on **1300 726 608** between 8am and 6pm (Sydney Time), Monday to Friday for all matters relating to the Direct Debit/Direct Credit arrangement, including to request a deferment or stopping of debits/credits, questions regarding amounts or dates of debits/credits or altering or stopping the arrangement. You can also contact your financial institution to request a stop or cancellation of the arrangement or to dispute a debit to your nominated account. We have a dispute resolution process available if you have a complaint which we do not resolve. Further information on that process is set out in our Financial Services Guide, which is available online at [commsec.com.au](http://commsec.com.au) or by calling CommSec on **1300 726 608**.

### **Your responsibilities**

12. It is your responsibility:
  - to check with the financial institution where your account is held before completing the Direct Debit/Credit Request (DDR) as Direct Debiting/Crediting through the Bulk Electronic Clearing System (BECS) is not allowed on a full range of accounts;
  - to complete your account details, including Bank State Branch (BSB) number, directly off a recent account statement from your financial institution and to contact your nominated financial institution prior to completing the DDR if you are uncertain of the account details;

- to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by CommSec;
- to ensure that the authorisation to debit/credit the nominated account has been provided by the account holders who must sign to effect the instruction held by the financial institution where the account is held;
- to check direct debit and credit transactions against recent account statements from your nominated financial institution;
- to advise us if the account you have nominated to debit/credit is transferred or closed; and
- to ensure that suitable arrangements are made if the Direct Debit/Credit arrangement is cancelled;
  - by yourself;
  - by your nominated financial institution; or
  - for any other reason.

**PART 6.  
TERMS AND CONDITIONS OF CHESS  
SPONSORSHIP**

**Explanation of effect of CHESS Sponsorship**

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

Clearing House Electronic Subregister System (**CHESS**) is the computer system operated by the Australian Securities Exchange to record CHESS sponsored holdings and manage the settlement of share transactions. Your holdings can also be registered separately as Issuer Sponsored Holdings on an Issuer Sponsored subregister maintained by the company who issued the shares.

Being CHESS sponsored by us means you will be allocated a HIN and we can transfer and move shares to and from your Participant Sponsored Holding in accordance with your instructions. To effect a transfer, your Participant Sponsored Holdings or Issuer Sponsored Holdings must match your CommSec registration details.

You can also discuss the Terms and Conditions of CHESS sponsorship with us. To do so, please call CommSec on **1300 726 608** between 8am and 6pm (Sydney time), Monday to Friday.

**1. Interpretation**

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

**2. Appointment**

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

### **3. Authorisations, participant rights and participant sponsored holder's rights**

#### **3.1 Authorisations**

- 3.1.1 Upon delivery to the Participant of all necessary certificates, marked or unmarked transfers and other documents in relation to Financial Products to be held in Participant Sponsored Holdings:
- a. the Participant Sponsored Holder authorises the Participant to effect any Transfers and Conversions necessary to register the Financial Products into Participant Sponsored Holdings; and
  - b. the Participant must initiate the necessary Transfers or Conversions within the time prescribed under the Rules.

#### **3.2 Participant Rights**

- 3.2.1 Where the Participant Sponsored Holder authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those Financial Products on or before the date agreed with the Participant for payment.
- 3.2.2 Subject to Clause 3.2.3, the Participant is not obliged to Transfer Financial Products into the Participant Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.
- 3.2.3 Where a contract for the purchase of Financial Products remains unpaid, after the Participant has made a demand of the Participant Sponsored Holder to pay for the Financial Products, the Participant may sell those Financial Products that are the subject of that contract at the Participant Sponsored Holder's risk and expense and that expense will include brokerage and stamp duty.
- 3.2.4 Where the Participant claims that an amount lawfully owed to it has not been paid by the Participant Sponsored Holder, the Participant has the right to refuse to

comply with the Participant Sponsored Holder's Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current market value of the amount claimed). Where the Participant exercises this right, it must inform the Participant Sponsored Holder, within a reasonable period, of the action it has taken.

#### **3.3 Participant Sponsored Holder's Rights**

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

regime, namely, the Australian Securities and Investments Commission (**ASIC**), ASX Limited (**ASX**), Cboe Australia Pty Limited (**Cboe**) ASX Settlement Pty Ltd (**ASX Settlement**) and ASX Clear Pty Ltd (**ASX Clear**).

3.3.6 The Participant Sponsored Holder may lodge a complaint against the Participant with ASIC, ASX, Cboe, ASX Settlement, ASX Clear or the Australian Financial Complaints Authority (**AFCA**). The Participant Sponsored Holder may lodge any claim for compensation:

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

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

## **Other rights and duties**

### **4.1 Supply of Information**

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

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

4.1.3 The Participant Sponsored Holder authorises the Participant to provide information about the Participant Sponsored Holder and Participant Sponsored Holdings to the Market Operator,

ASX Settlement and ASIC as appropriate or necessary from time to time.

## **5. Notifications and acknowledgements**

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

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

- a. the Participant Sponsored Holder may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by the Participant or that the Participant was not authorised by the Participant Sponsored Holder to effect the Transfer; and
- b. unless the Transfer is also taken to have been effected by a Market Participant of an Approved Market Operator or a Clearing Participant of ASX Clear, the Participant Sponsored Holder has no claim arising out of the Transfer against the compensation arrangement applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations.

5.3 In the event that the Participant breaches any of the provisions of this Sponsorship Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.



- 5.4 In the event that the Participant is suspended from CHESSE participation, subject to the assertion of an interest in Financial Products controlled by the Participant, by the liquidator, receiver, administrator or trustee of that Participant:
- a. the Participant Sponsored Holder has the right, within twenty (20) Business Days of ASX Settlement giving Notice of suspension, to give notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:
    - i. from the CHESSE Subregister; or
    - ii. from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10;
  - b. where the Participant Sponsored Holder does not give notice under Clause 5.4a, ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11. and the Participant Sponsored Holder will be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where a Participant Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Participant Sponsored Holder within ten (10) Business Days of the change of Controlling Participant.
- 5.5 The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed this Sponsorship Agreement, the Participant provided the Participant Sponsored Holder with an explanation of the effect of this Sponsorship Agreement and that the Participant Sponsored Holder understood the effect of this Sponsorship Agreement.
- 5.6 The Participant Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Participant Sponsored Holder, a Holder Record Lock will be applied to all Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless the Participant Sponsored Holder's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHESSE Subregister.
- 5.7 The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of the Holder Record Lock applied pursuant to Clause 5.6.
- 5.8 The Participant Sponsored Holder acknowledges that in the event of the death of a joint Participant Sponsored Holder, all Holdings under the joint Holder Record must be transferred into new Holdings under a new Holder Record in the name of the surviving Participant Sponsored Holder and the Sponsorship Agreement must be valid for the new Holdings under the new Holder Record.
- 5.9 The Participant Sponsored Holder acknowledges that where this Sponsorship Agreement is in respect of a joint Participant Sponsored Holding, in the event of the bankruptcy of one of the Holders, the Controlling Participant will:
- a. establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under the new Holder Record and request that ASX Settlement apply a Holder Record Lock to all Holdings under that Holder Record, unless the

legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Holdings from the CHESSE Subregister; and

- b. establish a new Holder Record in the name of the remaining Participant Sponsored Holder and transfer the interest of the remaining Participant Sponsored Holder and transfer the interest of the remaining Participant Sponsored Holder into new Holdings under the new Holder Record.

5.10 The Participant Sponsored Holder is entitled to receive an executed copy of this Sponsorship Agreement from the Participant but acknowledges that the Participant shall not be required to provide such copy unless requested by the Participant Sponsored Holder.

## **6. Change of controlling participant**

6.1 If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least twenty (20) Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the Participant Sponsored Holder is under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in Clauses 6.2 or 6.3.

6.2 The Participant Sponsored Holder may choose to terminate this Sponsorship Agreement by giving Withdrawal Instructions under the Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:

- a. transfer its Participant Sponsored Holding to another Controlling Participant; or
- b. transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.

6.3 If the Participant Sponsored Holder does not take any action to terminate the agreement in accordance with Clause 6.2 above, and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree to the change of Controlling Participant then, on the Effective Date, the Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the Effective Date:

- a. the New Controlling Participant is a party to the Agreement in substitution for the Existing Controlling Participant;
- b. any rights of the Existing Controlling Participant are transferred to the new Controlling Participant; and
- c. the Existing Controlling Participant is released by the Participant Sponsored Holder from any obligations arising on or after the Effective Date.

6.4 The novation in Clause 6.3 will not take effect until the Participant Sponsored Holder has received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Participant Sponsored Holding. The Effective Date may as a result, be later than the date set out in the Participant Change Notice.

6.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in Clause 6.4 by the doing of any act which is consistent with the novation of the Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.

6.6 This Sponsorship Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the Effective Date

and, to the extent that any law or provision of any agreement makes the novation in Clause 6.3 not binding or effective on the Effective Date, then this Sponsorship Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of the Agreement on trust for the New Controlling Participant.

6.7 Nothing in this Clause 6 will prevent the completion of CHES transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the Effective Date and this Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of this Sponsorship Agreement to the New Controlling Participant under this Clause 6.

6.8 In the event that any of the Holdings comprise AQUA Products, the new Controlling Participant is accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. Note: Under Rule 7.4, ASX Settlement will not accept a Notice of change of Controlling Participant where the new Controlling Participant is not accredited to facilitate the transfer of AQUA Products.

## **7. Claims for compensation**

7.1 With respect to the compensation arrangements that apply to the Participant Sponsored Holder, the Participant would seek to rely, to the extent possible, on the cover which it has under the professional indemnity insurance policy which applies to its activities as an Australian Financial Services licensee.

7.2 If the Participant breaches a provision of this Sponsorship Agreement and the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant.

7.3 If a breach by the Participant of a provision of this Sponsorship Agreement falls within the circumstances specified in the compensation arrangements applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations, a Participant Sponsored Holder may make a claim under the relevant compensation arrangements.

## **8. Termination**

8.1 Subject to the ASX Settlement Operating Rules, this Sponsorship Agreement will be terminated upon the occurrence of any of the following events:

- a. by notice in writing from either the Participant Sponsored Holder or the Participant to the other party to this Sponsorship Agreement;
- b. upon the Participant becoming insolvent; or
- c. upon the termination or suspension of the Participant; or
- d. upon the giving of Withdrawal Instructions by a Participant Sponsored Holder to a Controlling Participant in accordance with the Rule 7.1.10.c; or
- e. upon termination under Part 2 – General Terms and Conditions.
- f. In the event that you have provided us with withdrawal instructions, you will need to indicate whether you wish to transfer your Participant Sponsored Holdings to another Controlling participant. Alternatively, you may choose to transfer your Participant Sponsored Holdings to one or more Issuer Sponsored Holdings.

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

## **9. Rules and variation**

- 9.1 This Sponsorship Agreement is subject to the ASX Settlement Operating Rules in force from time to time, and the Participant Sponsored Holder shall not take any action which will prevent or impede the Participant from complying with its obligations under the Rules.
- 9.2 Should any provisions in this Sponsorship Agreement be inconsistent with the provisions of the ASX Settlement Operating Rules, the Participant will, by giving the Participant Sponsored Holder not less than seven (7) Business Days written Notice, vary this Sponsorship Agreement to the extent to which in the Participant's reasonable opinion is necessary to remove any inconsistency.
- 9.3 Except as provided in Clause 9.2, this Sponsorship Agreement may be varied by the Participant giving the Participant Sponsored Holder not less than seven (7) days' notice to the Participant Sponsored Holder at the postal or electronic address last notified to the Participant by the Participant Sponsored Holder, or at the Participant's website or through CommSec Pocket. However if the change is unfavourable to you, we will give you not less than thirty (30) days' notice by one or more of these methods. If the change is unfavourable to you and we notify you of the change at our website or CommSec Pocket, we will draw your attention to the change via a 'pop up' message or similar prompt alert.

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