



TERMS OF BUSINESS

1. OPENING AN ACCOUNT WITH US

- 1.1 Before we provide any Services to you, you are required to complete an *Account Application Form*. In completing that Form, you must indicate the Services you require, including whether or not you require Direct Market Access Services; and whether you are acting as principal or as agent acting on behalf of any Underlying Principal(s) in transacting with us. If such statement is not made in that Form, you acknowledge that we will treat you as acting as principal. You agree to provide us with: (i) a certified true copy of the latest authorised dealers list, including each dealer's specimen signature, title/position and contact details; and (ii) such other documents as we may require.
- 1.2 You may be required to provide certain information ("**Client Information**") to satisfy our know-your-customer or credit assessment requirements. Client Information may contain personal information, which may be used by us to assess your application for the Services, to provide you the Services or to comply with Market Requirements. You agree that such personal information can be used or disclosed by us as contemplated under these Terms of Business. In addition, you understand that if you do not provide any information requested by us (whether in your *Account Application Form* or otherwise) or you do not agree to us using such information, we may not be able to provide Services to you. We have security procedures to protect the information we hold. Access to and use of personal information within each CLSA Entity is appropriately limited to prevent the misuse or unlawful disclosure of information.
- 1.3 Individuals have a right to access any personal information that we hold about them. There may be circumstances where an individual will not be able to access their personal information, in which case we will inform such individual of the reason why such personal information cannot be accessed. Please contact us to find out what kind of personal information we may hold or to request access to any personal information.
- 1.4 We may approve or reject your *Account Application Form*. If we approve it, we will provide you with a Confirmation Letter setting out the details of the accounts ("**Account(s)**"), the CLSA Entity that will contract with you, the governing law and details of our complaints handling procedures.
- 1.5 These Terms of Business are legally binding and govern the manner in which we provide the Services and operate the Account(s). They take effect when you signify your acceptance by placing an order with us following your receipt of these Terms of Business.
- 1.6 These Terms of Business and the documents referred to in them or referencing them constitutes the whole agreement between you and us, and supersedes all previous terms of business or agreements (whether oral or in writing) that may have been issued on this subject matter. These Terms of Business apply to all Account(s), sub-account(s) and funds held by us for you.
- 1.7 We may amend all or part of these Terms of Business from time to time as we, in our reasonable discretion, consider necessary in order to comply with Market Requirements. We will post the revised Terms of Business on our website (www.clsa.com) and, to the extent inconsistent, the revised Terms of Business shall supplement and amend these Terms of Business. Your ongoing placing of orders with us will constitute acknowledgment and acceptance by you of the revised Terms of Business. Any other amendments to these Terms of Business will be agreed between you and us in writing.



- 1.8 Where you are acting as principal, you must in your own capacity settle all liabilities resulting from transactions effected under and in accordance with these Terms of Business and we do not and will not have any responsibility towards any person on whose behalf you may act (unless a separate client relationship has been established between us and that person or we otherwise agree in writing). Where you have indicated to us that you are acting as agent on behalf of Underlying Principal(s), the terms set out in Clause 4 and all other applicable terms set out in these Terms of Business will apply to you and your Underlying Principal(s).
- 1.9 You will be treated by us as a Professional Counterparty. As a result, you acknowledge that: (a) you have sufficient knowledge and market expertise to evaluate the risks attached to any transactions we may execute for you; (b) we will not provide you with any legal, tax, financial, accounting or financial product advice; (c) in providing the Services, we have not taken, nor are we under any obligation to take, into account your objectives, financial situation or needs; (d) we do not give any warranty as to the merits, suitability, value or effects of any transaction we may execute for you; and (e) we do not assume any fiduciary duty or any responsibility to you other than is mandatorily required of a Professional Counterparty under Market Requirements or these Terms of Business.

2. TAKING INSTRUCTIONS AND EXECUTING ORDERS

- 2.1 We act as your execution agent in effecting your instructions and you are solely responsible for your own investment decisions.
- 2.2 All instructions given to us are irrevocable unless we agree otherwise. Any request to cancel or amend your instructions is only possible before they are executed and subject to our confirmation. You are fully responsible for any full or partial execution of your instructions.
- 2.3 Your orders for Investments are good for the day on which they are received by us and will lapse upon the market close of the relevant Exchange. If the relevant Exchange is closed when we receive an order, that order shall be treated as an order received which will be confirmed between the parties before trading on the next Business Day.
- 2.4 We may in our discretion take, or refrain from taking, any action we consider necessary, and you agree to take or refuse to take any action which we reasonably demand, to ensure compliance with any Market Requirements or to avoid or mitigate loss under those requirements. We will not be liable for any such action taken in good faith. Any actions we take or refuse to take for the purpose of complying with Market Requirements will not render us or any of our directors, officers, employees or agents liable.
- 2.5 We will at your risk rely on any communication in any form (oral, written, electronic or otherwise) which is made or purports to have been made by individuals listed in the latest authorised dealers list you have provided to us; otherwise we shall be under no obligation to verify the capacity of the person(s) giving instructions or the authenticity of such communication. We shall be under no duty to supervise compliance with any restrictions on investment or powers to operate the Account(s). You shall be responsible for any accidental, fraudulent or unauthorised instruction or communication transmitted to us. Upon notice or suspicion of any accidental, fraudulent or unauthorised instruction or communication, you shall immediately notify us.
- 2.6 All instructions shall be sent and received electronically between us. You intend us to treat such instructions as your original instructions and desire us to act on them. You understand that we are not in a position to examine the authenticity of electronic instructions and we will not be liable for any errors, loss or damages associated with our acceptance of and acting on such electronic instructions. Also, you agree to indemnify us for all costs, expenses, claims and liabilities



(whether actual or contingent) that we may incur as a result of acting on such instructions.

- 2.7 All contract notes, confirmation notes, daily or monthly statements and other advice in connection with the Account(s) will be provided to you electronically and you agree to assume the inherent risks in electronic communication.
- 2.8 We may, without prior notice, combine your order with other orders. We may not always be able to execute your orders in full or at prices designated by you. You agree to be bound by such executions provided that we shall use our reasonable endeavours to provide you with “best execution” in accordance with our Best Execution Policy Statement, posted on our website (www.clsa.com), and to the extent not inconsistent with any Market Requirements.
- 2.9 Priority and allocation (where there are insufficient Investments to satisfy all client transactions) will be determined in accordance with market practice and fairness to clients and may result in partial execution.
- 2.10 In providing you the Services, we shall be entitled to appoint as agents, and to enter into transactions with or through, such banks, brokers, investment advisers, financial and other institutions (whether or not Affiliates of CLSA) as we reasonably determine without prior notice to you. Clause 5.2 shall apply to the costs, charges, fees, commissions and other expenses of such agents.
- 2.11 We may introduce you to another company, whether within the CLSA Group or not, to effect transactions and you acknowledge that we may from time to time act as agent for any such company. We may also introduce sub-agents from outside the CLSA Group on the basis of a direct contractual relationship with that entity separate from these Terms of Business.
- 2.12 From time to time we may discuss certain Investments with you. Such information does not constitute representations or advice of any nature and you should not rely on it. We take no responsibility for the accuracy, appropriateness or completeness of any information provided by a third party in connection with a Service we provide to you.

3. SECURITIES DEALING SERVICES

- 3.1 We require all transactions of Securities to be effected on a delivery against payment basis. Before the settlement date of any transaction in Securities which we have executed for you, you will provide funds to complete such transaction or make good delivery of the Securities to be sold, as the case may be. If you fail to do so, we may, in the case of a purchase transaction, transfer or sell any such purchased Securities to satisfy your obligations to us; or, in the case of a sale transaction, borrow and/or purchase such sold Securities to satisfy your obligations to us. In this process, you are liable for any loss, costs, fees and expenses incurred by us in connection with your failure to meet your obligations and we will debit your Account(s) accordingly.
- 3.2 In the unlikely event that delivery and payment is not simultaneous, we are obliged to treat your money in our possession in accordance with the applicable ‘Client Money Rules’ set out in Clause 6.1 to 6.3.
- 3.3 When dealing in Securities that are uncertificated, settlement will be effected using an electronic book transfer system. Investments in respect of purchases and sales conducted through us will be placed in a fungible account prior to onward settlement.
- 3.4 If we are carrying your Account(s) as clearing broker by arrangement with another broker through whom you have been introduced to us, then, unless you notify us in writing to the



contrary, we may accept from such other broker, without inquiry or investigation to or by us, (i) orders for the purchase or sale in your Account(s) of Securities on margin or otherwise, and (ii) any other instructions concerning your Account(s) and that broker shall for all purposes be treated as an authorised dealer of such Account for the purposes of these Terms of Business. We shall not be responsible or liable to you for any acts or omissions of such other broker or its employees of any kind or nature whatsoever (including any fraud, gross negligence or wilful default).

- 3.5 If you do not reimburse us in full on demand or within the time customarily set by the relevant Exchange or market upon which the Securities are traded, for the cost of any Securities purchased by us on your behalf, we may advance the balance of the purchase price to you as a loan which shall be repayable within such period and at such interest rate as we determine.
- 3.6 If a selling broker fails to deliver the Securities that we have purchased for you on the settlement date, then we may have to obtain Securities in the open market and you shall be responsible for any difference in price in that regard.
- 3.7 Any obligation which we may have to deliver Securities, commodities, deposits of cash, credit balances or other property to you shall in any event be conditional upon you having paid to us all fees, charges, expenses and liabilities owed to us by you under these Terms of Business.
- 3.8 In the absence of your explicit instructions, we shall have no duty to investigate, participate in or take action concerning attendance at meetings, voting or other rights attaching to or derived from Securities whatsoever. We shall have no responsibility to take any action in respect of proxies received.
- 3.9 You authorise us:
- (a) to hold any Securities on your behalf in our name or in the name of our nominee or as you may direct in writing. Where Securities are held by us or by our nominee on your behalf:
 - (i) we may not return the same Securities which were originally deposited by you, but only return Securities in the same quantity, class and denomination;
 - (ii) we may register such Securities in our name or our nominee's name and/or. for the purposes of safe custody, deposit such Securities in a designated account of any bank, financial institution, company or firm selected by us; and
 - (iii) we may commingle such Securities with Securities held by us or our nominee on behalf of our other clients, provided that we shall identify such Securities in our records as being held for your account;
 - (b) to administer all benefits attaching to the Securities held by us on your behalf including rights issues, capitalisations, scrip dividends and other corporate actions and to collect any dividends or interest accruing or payable on any Securities held by us or our nominee;
 - (c) to use reasonable efforts to notify you of material information we receive in relation to your Securities which requires your action by a certain date. If no instruction is forthcoming, you are deemed to have authorised us to take whatever decision we believe is appropriate in light of the circumstances without any liability; and/or
 - (d) to administer cash deposits including making credit and debit entries to your Account(s).



New listing of Securities

- 3.10 In the event that you request and authorise us to apply for Securities in respect of a new listing and/or issue of Securities on any Exchange as your agent (for your benefit or for the benefit of any other person), you warrant to us that we have authority to make such application on your behalf. You must familiarise yourself with and you will be bound by the terms set out in the governing prospectus and/or offering documentation and the application form relating to such Securities.
- 3.11 You further declare and warrant, and authorise us to disclose and warrant to the Exchange on any application form that any such application made is intended to benefit you or the person for whose benefit you are applying.
- 3.12 You undertake to provide to us such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such Market Requirements as we may reasonably request from time to time.

4. ACTING AS AGENT

- 4.1 The terms set out in this Clause will only apply where you act as agent for another party (an "**Underlying Principal**"), provided you have disclosed that you are acting as agent on behalf of an Underlying Principal in your *Account Application Form*. For the avoidance of doubt, this Clause will not apply where you act for your own account as principal.
- 4.2 For the purposes of Clause 4.1, you will give us the identity, address and account number and any other details relating to the Underlying Principal that we may require to enable us to carry out credit and risk assessments and complete money laundering due diligence.
- 4.3 You will enter into each transaction as agent for and on behalf of the Underlying Principal in accordance with Clauses 4.4 and 4.5. Unless we both otherwise agree in writing, we will treat you as our client. If you are a fund manager acting on behalf of a fund, you acknowledge, as agent on behalf of such fund and on your own behalf, that liability between you and such fund will be joint and several. However, for the avoidance of doubt, the other provisions under these Terms of Business shall not be affected and accordingly such fund shall be treated as the Underlying Principal.
- 4.4 We will open separate accounts for each Underlying Principal (an "**Underlying Principal Account**"). In respect of each instruction given, you undertake, as agent for the relevant Underlying Principal, and on your own behalf, to specify the Underlying Principal Account to which the relevant instruction properly relates. Until you specify an Underlying Principal Account you will be liable in respect of the relevant transaction. You further undertake, as agent for each Underlying Principal and on your own behalf, to notify us immediately if any two or more Underlying Principal Accounts relate to the same Underlying Principal as soon as possible but in any event before settlement is due.
- 4.5 We will separately administer those Underlying Principal Accounts that we reasonably believe relate to different Underlying Principals. We will not exercise any power to consolidate accounts or set off amounts owing between Underlying Principal Accounts relating to different Underlying Principals where you have identified to us the Underlying Principal for each account. Where you have not identified to us the Underlying Principal and we reasonably believe that accounts are held for different Underlying Principals, we may in our sole and absolute discretion choose whether or not to exercise any power to consolidate accounts or set off amounts owing between such Underlying Principal Accounts relating to such different Underlying Principal.



4.6 You agree, as agent for the Underlying Principals and on your own behalf, as the case may be, to be responsible for making any investment decisions with respect to each Underlying Principal. We do not accept any responsibility for assessing the merits, suitability, value or effects of a particular transaction entered into for you for and on behalf of an Underlying Principal.

4.7 We will not be responsible for your or any Underlying Principal's compliance with any laws or rules governing or affecting your or any Underlying Principal's conduct or for your or any Underlying Principal's compliance with any laws or rules governing or affecting transactions under these Terms of Business.

5. COMMISSIONS, FEES AND OTHER CHARGES

5.1 The commissions, fees and other charges in respect of the Services will be agreed between you and us separately in writing. Such commissions, fees and other charges are subject to change from time to time.

5.2 You shall reimburse us for all other reasonable costs, commissions, expenses, charges, fees and penalties incurred by us or our agent(s) (including any bank, broker, investment adviser or financial or other institution) for our Services to you. For the avoidance of doubt, we may share such commissions or such other amounts with any persons as we deem think or may have soft commission agreements in place for which we will not be required to account to you.

5.3 Every transaction executed by us for you or on your behalf on an Exchange may be subject to taxes (including, without limitation, any value added tax or goods and services tax) and levies (including, without limitation, any transaction levies or levies for compensation funds), fees or charges that the relevant Exchange may from time to time impose. Such taxes, levies, fees or charges shall be borne by you and you authorise us to collect any such taxes, levies, fees or charges from the settlement proceeds in accordance with applicable Market Requirements. For the avoidance of doubt, if the settlement proceeds are insufficient for these purposes, you will remain responsible for the balance, together with any interest we are entitled to charge under these Terms of Business.

5.4 We will charge you interest on all amounts owed to us at a rate equal to the relevant interbank offering rate plus 2 per cent per annum or at such rate as we may determine and which is agreed by you.

5.5 Any payment due under these Terms of Business will be payable promptly in freely transferable, cleared and immediately available funds without deduction unless Market Requirements stipulate otherwise.

6. CLIENT MONEY RULE

6.1 Subject to any applicable Market Requirements, we may deposit any cash balances in any of your Account(s) with any financial institution(s) as we shall think fit (including any Affiliate of CLSA, provided that the terms of such deposit are no less beneficial than would have been offered by such institution to an unconnected person of CLSA (or of any such Affiliate of CLSA)).

6.2 You acknowledge that interest will not accrue on any cash balances in your Account(s).

6.3 We shall credit the proceeds of any sale of Investments under these Terms of Business (less all amounts which we are entitled under these Terms of Business, or required under applicable laws or regulations, to deduct from such proceeds) to your Account(s).



7. REPRESENTATIONS AND WARRANTIES

Each of the following representations and warranties is given by you as principal or (where acting on behalf of an Underlying Principal) as agent for such Underlying Principal and on your own behalf. In this Clause, where you are acting on behalf of an Underlying Principal, the term "you" shall mean: i) you and/or the Underlying Principal that you act for; or ii) you acting as agent on behalf of your Underlying Principal, as the case may be. As of the date these Terms of Business come into effect and on an ongoing basis, including at the time that each order is executed for you:

- (a) you have all necessary authority, powers, consents, licences and authorisations and have taken all necessary actions to enable you lawfully to enter into and perform the obligations under these Terms of Business and each transaction and to grant the security interests and powers referred to in these Terms of Business;
- (b) the persons entering into these Terms of Business and each transaction on your behalf have been duly authorised by you to do so;
- (c) these Terms of Business, each transaction and the related obligations are binding on you and enforceable against you in accordance with such terms and do not and will not violate any Market Requirement to which you are subject, your constitutional documents or the terms of any other document, instrument or undertaking binding on you;
- (d) where you act as agent on behalf of an Underlying Principal, you have identified such capacity to us in accordance with Clause 4;
- (e) no Event of Default has occurred and/or is continuing with respect to you;
- (f) you are permitted under your constitution and any applicable Market Requirements, and are financially able, to sustain any loss which may result from any transaction;
- (g) you own all Investments transferred to us or charged in our favour by you and such Investments are free from any prior mortgage, charge, lien or other encumbrance whatsoever and you will not further pledge or charge such Investments or grant any lien over them while it is pledged or charged to us except with our prior written consent;
- (h) any information which you provide or have provided to us is accurate and not misleading in any material respect;
- (i) you have read and understood any document which we have provided to you, in a language you understand, in relation to the Services including without limitation, any risk disclosure statements as set out in the Schedule to any applicable Market Terms;
- (j) you comply with all applicable Market Requirements and, in particular, you are subject to and comply with anti-money laundering and counter-terrorist financing laws and regulations in your jurisdiction including obtaining and maintaining evidence as to the identity of any Underlying Principal for whom you act as agent;
- (k) you have conducted appropriate and adequate due diligence (and maintain records) on all Underlying Principals for whom you act as agent and all Connected Persons of such Underlying Principals, and the sources of their funds and you are not aware of nor have reason to suspect that any Underlying Principal or Connected Person of such Underlying Principal is involved in criminal conduct (including money laundering or terrorist



financing);

- (l) where you are aware that an Underlying Principal is acting as intermediary on behalf of its underlying client(s), you have arrangements in place with the Underlying Principal which entitle you to obtain the information on their underlying client(s) immediately upon request; and
- (m) you do not transact with shell banks or any entity that is subject to any economic sanctions, or any of their Connected Persons.

8. COVENANTS AND UNDERTAKINGS

Each of the following undertakings is given by you as principal or (where acting for an Underlying Principal) as agent for such Underlying Principal and on your own behalf. In this Clause, where you are acting on behalf of an Underlying Principal, the term "you" shall mean: i) you and/or the Underlying Principal that you act for; or ii) you acting as agent on behalf of the Underlying Principal, as the case may be. You will:

- (a) ensure at all times that you obtain and comply with the terms of and do all that is necessary to maintain in full force and effect all authority, powers, consents, licences and authorisations referred to in Clause 7;
- (b) promptly notify us of the occurrence of any Event of Default;
- (c) promptly provide Client Information and supporting documents to us and execute and provide all other documentation as required by us for the purposes of providing the Services to you and open any Account(s) or Underlying Principal Account(s);
- (d) promptly notify us if there are any material changes to the Client Information;
- (e) comply with Market Requirements (including without limitation laws and regulations relating to anti-money laundering, counter-terrorist financing and short selling) and good standards of market practice and you will promptly notify us in the event of any such non-compliance;
- (f) notify us at the time of placing the relevant order of any transactions which are short sales;
- (g) (if applicable) provide to us on request copies of the relevant sections of the Underlying Principal's constitutional documents relating to its capacity to enter into transactions and to appoint an agent to act on its behalf and that any such extract will, to the best of your knowledge, be true and accurate in all material respects and you will not leave out or withhold any information which would render the information so supplied false, misleading or inaccurate in any material respect;
- (h) (if applicable) execute as agent for the Underlying Principal where you are duly authorised to do so, or in each other case procure that the Underlying Principal executes, on our request all such transfers, powers of attorney and other documents as we may require to vest any assets in or otherwise grant any security interest to us, our nominee, a purchaser or transferee;
- (i) (if applicable) identify and disclose to us any politically exposed persons that are Underlying Principals or Connected Persons of the Underlying Principal for whom you act

as agent;

- (j) in the event of a request from a Regulator, immediately provide (and do all things necessary to be able to provide) the Regulator or us (as the case may be) with any information so required, relating to (insofar as applicable): (i) you; (ii) the Underlying Principal for whom you act as agent; (iii) (so far as you know) the person with the ultimate beneficial interest in the transaction (which may include the Connected Persons or clients of such Underlying Principals); (iv) the collective investment scheme, discretionary account or discretionary trust that you effect transactions for; and/or (v) the person who instructed you to effect the transaction, as the case may be; and
- (k) (if applicable) in the event that you effect transactions for a collective investment scheme, discretionary account or discretionary trust, promptly inform us when your discretion to invest on behalf of the scheme, account or trust has been overridden.

9. EVENTS OF DEFAULT AND CONSEQUENCES

9.1 Each of the following events constitutes an “**Event of Default**”. In this Clause, where you act on behalf of an Underlying Principal, the term “you” shall mean you acting as agent on behalf of your Underlying Principal and on your own behalf.

- (a) you fail to perform or meet any of your obligations under these Terms of Business, including your failure to pay or deliver property or to comply with any covenant or undertaking;
- (b) any representation, warranty or statement made by or treated as made or given by you under these Terms of Business was incorrect or misleading in any material respect at the time it was made or given or treated as made or given;
- (c) you or your holding companies (collectively referred to as “**Your Group**”) take any action or proceedings for its winding-up, dissolution, administration or re-organisation (whether by voluntary arrangement, scheme of arrangement or otherwise) or in respect of the appointment of a liquidator, receiver, administrator, administrative receiver, custodian, trustee or similar officer, in relation to any member of Your Group or of any or all of your revenues and assets;
- (d) in the case of individual clients or the partners in a partnership client, a petition for bankruptcy is filed by or against you or in the event of your death or judicial declaration of incompetence;
- (e) any attachment is levied against your Account(s) with us;
- (f) we consider it necessary or desirable for our own protection or an event occurs which we reasonably believe might have a material adverse effect on your ability to perform or comply with your obligations hereunder;
- (g) there is a transfer of all or substantially all of the assets of the contracting entity; or
- (h) any event occurs which could become an Event of Default under 9.1(a) to (g) above.

9.2 Where you act on behalf of an Underlying Principal and any Event of Default occurs in respect of you (as opposed to any Underlying Principal), our rights will apply separately in respect of all Underlying Principal Accounts where you have identified the Underlying Principal to us. Where you



have not identified the Underlying Principal to us but we reasonably believe that accounts are held for different Underlying Principals, we may choose whether or not to exercise our rights separately over such Underling Principal Accounts where any Event of Default occurs in respect of you. If an Event of Default occurs in respect of an Underlying Principal, our rights will be limited to the relevant Underlying Principal Account(s).

- 9.3 At any time following an Event of Default, we may serve written notice on you designating a Termination Date which is a date that is within five (5) Business Days' from the date of such notice.
- 9.4 At any time following an Event of Default, we may close out all or any outstanding transactions held on your behalf.
- 9.5 Upon the occurrence of an Event of Default, you irrevocably appoint us to be your attorney for you and in your name and on your behalf to take any action to perfect our security interest and give effect to our rights and benefits under these Terms of Business.
- 9.6 Without prejudice and in addition to any general lien, right of set-off or similar right to which any CLSA Entity may be entitled by law or otherwise under these Terms of Business, and at any time following an Event of Default, you hereby expressly grant to any CLSA Entity:
 - (a) a general lien over all or any part of your interest in any funds (including, without limitation, any deposit or payment), Securities, commodities or other property held by any CLSA Entity for any purpose or carried by any CLSA Entity in any Account for you (either individually or jointly with others) or which may be in any CLSA Entity's possession; and
 - (b) the right (without notice to you) to combine or consolidate all your Accounts and those of Your Affiliates; to convert any sums of money into such currencies as we consider appropriate; to set off or transfer any Investments or other property held for you, Your Affiliates or otherwise for your account; and to sell, realise or otherwise deal with all or any of the Investments or other property held for you, Your Affiliates or otherwise for your account, in or towards satisfaction of your indebtedness, obligations or liabilities (actual or contingent) towards us, our correspondent broker(s), the Exchange(s), Clearing House(s), or otherwise, in respect of your Investments, and for the avoidance of doubt we shall be entitled to exercise such right on terms that we, in our sole and absolute discretion, determine;
- 9.7 For the avoidance of doubt, if a debit balance arises on any of your Accounts, no CLSA Entity shall be, or shall be deemed to be, obliged to make available or continue to make available any credit facilities. In particular, but without limitation, the fact that a CLSA Entity permits a debit balance to arise on an Account so debited shall not imply any obligation on the part of any CLSA Entity to advance monies or incur any obligation on your behalf on any subsequent occasion, but without prejudice to your obligations in respect of any debit balance which any CLSA Entity permits to arise.

10. TERMINATION

- 10.1 Either we or you may terminate the provision of Services under these Terms of Business on giving two (2) Business Days' written notice to the other party. In addition, we may terminate the provision of Services under these Terms of Business at any time without prior notice to you in order to comply with Market Requirements.

- 10.2 Termination of the provision of Services under this Clause will take place without prejudice to the completion of transactions already initiated between us or by us on your behalf, nor will it prejudice or affect any of our rights and powers towards you that are accrued before such termination. In particular, any warranties, representations, undertakings and indemnities given by you under these Terms of Business and the provisions of Clauses 10, 11, 12 and 13 shall survive such termination.
- 10.3 On and from the Termination Date (whether termination occurs pursuant to Clause 9.3 or 10.1):
- (a) we may decline to accept further instructions from you and we may close all or any of your Account(s) with us;
 - (b) we may close out all or any outstanding transactions held on your behalf;
 - (c) we will not be obliged to make any further payments or deliveries under any transactions which would otherwise have fallen due for performance and those obligations will be satisfied by settlement (whether by payment, set-off or otherwise) of the amount calculated in accordance with Clauses 10.3(d) and (e);
 - (d) for each transaction set out in Clause 10.3(c), we will determine the total cost, loss or gain in the currency as specified by us (including any loss of bargain, cost of funding, stock borrowing, penalties or fines or other consequential costs) as a result of the termination of each payment or delivery which would otherwise have been required to be made under each particular transaction;
 - (e) we will apply any balances in your Account(s) towards discharging your liabilities towards us;
 - (f) we will have the right to (without notice to you) combine or consolidate all your Accounts and those of Your Affiliates; to convert any sums of money into such currencies as we consider appropriate; to set off or transfer any Investments or other property held for you, Your Affiliates or otherwise for your account; and to sell, realise or otherwise deal with all or any of the Investments or other property held for you, Your Affiliates or otherwise for your account, in or towards satisfaction of your indebtedness, obligations or liabilities (actual or contingent) towards us, our correspondent broker(s), the Exchange(s), Clearing House(s), or whatsoever, in respect of your Investments and for the avoidance of doubt, we shall be entitled to exercise such right on terms that we, in our sole and absolute discretion, determine;
 - (g) for the period from the Termination Date until the date we remit any credit balance to you in accordance with Clause 10.3(h), we shall be entitled to charge a monthly administration fee in connection with the termination of the Services and closure of your Account(s); and
 - (h) we may send you a remittance of any credit balances (less any administration or other fees and charges under these Terms of Business) to your address by prepaid post.

11. LIABILITY AND INDEMNITY

- 11.1 Neither we nor our directors, officers, employees or agents will be liable for:
- (a) any direct or indirect losses, damages (whether consequential or special damages), costs or expenses incurred or suffered by you under these Terms of Business whatsoever



(including any transaction or where we have declined to enter into a proposed transaction or by reason of any delay or change in market conditions before a transaction is effected) unless arising directly from our or their respective fraud, gross negligence or wilful default; or

- (b) any loss or damage suffered by you which arises from the partial or non-performance of any of our obligations under these Terms of Business or from any delays, errors, interruptions or failures in any communication or correspondence (including, without limitation, the delivery of confirmations or transmission of orders) by reason of any event or cause beyond our control, including without limitation any failure of transmission, telecommunications or computer facility, industrial action, acts and regulations of any governmental bodies or Regulators, the failure of any third party to perform its obligations or any change in Market Requirements.

11.2 You shall, regardless of any other provision of these Terms of Business, fully indemnify and hold harmless us and each member of the CLSA Group and our directors, officers, employees and agents and those of each member of the CLSA Group, on demand, for all actions, proceedings, demands, liabilities, losses, damages, claims, costs and/or expenses (other than loss of profit, loss of revenue or loss of business, but including any costs and/or expenses incurred in connection with the investigation of, preparation for or defence of any pending or threatened litigation or claim) which may be suffered or reasonably incurred by us directly or indirectly arising out of or in connection with any acquisition, disposal or closing out of Investments entered into by us as agent on your behalf, or otherwise whatever or however arising, out of any action by us under these Terms of Business unless arising directly from our or their respective fraud, gross negligence or wilful default.

11.3 Notwithstanding that you may act as agent on behalf of an Underlying Principal, you undertake as principal to indemnify and hold us harmless, on demand, in respect of all liabilities, costs, damages and losses incurred in relation to any transaction effected by you as agent on behalf of any Underlying Principal.

12. CONFIDENTIALITY

12.1 Client Information held by us relating to you will be kept confidential, but, subject to applicable Market Requirements, we may disclose Client Information (which may include personal information) to:

- (a) any CLSA Entity, including, without limitation, any of our other branches or any of our representatives;
- (b) any agent, contractor, external adviser or third party service provider who provides administrative, telecommunications, computer or other services to us in connection with the operation of our business;
- (c) any person who owes a duty of confidentiality to you or who has undertaken to keep such information confidential;
- (d) any financial institutions and credit providers with which you have or propose to have dealings;
- (e) any actual or proposed assignee of, or participants or sub-participants or transferees of, our rights in respect of you;



- (f) payment system operators;
- (g) any Regulators as and when requested or required to do so; and
- (h) any third parties under compulsion of law or where the information is already in the public domain (except as a result of a breach of our obligations under these Terms of Business) or where requested or permitted by you.

12.2 You hereby expressly agree that we may, if requested by any Regulator, provide details of: (i) you (including details of your Account(s)); (ii) the Underlying Principal for whom you act as agent; (iii) the person with the ultimate beneficial interest in the transaction (which may include the Connected Persons or clients of such Underlying Principals); (iv) the collective investment scheme, discretionary account or discretionary trust that you effect transactions for; and/or (v) the person who instructed you to effect the transaction, as the case may be, to such Regulator.

13. MISCELLANEOUS

13.1 These Terms of Business shall be treated as incorporating the terms and conditions of any relevant Schedule, Market Terms and annexes. In the event of any conflict between these Terms of Business (including any relevant Schedule or annex) and any provision contained in any relevant Market Terms, the Market Terms provision will prevail to the extent of the conflict. These Terms of Business (including any relevant Market Terms) are subject to Market Requirements, and in the event of any conflict between these Terms of Business (including any relevant Market Terms, Schedule or annex) and Market Requirements, the Market Requirements will prevail to the extent of the conflict.

13.2 You agree and acknowledge that if any Account(s) is/are to be opened in joint names, the terms and conditions of these Terms of Business will bind each Account holder and all undertakings, agreements, obligations and liabilities of an Account holder under these Terms of Business shall be joint and several undertakings, agreements, obligations and liabilities respectively of each Account holder and we may from time to time exercise or enforce all or any of our powers, rights or remedies under these Terms of Business against all or any Account holders at our sole and absolute discretion.

13.3 We will solely determine the foreign exchange conversion rate in respect of any settlement, payment, combination, set-off, application, transfer or other action. Any loss incurred by us as a result of fluctuations in currency exchange rates shall be entirely for your account and at your sole risk. You shall pay to us such additional amount as necessary to ensure that we receive the full amount that we would have been entitled to if no such conversion had been effected.

13.4 When we deal with or for you, we or any CLSA Entity may at times have an interest, relationship or arrangement that could be material and/or could give rise to a conflict of interest in relation to a transaction. In such event, subject to Market Requirements, you consent that in the absence of actual evidence of conflict and disadvantage to you, we may act in any manner that we consider appropriate.

13.5 We may in our sole and absolute discretion and, without prior disclosure to you, arrange for any transaction in Investments to be effected in whole or in part by the sale to, or purchase from, you of Investments by us or any CLSA Entity, at about the same time as, or in concert or in conjunction with, the purchase from or sale to other clients of some or all of such Investments. If we do, we may charge, or otherwise take remuneration from, you and such other clients and retain any profits, charges, benefits or other remuneration for ourselves and will not be bound to account to you for that remuneration or any part of it.



- 13.6 Subject to applicable Market Requirements, we or any connected person may issue research reports and recommendations notwithstanding that we may be acquiring, disposing of or otherwise dealing with or holding Investments which are the subject of the research reports or recommendations.
- 13.7 We are not obliged to disclose to you or take into consideration any fact, matter or finding which comes to our notice or that of any Affiliate of CLSA or any of our or their directors, officers, employees or agents in the course of acting in any capacity for any other person.
- 13.8 You acknowledge that we may receive commissions from issuers of Investments, third party information providers, providers of banking services and providers of clearing and settlement services from time to time and that we may retain such commissions for our own benefit (a list of the type and range of such commissions is available upon request).
- 13.9 We and our directors and employees and the Affiliates of CLSA and their directors and employees may trade on our/their own account.
- 13.10 All notices, instructions and other communications ("**Communications**") from you to us will be sent to us at the address provided by us to you and must be addressed for the attention of the "Compliance Officer". We will send Communications to you at the address that you have provided to us. In the case of any Account(s) held jointly, Communications may be sent to any or all of the joint holders. Communications will be treated as having been given at the time of dispatch and received within two (2) Business Days thereafter.
- 13.11 Confirmations of the execution of orders placed with us, statements of your Account(s) and contract notes shall be conclusive and the details of transactions set out therein shall be treated as having been accepted by you if not objected to by you within 24 hours after such acceptance. You agree that this provision is intended to give you the opportunity to amend incorrect transaction records and does not grant you a right to terminate your instructions to us or to otherwise avoid your instructions to us except in accordance with these Terms of Business.
- 13.12 Telephone conversations between you and any employee of a CLSA Entity may be recorded by either us or you without the use of any warning. You and we agree and consent to such recordings, and you and we agree to the admissibility into evidence of such recordings in any legal or regulatory proceedings between you and us. However, neither of us shall have any obligation to retain or preserve any recordings so made except to the extent required by applicable Market Requirements.
- 13.13 You authorise us to conduct credit enquiries or checks on you.
- 13.14 You will not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer your rights or obligations under these Terms of Business without our prior written consent. We may at any time transfer any right or obligation under these Terms of Business to any CLSA Entity or designated party without your consent.
- 13.15 If, at any time, any provision of these Terms of Business is or becomes illegal, invalid or unenforceable in any respect under any Market Requirement, neither the legality, validity or enforceability of the remaining provisions of these Terms of Business nor the legality, validity or enforceability of such provision under the Market Requirements of any other jurisdiction will in any way be affected or impaired.
- 13.16 Time will be of the essence in respect of all of your obligations under these Terms of Business (including any transaction).



- 13.17 The rights and remedies provided in these Terms of Business are cumulative and not exclusive of those provided by applicable Market Requirements. We will be under no obligation to exercise any right or remedy either at all or in a manner or at a time beneficial to you. No failure by us to exercise or delay by us in exercising any of our rights under these Terms of Business or otherwise will operate as a waiver of those or any other rights or remedies. No single or partial exercise of a right or remedy will prevent further exercise of that right or remedy or the exercise of another right or remedy.
- 13.18 You will provide details of your local process agent (the "**Process Agent**") in the *Account Application Form* and you authorise your Process Agent to receive on your behalf all Communications relating to legal proceedings involving you. In the absence of any such appointment by you, you request and authorise your local CLSA Entity to act as your Process Agent and any service of legal process on that CLSA Entity shall constitute sufficient service on you.
- 13.19 All rights, obligations and liabilities between you and us shall be governed by the governing law set out in the Confirmation Letter and you hereby submit to the non-exclusive jurisdiction of the courts of the governing jurisdiction stated therein.



DEFINITIONS AND INTERPRETATION

In these Terms of Business, the following capitalised terms have the following meanings:

"Affiliates of CLSA" means CLSA B.V. and any bodies corporate in which CLSA B.V. holds in excess of 10% of the issued share capital (directly or indirectly), and **"Affiliate of CLSA"** means any one of them.

"Business Day" means a day (other than a Saturday or Sunday) in which banks in the relevant Market are open for business.

"Clearing House" means the relevant clearing house, corporation or system of the market upon which the relevant Investments are traded.

"CLSA" means the contracting CLSA Entity specified in the Confirmation Letter which will provide the Services to you or the CLSA Entity which currently provides the Services to you, which is your contracting party for the purposes of these Terms of Business.

"CLSA Entity" means any member of the CLSA Group.

"CLSA Group" means CLSA together with all Affiliates of CLSA.

"Confirmation Letter" means the letter of confirmation which contains CLSA's acceptance of your application to be provided with the Services indicated in your Account Application Form.

"Connected Person" means the directors and controllers (including any ultimate beneficial owner that controls 10% or more of the shareholding) of an entity.

"Exchange" means the relevant securities, commodities, futures or options exchange on which the relevant Investments are traded.

"Investments" means Securities, Exchange-traded commodities, Futures/Options Contracts and other financial products.

"Market Requirements" means all the constitutions, laws, rules, regulations, by-laws, customs and practices, rulings, interpretations, standards, prescribed terms, levies and administrative requests of the relevant Market(s) or Regulators, including without limitation any governmental authorities, Exchange(s) and Clearing House(s) whatsoever.

"Markets" means the financial markets in the jurisdictions which you selected in the Account Application Form, or which you currently trade with us, with any additional jurisdictions which may be agreed in writing between you and us from time to time and **"Market"** means any one of them.

"Market Terms" means the terms applicable to the Services to be provided or currently provided, as the

case may be, in a particular Market or through a specified CLSA Entity.

"Professional Counterparty" includes without limitation "Professional Investor", "Eligible Counterparty", "Accredited Investor", "Institutional Investor" and other similar terminology adopted in different Markets.

"Regulators" means any Exchange, Clearing House or any administrative, legal, judicial, regulatory or governmental authority having jurisdiction in any Market.

"Securities" means shares, stocks, warrants, options, convertible bonds and notes of any description whatsoever and wheresoever issued, quoted, dealt in or located and any other instruments or otherwise commonly known as securities.

"Securities Dealing Services" means services provided by CLSA in connection with purchasing, investing in, selling, exchanging or otherwise disposing of and generally dealing in and with any and all kinds of Securities.

"Services" means the services to be provided to you by CLSA as requested by you from time to time or currently provided to you by CLSA (as the case may be), the specific provisions of which are set out in the Terms of Business (including any Schedule) and **"Service"** means any one service.

"Termination Date" means the date on which the Services are terminated.

"Terms of Business" means these terms of business together with any applicable Market Terms or any supplemental agreements and any other documents expressed to incorporate the Terms of Business.

"Your Affiliates" means, in the case of corporate clients, your largest shareholder (direct or indirect) at the relevant time and any bodies corporate in which that shareholder holds in excess of 10% of the issued share capital (directly or indirectly).

References in these Terms of Business to "we", "us" or "our" means, unless the context otherwise requires, CLSA and (where the context) requires will also include any CLSA Entity, or persons connected with the CLSA Group.



MARKET TERMS FOR AUSTRALIA

[Insert client's full legal name]

ABN [Insert client's ABN]

We are delighted that you have chosen CLSA to be your broker. These terms together with the CLSA Terms of Business ("**Terms of Business**", together "**CLSA Terms**") will govern the relationship between us.

1. Contracting Entity

You will contract with CLSA Australia Pty Ltd (ABN 53 139 992 331, Australian Financial Services Licence No. 350159) ("**CLSA Australia**") for all Transactions conducted in Australia. CLSA Australia is a Market Participant of ASX.

2. Incorporation of Terms

These terms are incorporated into the Terms of Business (including the relevant Schedules) as posted on our website (www.clsa.com/) and agreed between us. The CLSA Terms are legally binding and they take effect when you signify your acceptance by placing an order with us following your receipt of the CLSA Terms.

3. Additional Representations and Warranties; and Acknowledgements

3.1 You make the following representations and warranties to us, and those representations and warranties are repeated each time you use a Service:

- (a) that you are a Wholesale Client;
- (b) if the Service relates to an offer of Securities, that you are a sophisticated or professional investor for the purpose of section 708 of the Corporations Act;
- (c) if you are a holder of an AFSL, that you are not aware of any circumstances or events that would lead the cancellation, suspension or termination of your AFSL;
- (d) if you are a listed member of ASX, that you are not aware of any circumstances or events that would lead to a suspension of quotation of your securities or your removal from the official list of ASX;
- (e) that you are not an Employee of a Market Participant, a company controlled by such an Employee or a Controlled Trust to which ASIC Market Integrity Rule 5.4 would apply; and
- (f) that if you are acting as agent for an Underlying Principal, you have made reasonable enquiries to satisfy yourself that the

Underlying Principal's funds or assets which are paid or transferred to us under the Terms of Business, are not "proceeds of crime" within the meaning of the Proceeds of Crime Act 1987 (Cth).

- 3.2 You acknowledge and agree that all dealings in financial products (including Market Transactions) under the Services are subject to:
 - (a) the Corporations Act;
 - (b) the directions, decisions and requirements of ASIC and ASX, the ASIC Market Integrity Rules, the ASX Operating Rules, the Clearing Rules and where relevant, the Settlement Rules;
 - (c) the customs and usages of the Market; and
 - (d) the correction of errors and omissions.

4. Clearing Arrangements

4.1 We have entered into an arrangement with CSCA for the clearing and settlement of all transactions in financial products under the Securities Dealing Services.

4.2 Under the ASIC Market Integrity Rules and the ASX Rules, an agreement is deemed to have been entered into between you and CSCA (with us having the authority from CSCA to enter into that agreement accordingly) upon the terms set out in the Disclosure Statement. Such deemed agreement comes into existence immediately upon the receipt by us of an order from you to enter into a Cash Market Transaction.

5. DMA Services Acknowledgements and Requirements

5.1 You acknowledge and agree that we may at our discretion use Automated Order Processing to process your orders, provided those orders satisfy the requirements of the ASIC Market Integrity Rules and any applicable ASX Rules in relation to Automated Order Processing.

5.2 You acknowledge and agree that, if we have provided you with Direct Market Access Services which permit an Authorised Person to use Automated Client Order Processing:

- (a) the Authorised Person who is permitted to use the Automated Client Order Processing is:

- (i) you;
 - (ii) an Officer or representative who is permitted to use the Automated Client Order Processing on your behalf; or
 - (iii) your agent who you have appointed (in writing) to use the Automated Client Order Processing on your behalf;
- (b) the DMA Services will operate in relation to the Australian Market only during ASX's normal trading hours and orders entered after ASX's normal trading hours will not be processed until the next ASX trading day;
- (c) you and each Authorised Person must satisfy any requirements (including, without limitation, requirements as to knowledge, training, testing, procedures and controls) notified by us to you from time to time and any other requirements (if any) imposed directly by the ASIC Market Integrity Rules on the Authorised Person; and
- (d) by using the Direct Market Access Services, your orders may match opposite orders of another person who is our client, and this may entitle us to receive commission from both sides of the transaction.

5.3 You acknowledge and agree that, if we have provided you with Direct Market Access Services which permits you to use Automated Client Order Processing, you may appoint any of your directors or employees or other persons to act as your agent for the purpose of entering orders using the Direct Market Access Services. By this document you authorise each person who is an Authorised Person from time to time to enter orders using the Direct Market Access Services in accordance with this document as your agent and the authority of each such person terminates when such person ceases to be an Authorised Person.

6. Dealing as Principal and Brokerage

In relation to all Market Transactions, we may enter into any Market Transaction on your behalf where we are also acting as principal on the other side of the transaction and by using the Securities Dealing Services or the Direct Market Access Services you consent to us doing so and authorise us to charge you brokerage, commission or any other fees in the amount disclosed to you from time to time in respect of such transactions.

7. Allocation of Orders

If you request, we will provide you with information about the current policy we adopt in the allocation of Market Transactions to fill orders placed with us.

8. Confirmation of transactions

By providing you with a confirmation in relation to a Market Transaction, you consent and authorise us to:

- (a) accumulate 2 or more Market Transactions and specify a single volume weighted average price for those Market Transactions; and
- (b) provide you with confirmations by means of an electronic communication including, without limitation, by email or by accessing a standing confirmation facility to obtain or view confirmations (if you do not wish to use a standing confirmation facility or if you wish to receive confirmations in paper form, you must advise us in writing).

9. Cancellations

You acknowledge and agree that we may, without your consent, cancel or amend (or request or agree to the cancellation or amendment of) an order or Transaction:

- (a) if ASX exercises its power under the ASX Operating Rules to cancel or amend (or require the cancellation or amendment of) the order or Transaction; or
- (b) in the event of an error or otherwise in the circumstances contemplated in the ASX Operating Rules.

Your and our obligations in relation to the order or Transaction cease to apply in respect of a cancelled order or Transaction from the time it is cancelled or, if the order or Transaction is amended, continue to apply only as amended.

10. Client segregated money

If, for any reason, we are required to hold funds on trust on your behalf in an account, in accordance with section 981B of the Corporations Act (the "**Client Segregated Account**"), then you agree that we may retain any interest or other earnings on the investment for our sole and absolute use.

11. Short selling

- 11.1 You must not place an order to effect a sale which would contravene subsection 1020B(2) of the Corporations Act. For the avoidance of doubt, you may place an order if the sale would be a Covered Short Sale that is not prohibited by the Corporations Act.
- 11.2 Each time you place an order to effect a sale which would, if executed, constitute a Covered Short Sale, you must:
- (a) notify us and provide us with all information reasonably required by us to satisfy our short sale reporting obligations under the Corporations Act, the Corporations Regulations, the ASIC Market Integrity Rules and the ASX Operating Rules; and
 - (b) comply with all applicable short selling obligations set out in Part 7.9 of the Corporations Act and Part 7.9 of the Corporations Regulations; and
 - (c) any applicable ASIC declaration or instrument made under section 1020F(1) of the Corporations Act.
- 11.3 Without limiting Clause 11.2 of these Market Terms, you must also give us the information in relation to short selling which we notify to you from time to time and within the time required by us in such notification.
- 11.4 This Clause 11 will continue to apply after the termination of the Terms of Business.

12. GST

- 12.1 Unless expressly stated otherwise, any reference in these Market Terms or the Terms of Business to cost, expense, price, value, sales, revenue or a similar amount is a reference to that amount exclusive of GST. If GST is payable on any of the Services we provide to you under, by reference to or in connection with these Market Terms, you must also pay an additional amount on account of GST (the "**GST Amount**").
- 12.2 The GST Amount is payable on the earlier of the first date on which payments are due to us in connection with the provision of Services to you under these Market Terms and the date five Business Days after the date on which we issue a valid tax invoice in relation to the provision of Services to you.
- 12.3 If an adjustment event arises in respect of the provision of Services, the GST Amount will be adjusted to reflect the adjustment event and we, or you, as the case may be, must make any payments necessary to reflect the adjustment.

- 12.4 Any calculation of a cost, expense or other liability must exclude the amount of any input tax credit entitlement of a party (or any input tax credit entitlement of the representative member for a GST group of which the party is a member) in relation to the relevant cost, expense or liability. You will be assumed to have an entitlement to a full input tax credit unless you demonstrate otherwise prior to the date on which any payment is due.
- 12.5 All expressions used in this Clause 12 which are defined in the GST Law have the meanings given to them in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
- 12.6 This Clause 12 will continue to apply after the termination of the Terms of Business.

13. National Guarantee Fund

As we are a Participant of ASX, you may make a claim on the NGF in the circumstances specified under Part 7.5 of the Corporations Act. For more information on the circumstances in which you may make a claim on the NGF or for information on the NGF generally, contact the Securities Exchanges Guarantee Corporation Limited (ABN 19 008 626 793).

14. Governing law

These Market Terms are governed by the laws of New South Wales. You submit to the non-exclusive jurisdiction of courts exercising jurisdiction there in relation to any matter to which these Market Terms relates, and you waive any right to claim that those courts are an inconvenient forum.

* * *

SCHEDULE - DISCLOSURE STATEMENT

1. Introduction

You have entered into an agreement with us for the execution of Market Transactions. We have a clearing arrangement in place with CSCA for the clearing and settlement of Market Transactions. CSCA is a Clearing Participant of ASX Clear, a clearing and settlement facility which clears Market Transactions. Under the ASIC Market Integrity Rules and the ASX Operating Rules, we are required to give you a copy of this Disclosure Statement before entering into a Market Transaction on your behalf, which explains the agreement which is taken to exist between you and CSCA. It is an important document which you



should read and understand before entering into any Market Transaction.

2. Your Agreement with CSCA

CSCA is a Clearing Participant of ASX Clear, a wholly owned subsidiary of ASX.

By placing an order with the Broker you accept the following terms and conditions.

Whenever you effect a Market Transaction through us, CSCA carries the clearing and settlement obligations ("**Obligations**") to complete the sale or purchase, together with all obligations which are ancillary to the completion. CSCA must settle such Market Transactions as principal with ASX Clear or the relevant counterparty, even though the Market Transaction was entered into by us on your behalf. Accordingly, you owe Obligations under the sale or purchase contract directly to CSCA.

If you fail to pay any amount due in respect of a Cash Market Transaction or you fail to fulfil your settlement obligations in respect of a Cash Market Transaction, CSCA has direct rights against you, including rights of sale under the ASX Operating Rules and those set out below.

3. Rules Application

You acknowledge and agree to comply with, and acknowledge that your Market Transactions are subject to, these terms and conditions and all Market Requirements and in particular, the ASIC Market Integrity Rules, the ASX Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules and the directions, decisions and requirements of ASX and the customs and usages of ASX. Copies of those rules can be inspected at our offices on request.

4. Cancellations

You acknowledge and agree that CSCA may, without your consent, cancel or amend (or request or agree to the cancellation or amendment of) a Market Transaction without your consent:

- (a) if ASX exercises its power under the ASX Operating Rules to cancel or amend (or require the cancellation or amendment of) the Market Transaction; or
- (b) in the event of an error or otherwise in the circumstances contemplated in the ASX Operating Rules.

CSCA's obligations in relation to the settlement of a Market Transaction cease to apply in respect of a cancelled transaction from the time it is cancelled.

5. Amendment

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

6. Governing law

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

7. CSCA

The details of CSCA are as follows:

Citigroup Securities Clearing Australia Limited
ABN 52 001 355 906
AFS Licence no. 284956
Address: Level 15, 120 Collins Street, Melbourne, VIC 3000, Australia
Telephone: +61 3 8643 9980

A Clearing Participant of ASX Clear and a Settlement Participant of ASX Settlement Pty Limited.

* * *

Definitions and Interpretation

In these Market Terms, capitalised terms have the meaning given to them in the Terms of Business.

In addition, the following capitalised terms have the following meaning:

"AFSL" means an Australian financial services licence granted under section 913B of the Corporations Act.

"ASIC" means the Australian Securities and Investments Commission.

"ASIC Market Integrity Rules" means the ASIC Market Integrity Rules applying to trading on the financial market operated by ASX as amended from time to time.

"ASX" means ASX Limited (ABN 98 008 624 691) and, where the context requires, the market operated by ASX.

"ASX Clear" means ASX Clear Pty Limited.

"ASX Clear Operating Rules" means the clearing rules of ASX Clear as amended from time to time.

"ASX Group" means ASX and its subsidiaries.



"ASX Operating Rules" means the operating rules of ASX as amended from time to time.

"ASX Rules" means the operating rules of the ASX Group and includes, without limitation, the ASX Listing Rules, the ASX Operating Rules, the Clearing Rules and the Settlement Rules as amended from time to time, and any procedures under those Rules from time to time.

"ASX Settlement Operating Rules" means the ASX Settlement Operating Rules issued by ASX Settlement Pty Limited as amended from time to time.

"Authorised Person" has the meaning given in the ASIC Market Integrity Rules.

"Automated Client Order Processing" has the meaning given in the ASIC Market Integrity Rules.

"Automated Order Processing" has the meaning given in the ASIC Market Integrity Rules.

"Business Day" has the meaning given in the ASIC Market Integrity Rules.

"Cash Market Products" has the meaning given in the ASIC Market Integrity Rules.

"Cash Market Transaction" has the meaning given in the ASIC Market Integrity Rules.

"Controlled Trust" has the meaning given in the ASIC Market Integrity Rules.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Corporations Regulations" mean the Corporations Regulations 2001 (Cth).

"Covered Short Sale" means a sale of Cash Market Products where you have borrowed the relevant Cash Market Products and you have, at the time you place the order, a presently exercisable and unconditional right to vest those Cash Market Products in the buyer.

"CSCA" means Citigroup Securities Clearing Australia Limited (ABN 52 001 355 906).

"Disclosure Statement" means the Disclosure Statement set out in the Schedule of these Market Terms.

"Direct Market Access Services", in addition to the meaning given in the Terms of Business, includes Automated Order Processing and Automated Client Order Processing and any similar facility which enables the direct processing of orders on any equities market operated by the ASX Group.

"Employee" has the meaning given in the ASIC Market Integrity Rules.

"GST" has the meaning given by the *A New Tax System (Goods and Services Tax) Act 1999* (Cth), or, if that Act does not exist, any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act.

"GST Amount" has the meaning given in Clause 12 of these Market Terms.

"GST Law" has the same meaning as it has in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

"Market", in addition to the meaning given in the Terms of Business, also has the meaning in the ASIC Market Integrity Rules.

"Market Participant" has the meaning given in the ASIC Market Integrity Rules.

"Market Transactions" has the meaning given in the ASIC Market Integrity Rules.

"NGF" has the meaning given in the Corporations Act.

"Officer" has the meaning given in section 9 of the Corporations Act.

"Wholesale Client" has the meaning set out in section 761G of the Corporations Act.

References in these Market Terms to "we", "us" and "our" means, CLSA Australia.

Any other word or expression which is not capitalised in these Market Terms and which is defined in the Corporations Act has the meaning given in the Corporations Act.

A reference to any legislation or rules, or to any provision of any legislation or rules, includes any modification or re-enactment of it, any legislative provisions or rules substituted for it and all regulations and statutory instruments issued under it.



CLSA AUSTRALIA PTY LTD (“CLSA APL”) – BEST EXECUTION POLICY STATEMENT

This Best Execution Policy Statement describes the factors **CLSA APL** is required to consider and the steps that **CLSA APL** as an ASX Market Participant is required to take to obtain the best outcome for its Wholesale clients pursuant to the requirements under ASIC Market Integrity Rule (Competition in Exchange Markets) 3.1.1(2)(b).

Any word or expression which is not capitalised herein shall have the meaning ascribed to such term in the CLSA Market Terms for Australia.

In circumstances where **CLSA APL** executes non-Direct Market Access equity trades on clients’ behalf, **CLSA APL** has a regulatory obligation to achieve best execution of clients’ orders in accordance with the requirements of the ASIC Market Integrity Rules (Competition in Exchange Markets).

In circumstances where **CLSA APL** executes Direct Market Access (“DMA”) equity trades on clients’ behalf, **CLSA APL** in so far as is practicable, will take all reasonable to ensure that the DMA service (and where applicable, the provision of Algorithmic Services), are provided in accordance with the CLSA ASIA – Pacific Direct Market Access Services Annexure and the obligations and requirements of the ASIC Market Integrity Rules (Competition in Exchange Markets) which are applicable to DMA service.

Pursuant to the requirements under ASIC Market Integrity Rule (Competition in Exchange Markets) 3.1.1, **CLSA APL** will meet its obligations:

- (i) on the ASX central limit order book of ASX (i.e. ASX TradeMatch) The ASX central limit order book applies a price-time priority approach to execution;
- (ii) by using ASX Centre Point market (“**Centre Point**”) and ASX TradeMatch which allows Centre Point crossings and Centre Point orders to be placed or transacted on a non pre-trade transparent basis at the prevailing midpoint of the best bid and offer of the ASX market central limit order book. Note that Centre Point orders can only transact with other Centre Point orders. Centre Point orders and Centre Point crossings are only able to be executed when the ASX market trades on a continuous basis;
- (iii) on the Chi-X Australia Order Book. The Chi-X Australia Order book applies a price-time priority approach to execution; and
- (iv) the **CLSA APL** Crossing Engine allows matching with other **CLSA APL** client orders, at prices that are at or within the spread, in accordance with the requirements of ASIC Market Integrity Rules (Competition in Exchange Markets) Pre-trade Transparency Exception 4.2.3(b).

CLSA APL’s crossing system is called Crossing Engine and operates under code 2311. CLSA APL’s Crossing Engine commenced operations on 15 October 2012. CLSA APL’s Crossing Engine is only available to Wholesale Clients trading ASX listed securities. The Crossing Engine is available to all existing clients, unless that client has specifically requested to opt out of the Crossing Engine. Access to the Crossing Engine is uniform for all clients. All client orders access the Crossing Engine via CLSA APL’s algorithmic trading system. No clients have direct access to the Crossing Engine.



Centre Point orders can only transact with other Centre Point orders. Centre Point orders and Centre Point crossings are only able to be executed when the ASX market trades on a continuous basis.

The CLSA APL Crossing Engine may match buy and sell orders for the same security, from different clients, only when the ASX market trades on a continuous basis.

Differing Trading Hours:

Where ASX is in a session state other than "OPEN" (including but not limited to when its session state is set to: "PRE_OPEN"; "PRE_CSPA"; "ADJUST"; "SUSPEND"; "TRADING HALT" etc) orders routed through CLSA APL's smart order router will always be routed to ASX regardless of the trading status of any other market.

Measures that CLSA APL will take into account to achieve best execution performance on behalf of clients:

1. **Price of the equity market product:** - Price is an important outcome to be considered by **CLSA APL**; however price may not necessarily represent the best outcome at a given point in time. For example, the order book of the exchange that is displaying the best price may not have much volume.
2. **Costs:** - **CLSA APL** does not pass on or apply its charges on a transactional size or number of trade basis; instead it applies its brokerage charges on a pre-agreed basis with its clients. The brokerage charges are subject to change as agreed with clients on an ongoing basis.
3. **Speed:** - **CLSA APL** is cognisant that speed of execution is increasingly an important outcome for clients. In circumstances where a client instructs **CLSA APL** that it needs to exit a position quickly or is concerned that the price may move in an adverse direction, **CLSA APL** will use its best endeavours to execute the order in accordance with the client's instructions.
4. **Execution Certainty:** - In circumstances where a client seeks certainty that a large order will be executed, **CLSA APL** will take into account the likelihood of execution as an important outcome. In its endeavour to achieve execution certainty, **CLSA APL** will, amongst other things, take into consideration the volumes available at each price point on the order book of ASX TradeMatch. In this regard, **CLSA APL** may consider executing smaller orders at the best prices on the central limit order book, but larger orders may involve taking out orders across multiple price points. **CLSA APL** is cognisant of the fact that when executing part of a large order on the central limit order book, that may mean subsequent executions become less favourable. **CLSA APL** will consider these issues when submitting client orders for execution.
5. **Range of Outcomes to achieve the Best Outcome:**- **CLSA APL** will consider a range of outcomes including points 1 to 4 above to achieve the Best Outcome for its clients – the range of outcomes for consideration, amongst other things include:
 - Nature of the clients' orders;
 - The clients' specific instructions;
 - Time of receipt of orders compared to other orders;
 - Size of the order;
 - Market liquidity, volatility and the impact of the order on the market; and
 - Any other relevant factors.





Clients may instruct **CLSA APL** to take into consideration certain factors which are more important to them. In the absence of clients' specific instructions, **CLSA APL** will exercise its own discretion to determine the relative importance of the factors and use all reasonable efforts to achieve best execution. Clients are advised that the use of specific instructions may result in a client not obtaining the best outcome.

Specific Instructions

Where a client provides **CLSA APL** with instructions that are:

- (a) inconsistent with **CLSA APL** obtaining the best outcome under Part 3.1 of the Rules for the Client;
- (b) clear and unambiguous;
- (c) in writing, via electronic communication or if provided to **CLSA APL** verbally, recorded by **CLSA APL** and retained by **CLSA APL** for a period of seven years; and
- (d) not contained within the standard terms and conditions of a client agreement provided by **CLSA APL** to the client, but which may be a standing instruction or specific Order by Order instruction.

CLSA APL will take reasonable steps to handle and execute the order or orders in a way which satisfies the clients' instructions, even if the result will not be to obtain the best outcome.

In the absence of express instructions from the client, **CLSA APL** will exercise its own discretion, having regard to the terms of the clients order in determining the factors that it needs to take into account for the purpose of providing the client with Best Execution.

CLSA APL's reliance on the ASIC Market Integrity Rules (Competition in Exchange Markets) Pre-trade transparency exception - ASIC Market Integrity Rule (Competition in Exchange Markets) 4.1.1:

In accordance with the requirements of the ASIC Market Integrity Rule (Competition in Exchange Markets) 4.1.1, **CLSA APL** as a Market Participant is prohibited (subject to certain exceptions) from entering into a transaction unless the order is first pre-trade transparent on the central limit order book of ASX TradeMatch or the Chi-X Australia Order Book. Pre-trade transparency refers to information on bids and offers being made available before transactions occur.

There are, however a number of exceptions, under ASIC Market Integrity Rule (Competition in Exchange Markets) 4.1.1(2) which allows **CLSA APL** (as a Market Participant) to not comply with its obligation to submit orders to a pre-trade transparent order book. In its endeavour to achieve the best outcome for its clients, **CLSA APL's** best execution arrangements allow for client orders to be executed under the pre-trade transparency exception. The factors that **CLSA APL** is required to consider in determining its reliance on the pre-trade transparency exceptions, amongst other things, include: (i) price improvement; (ii) volume improvement; and/or (iii) managing market impact.

The pre-trade transparent order exceptions are summarised as follows:

- (a) block trades, in accordance with the requirements of Rule 4.2.1;
- (b) large portfolio trades, in accordance with the requirements of Rule 4.2.2;
- (c) trades with price improvement, in accordance with the requirements of Rule³



4.2.3;

(d) permitted trades during the post trading hours period, in accordance with the requirements of Rule 4.2.4; and

(e) out of hours trades, in accordance with the requirements of Rule 4.2.5.

CLSA does not owe clients fiduciary duties over and above the specific regulatory obligations placed upon **CLSA APL** or as may be otherwise contracted between the client and **CLSA APL** as a result of **CLSA APL's** commitment to provide clients with best execution.

Date: November 2013

