



ENFORCEABLE UNDERTAKING

Australian Securities and Investments Commission Act 2001

Section 93AA

The commitments in this undertaking are offered to the Australian Securities and Investments Commission (ASIC) by:

Foster Stockbroking Pty Limited

ACN 088 747 148

Suite 2 Level 25, 52 Martin Place, Sydney New South Wales 2000

Australian Financial Services Licensee number 223687

(FSB)

1. Definitions

In addition to terms defined elsewhere in this undertaking, the following definitions are used:

ASIC means the Australian Securities and Investments Commission.

ASIC Act means the *Australian Securities and Investments Commission Act 2001* (Cth).

ASIC Regulatory Guide 79 means ASIC Regulatory Guide 79 published December 2012.

Associate means associate and associated entity as defined by section 9 of the Corporations Act, and includes Representatives and their respective associates and associated entities.

Commencement Date means the date this enforceable undertaking is accepted by ASIC.

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

Cranport means Cranport Pty Ltd or any future body FSB may use or manage in order to make principal investments.

FSB means Foster Stockbroking Pty Limited ACN 088 747 148.

FSB CEO means the FSB Chief Executive Officer, Stuart Foster.

FSB HIB means the FSB Head of Investment Banking, Mark Hinsley.

FSB HOR means the FSB Head of Research, Mark Fichera.

Mandate means the mandate granted by RFN to FSB to act as lead manager on the RFN IPO and to provide RFN with corporate advisory services for a period of 12 months following the RFN IPO.

Prospectus means the replacement prospectus dated 10 June 2015 issued by RFN and announced on the ASX on 8 July 2015.

Relevant FSB Policies means the following policies of FSB:

- (a) Compliance Manual,
- (b) Conflict Management Arrangements and Policy,
- (c) The policy concerning Chinese Walls; and
- (d) Research Products and Research Policy.

Representative has the meaning given by s910A of the Corporations Act and includes:

- (a) an authorised representative of FSB; or
- (b) an employee or director of FSB; or
- (c) an employee or director of a related body corporate of FSB; or
- (d) any other person acting on behalf of FSB.

Research means "Research Report" as defined in RG 79.25 and RG 79.26 of ASIC Regulatory Guide 79 and for the avoidance of doubt includes, without limitation, research reports, "Initiation Reports" "Desk Commentaries", "Desk Notes" and "Talking Points" published by or on behalf of FSB.

RFN means Reffind Limited ACN 600 717 539.

RFN Initiation Report means the research report or initiation report on RFN published by FSB on 25 September 2015.

RFN IPO means the initial public offering of new shares in RFN.

2. Background

ASIC's role

- 2.1 Under s1 of the ASIC Act, ASIC is charged with a statutory responsibility to perform its functions and to exercise its powers so as to promote the confident and informed participation of investors and consumers in the financial system.

ASIC's investigation and analysis

- 2.2 On 24 August 2016, ASIC commenced an investigation into:
- 2.2.1 suspected material conflicts of interest on the part of FSB in relation to:
- (a) FSB's involvement in the allocation of shares in the RFN IPO;
and

- (b) the publication of research by FSB regarding RFN, including the RFN Initiation Report which was the first formal research report on RFN after the RFN IPO; and

2.2.2 suspected misleading and deceptive statements contained in research published by FSB regarding RFN, including in the RFN Initiation Report.

2.3 ASIC's investigation identified conduct on the part of FSB as set out in paragraphs 2.4 to 2.28 below, and has caused it to form the views set out in paragraphs 2.29 to 2.34 below in relation to that conduct.

Details of Conduct

2.4 FSB is the holder of an Australian Financial Services Licence (No. 223687), which it has held since 18 October 2002. FSB is authorised by its licence to:

- 2.4.1 provide general financial product advice for securities;

- 2.4.2 deal in a financial product by issuing, applying for, acquiring, varying or disposing of securities;

- 2.4.3 underwriting an issue of securities to retail and wholesale clients.

2.5 RFN is an ASX listed company that develops and licenses HR management apps to client companies. At the time of its listing, it had one app functionality available for licensing and two further functions in development.

2.6 On or around 25 February 2015, RFN entered into the Mandate with FSB pursuant to which:

- 2.6.1 FSB would act as exclusive lead manager for the RFN IPO; and

- 2.6.2 FSB would, following the RFN IPO, provide corporate advisory services to RFN for a period of 12 months in respect of which, RFN would pay FSB a monthly fee. The corporate advisory services included:

- (a) the review and analysis of capital raising requirements;

- (b) the review and analysis of capital raising options available;

- (c) the review and analysis of potential corporate transactions;

- (d) the review and analysis of merger and acquisition opportunities;

- (e) coordinating marketing roadshows throughout Australia and Asia;

- (f) assisting with the preparation and review of marketing documentation and key market announcements; and

(g) providing institutional grade research coverage of RFN.

- 2.7 Mr Mark Hinsley, the FSB HIB, was the FSB officer principally responsible for providing the corporate advisory services to RFN, and remained its ongoing relationship manager after the RFN IPO until the Mandate was terminated by FSB on 3 December 2015.
- 2.8 On 9 July 2015, RFN shares commenced trading on the ASX with a total market capitalisation of \$20 million at an issue price of \$0.20.

RFN IPO share allocations

- 2.9 Clause 8.9 of the Prospectus provided that “the allocation of shares will be determined by the Lead Manager in consultation with the Company. The Company in consultation with the Lead Manager has absolute discretion regarding the level of scale-back and the allocation of shares under the Offer (if any).”
- 2.10 On 5 June 2015, when the bid book for the RFN IPO closed, it was oversubscribed by at least 385%.
- 2.11 On 9 June 2015, FSB suggested to RFN that the final cut of the bid book be as follows:

	Bid Shares	Bid Amount	Allocation %	Allocated Shares
Institutional investors	120,450,000	\$24,090,000	18%	21,250,000
Other brokers	2,500,000	\$500,000	100%	2,500,000
Chairman’s List	30,365,000	\$6,073,000	29%	8,750,000
FSB private clients	66,260,000	\$13,252,000	11%	7,500,000
TOTAL	219,575,000	\$43,915,000	18%	40,000,000

- 2.12 RFN agreed to allocate the new shares as suggested by FSB.
- 2.13 7.5 million shares were allocated to private clients, of which approximately 5 million were allocated to the “top 50”. The itemised list of the allocations to the “top 50” included a reference to a single aggregate allocation of 900,000 shares to “FSB’s six executive directors” (equivalent to 150,000 shares each), without identifying the specific allocations, but which included the FSB CEO, FSB HIB and FSB HOR.

- 2.14 Of the remaining approximately 2.5 million shares allocated to approximately 100 FSB retail clients:
 - 2.14.1 FSB retail clients were allocated between 10,000 and 30,000 shares each. FSB did not itemise those allocations to RFN; and
 - 2.14.2 A further allocation was made to FSB's six executive directors of 200,000 shares each to be held through nominee accounts (without disclosing such allocation to RFN). These shares were in addition to the disclosed allocation of 150,000 shares to each of FSB's six executive directors, and constituted 48% of the non-disclosed allocation of approximately 2.5 million shares.
- 2.15 RFN allocated the new shares in the RFN IPO as suggested by FSB, resulting in:
 - 2.15.1 an average scale back of 82%;
 - 2.15.2 an aggregate scale back of bids by FSB private clients of 89%;
 - 2.15.3 an aggregate scale back of the bids by the six FSB executive directors of 71%; and
 - 2.15.4 approximately 8.1% of the new shares being allocated to accounts in which FSB and its Associates had legal and beneficial interests.

The publication of the RFN Initiation Report

- 2.16 Following the RFN IPO, FSB took steps to prepare and publish the RFN Initiation Report.
- 2.17 Prior to publication of the RFN Initiation Report the FSB HIB:
 - 2.17.1 distributed a "Desk Commentary" on RFN on 8 July 2015 in which it was projected that RFN would exit FY16 with an annualised revenue run rate of approximately \$5 million;
 - 2.17.2 relied on ASX announcements released by RFN and representations made by RFN's then Managing Director regarding expectations in relation to the company's revenue growth;
 - 2.17.3 provided RFN with a draft copy of the RFN Initiation Report (without redaction of the price target or recommendation) and a copy of the draft financial model in an email that stated: "As discussed please review my draft research to ensure you are comfortable with the numbers and there are no material errors".
 - 2.17.4 discussed with each of the FSB CEO and the FSB HOR the contents of the RFN Initiation Report and the methodology adopted in it; and
 - 2.17.5 in emails to the FSB CEO, described RFN as a financially rewarding client and referred to additional capital raising business that he hoped

would be generated from FSB's relationship with RFN's then Managing Director.

- 2.18 The RFN Initiation Report stated a "buy" recommendation for RFN (**buy recommendation**) and a 12 month price target of \$1.70 based on an equity value per share of \$1.68 arrived at using an Enterprise Value / Revenue valuation methodology with an estimated annualised revenue run rate in 12 months' time (i.e. end September 2016) of \$25 million, and adopting a target revenue multiple of 6.5 times revenue.
- 2.19 On 25 September 2015, FSB published the RFN Initiation Report, authored by the FSB HIB, by emailing it to FSB clients (both institutional and retail). RFN announced to the ASX that FSB had initiated coverage of RFN, with the announcement providing a link to a copy of the report that had been posted on RFN's website.
- 2.20 On 24 September 2015, the day prior to publication of the RFN Initiation Report, RFN made an announcement to the ASX regarding the acquisition of "WooBoard", a global employee recognition platform which RFN described as a "transformational acquisition".
- 2.21 As at the date of the publication of the Initiation Report:
- 2.21.1 the FSB HIB had a legal or beneficial interest in 450,000 RFN shares, valued at approximately \$438,750;
- 2.21.2 the FSB HOR had a legal or beneficial interest in 150,000 RFN shares, valued at approximately \$146,250;
- 2.21.3 Cranport Pty Ltd, a company in which the FSB CEO had a beneficial interest, held 591,893 RFN shares, valued at approximately \$577,095; and
- 2.21.4 The RFN shares held by the other six executive directors of FSB through nominee accounts, had been sold on market for profit.
- 2.22 FSB through the FSB HIB, in his corporate advisory role, engaged in the following conduct:
- 2.22.1 sent emails to RFN in which references were made to corporate strategies that may have the effect of generating buying support for the RFN shares and/or causing RFN's share price to trade at a higher level;
- 2.22.2 in the period from 3 August 2015 to 23 October 2015, arranged, planned and participated, with other FSB employees, in a number of roadshows which had the purpose of marketing RFN to institutional investors; and
- 2.22.3 engaged in numerous communications and meetings with RFN relating to the timing of the release of the RFN Initiation Report relative to proposed roadshows to market RFN to institutional investors.

2.23 By:

- 2.23.1 29 October 2015, the FSB HIB had disposed of all the shares in which he had held a legal or beneficial interest at the time of the publication of the RFN Initiation Report;
- 2.23.2 29 October 2015, Cranport had reduced the RFN shares that it had held at the time of the publication of the RFN Initiation Report by 53% to 274,400 RFN shares; and
- 2.23.3 30 October 2015 and following, FSB HIB and Cranport purchased further shares in RFN.

Disclaimers and disclosures of interest in the RFN Initiation Report

- 2.24 The RFN Initiation Report contained the following disclosures in a section titled "Disclaimers and disclosures of interest" on the last page of the report:
 - 2.24.1 *"Foster Stockbroking believes that the information contained in this document is correct and that any estimates, opinions, conclusions or recommendations are reasonably held or made at the time of its compilation in an honest and fair manner that is not compromised."*
 - 2.24.2 *"The views expressed in this report are those of the analyst/s named on the cover page."*
 - 2.24.3 *"Specific Disclosure: Foster stockbroking has been engaged in providing the Company with corporate services since 9 July 2015, for which it has earned fees and continues to do so. These include but are not limited to capital markets advisory, institutional research, and coordination of marketing roadshows. Diligent care has been taken by the analyst/s to maintain honest and fair objectivity in writing the report and making the recommendation."*
 - 2.24.4 *"Specific Disclosure: Foster Stockbroking acted as Sole Lead Manager to REFFIND's \$8m IPO at \$0.20 in July 2015 for which it received material fees. Diligent care has been taken by the analyst/s to maintain an honest and fair objectivity in writing the report and making the recommendation."*
 - 2.24.5 *"Specific Disclosure: The analyst/s, Foster Stockbroking and/or associated parties have material beneficial ownership in financial products issued by the Company at the time of this report. Diligent care has been taken by the analyst/s to maintain an honest and fair objectivity in writing the report and making the recommendation."*

Management of conflicts of interest by FSB

- 2.25 Contrary to clause 2.13.7(c) of FSB's Compliance Manual, FSB gave preference to FSB Associates over retail clients in the allocation of new shares in RFN.

- 2.26 FSB research staff were not segregated from other business units, such as the Investment Banking staff.
- 2.27 FSB's Conflict Management Arrangements and Policy and procedures place the obligation on individual employees to report conflicts of interest.
- 2.28 The FSB CEO and FSB HOR considered the actual and potential conflicts of interest that related to RFN. Notwithstanding this:
 - 2.28.1 no conflict or potential conflict was recorded in FSB's conflicts register; and
 - 2.28.2 no conflict or potential conflict was escalated to, or considered by, FSB's Compliance Manager or FSB's Compliance Committee.

ASIC's views concerning the conduct

Conflicts of interest and conduct in RFN share allocation

- 2.29 As a result of the matters set out in paragraphs 2.11 to 2.15, 2.25 and 2.27 to 2.28, ASIC is concerned that:
 - 2.29.1 FSB's recommendation to RFN on the scaling back of bids and allocation of shares was misleading because FSB:
 - (a) did not disclose the actual number of shares that would be allocated to FSB's six executive directors; and
 - (b) did not disclose the actual scale back of the bids made by FSB's six executive directors as compared to the actual scale back of bids made by other investors;
 - 2.29.2 there was a conflict, or potential conflict, between the interests of FSB and its Associates in being allocated the shares for which they had applied and the interests of RFN in increasing the shares to be allocated to other investors; and
 - 2.29.3 FSB failed adequately to comply with its policies or to monitor, supervise, or keep adequate records sufficient to avoid or manage the conflicts, or potential conflicts, of interest in respect of RFN, and had inadequate arrangements to do so.
- 2.30 As a consequence of the above, ASIC is concerned that FSB may have contravened the following provisions of the *Corporations Act*:
 - 2.30.1 s912A(1)(a), which requires a financial services licensee to do all things reasonably necessary to ensure that the financial services covered by the licensee are provided efficiently, honestly and fairly; and
 - 2.30.2 s912(1)(aa), which requires a financial services licensee to have in place adequate arrangements to manage conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the

licensee or a representative of the licensee in the provision of financial services as part of a financial services business of the licensee or the representative

Conflicts of interest and Misleading Statements in publication of the RFN Initiation Report

- 2.31 As a result of the matters set out at 2.16 to 2.18, 2.21 to 2.24 and 2.26 to 2.28, ASIC is concerned that:
- 2.31.1 there was a conflict, or a potential conflict, of interest between the commercial interests of FSB (in the marketing of RFN pursuant to the Mandate and also to advance FSB's commercial interests in keeping a good relationship with RFN's then Managing Director) and the interests of FSB clients to receive independent and objective research (by reason of paragraphs 2.17 to 2.18 and 2.22);
 - 2.31.2 there was a conflict, or a potential conflict, of interest between the personal interests of the FSB HIB, FSB HOR and FSB CEO and the interests of FSB clients to receive independent and objective research (by reason of paragraphs 2.18 and 2.21); and
 - 2.31.3 FSB failed adequately to comply with its policies or to monitor, supervise, or keep adequate records sufficient to avoid or manage the conflicts, or potential conflicts, of interest in respect of RFN, and had inadequate arrangements to do so.
- 2.32 As a consequence of the above, ASIC is concerned that FSB may have contravened the following provisions of the *Corporations Act*:
- 2.32.1 s912A(1)(a), which requires a financial services licensee to do all things reasonably necessary to ensure that the financial services covered by the licensee are provided efficiently, honestly and fairly; and
 - 2.32.2 s912(1)(aa), which requires a financial services licensee to have in place adequate arrangements to manage conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of a financial services business of the licensee or the representative.
- 2.33 As a result of the matters set out in paragraphs 2.17 to 2.18, 2.21 to 2.22 and 2.24, ASIC is concerned that:
- 2.33.1 the statement by FSB that the RFN Initiation Report had been compiled "*in an honest manner that is not compromised*" may have been misleading; and
 - 2.33.2 the statements by FSB in the RFN Initiation Report that "*diligent care*" had been taken by FSB HIB "*to maintain honest and fair objectivity in*

writing the report and making the recommendations” may have been misleading.

- 2.34 As a consequence of the above, ASIC is concerned that by writing and publishing the RFN Initiation Report expressing an opinion as to the 12 month price target and making the buy recommendation FSB may have contravened s1041H the *Corporations Act* by engaging in conduct in relation to a financial product or financial service that is misleading or deceptive or likely to mislead or deceive.

Acknowledgement of ASIC's views

- 2.35 FSB acknowledges that the views expressed by ASIC in paragraphs 2.29 to 2.34 above are reasonably held and has offered an enforceable undertaking in the terms of paragraphs 3.2 to 3.26 below.

3. Undertakings

- 3.1 Under s93AA of the ASIC Act, FSB has offered, and ASIC has agreed to accept as an alternative to pursuing civil or administrative action, the undertakings in paragraphs 3.2 to 3.26 below.

General Undertakings

- 3.2 FSB will pay \$80,000 to, or as directed by, The Ethics Centre within 30 days.
- 3.3 FSB will implement information barriers requiring physical, technological and personnel separation between its Research business and its other businesses which are consistent with RG 79.125 to RG 79.128 of ASIC Regulatory Guide 79 within 30 days of the Commencement Date.
- 3.4 FSB undertakes that no staff member in a business other than its Research business will write Research.
- 3.5 FSB undertakes that all Research will include a prominent, specific and meaningful disclosure of the number of securities of the company that is the subject of Research held (if any) by each of the writer of the Research, FSB and Cranport.
- 3.6 Within 30 days from the Commencement Date, FSB will implement a restricted trading policy pursuant to which:
- 3.6.1 where FSB manages or co-manages an initial public offering or secondary markets raising of securities in a company, none of FSB, Cranport or their Associates may sell securities of the company for a period of 15 business days from the date of admission of the securities on a securities exchange;
- 3.6.2 when FSB begins preparing Research in respect of a company, no member of its Research business, or any director or staff member of FSB involved in the decision to prepare or publish that Research, may

buy or sell securities of the company from that date until (subject to 3.6.3 below) the Research is published or a decision is made not to publish the Research; and

3.6.3 where FSB publishes an initiation report or Research featuring a rating change or material change in the price target in respect of a company, none of FSB, Cranport nor their Associates may buy or sell securities of the company for a period of 15 business days from the date of publication of the Research.

3.7 FSB will, when managing or co-managing the initial public offering or secondary markets raising of securities in a company:

3.7.1 ensure that FSB, Cranport and their Associates lodge and record any bids for the securities in writing prior to the formal launch of the issue; and

3.7.2 allocate or recommend the allocation of securities of the company to FSB, Cranport and their Associates only if:

(a) FSB provides an itemised disclosure to the company of all proposed allocations and scale backs, which includes the prominent, specific and meaningful disclosure of all the proposed allocations to FSB, Cranport and each of their Associates; and

(b) FSB has received express written consent from the company in respect of the specific proposed allocations to FSB, Cranport and each of their Associates, which consent is provided after receipt of the itemised disclosure in paragraph (a),

Appointment of Independent Expert

3.8 FSB undertakes to request, within 15 business days, that ASIC approve:

3.8.1 the appointment of an Independent Expert that meets the criteria in paragraph 3.10 below; and

3.8.2 draft terms of engagement for that expert that meet the requirements of this enforceable undertaking.

3.9 If ASIC approves the draft terms of engagement and the Independent Expert following a request by FSB under paragraph 3.8, FSB undertakes to appoint the approved Independent Expert on the terms approved by ASIC, within 10 business days of receiving ASIC's approval.

3.10 FSB undertakes to nominate, under paragraph 3.8.1 above, an independent expert who, in FSB's opinion:

3.10.1 has the necessary expertise, experience and operational capacity to perform the role contemplated by this enforceable undertaking; and

- 3.10.2 is independent of FSB, its related bodies corporate and its officers at the time of the appointment, and who will at all material times be capable of exercising objective and impartial judgement.
- 3.11 FSB undertakes to ensure the terms of the Independent Expert's engagement provided to ASIC for approval under paragraph 3.8.2:
- 3.11.1 include a statement to the effect that the work of the Independent Expert is being carried out for FSB and ASIC, and acknowledging that ASIC is relying on the work of the Independent Expert;
- 3.11.2 include a statement that upon request by ASIC, ASIC is to be copied into all or some communications between FSB and the Independent Expert;
- 3.11.3 require the Independent Expert to notify ASIC where a conflict of interest arises during the engagement or when the Independent Expert becomes aware of information that adversely affects its ability to exercise objective and impartial judgement;
- 3.11.4 include an acknowledgement that in relation to the written reports to be provided to ASIC and FSB as described in paragraphs 3.11.5 to 3.11.7, ASIC may from time to time publicly refer to the content of the reports, and may make a summary of the content of the reports or a statement that refers to the content of the reports public.
- 3.11.5 require the Independent Expert, within three months of its engagement, to:
- (a) assess the adequacy and implementation of Relevant FSB Policies(as well as FSB's procedures, practices, controls and systems in respect of compliance, supervision, monitoring, training and record-keeping) relevant to conduct of the nature which led to ASIC's concerns as set out in paragraphs 2.29 to 2.34; and
 - (b) assess the implementation by FSB of the undertakings set out in paragraphs 3.3 to 3.7 (Review); and
 - (c) provide a written report to FSB and to ASIC (First Report) that sets out:
 - (i) details of its findings in respect of the Review;
 - (ii) details of any deficiencies identified by the Review;
 - (iii) recommendations on how to rectify any deficiencies; and
 - (iv) a reasonable time for rectification to be completed.

3.11.6 require the Independent Expert, within 12 months of engagement to provide a final written report (**Final Report**) to FSB and ASIC which sets out;

- (a) the Independent Expert's assessment of the implementation of the First Report recommendations; and
- (b) any recommendations for actions that, in the opinion of the Independent Expert, would be necessary for FSB to implement to rectify deficiencies identified in the Final Report; and

3.11.7 require the Independent Expert, to test whether the recommendations identified in the Final Report have been implemented 12 months after the date of the Final Report (or such other date as may be agreed between FSB and ASIC) and to provide a report (**Implementation Report**) on the outcome of such testing to FSB and ASIC as soon as practicable after that testing.

Undertakings to Implement Expert's Recommendations

3.12 Within 60 days of receipt of the First Report, FSB must provide to ASIC and the Independent Expert a plan to implement the recommendations contained in the First Report (**First Remediation Plan**) which:

- (a) sets out the actions FSB proposes to take to implement the recommendations identified in the First Report;
- (b) ensure that sufficiently qualified and skilled staff are employed to discharge the First Remediation Plan; and
- (c) specifies the date by which each action will be taken.

3.13 FSB will require the Independent Expert to inform FSB and ASIC within 30 days of receiving the First Remediation Plan whether, in the opinion of the Independent Expert, the First Remediation Plan requires any modification to ensure it addresses the recommendations made in the First Report.

3.14 FSB undertakes to make all reasonable modifications to the First Remediation Plan requested by ASIC with 14 days of receiving the relevant request.

3.15 FSB undertakes to implement the First Remediation Plan in full, and within the timeframes specified in the First Remediation Plan, or such varied timeframes as are agreed in writing by ASIC.

3.16 FSB undertakes to notify ASIC within 14 days of full implementation of the First Remediation Plan.

3.17 Within 60 days of receipt of the Final Report, FSB must provide to ASIC and the Independent Expert a plan to implement the recommendations contained in the Final Report (**Final Remediation Plan**) which:

- (a) sets out the actions FSB proposes to take to implement the recommendations identified in the Final Report;

- (b) ensure that sufficiently qualified and skilled staff are employed to discharge the Final Remediation Plan; and
 - (c) specifies the date by which each action will be taken.
- 3.18 FSB will require the Independent Expert to inform FSB and ASIC within 30 days of receiving the Final Remediation Plan whether, in the opinion of the Independent Expert, the Final Remediation Plan requires any modification to ensure it addresses the recommendations made in the Final Report.
- 3.19 FSB undertakes to make all reasonable modifications to the Final Remediation Plan requested by ASIC with 14 days of receiving the relevant request.
- 3.20 FSB undertakes to implement the Final Remediation Plan in full, and within the timeframes specified in the Final Remediation Plan, or such varied timeframes as are agreed in writing by ASIC.
- 3.21 FSB undertakes to notify ASIC within 14 days of full implementation of the Final Remediation Plan.
- 3.22 FSB undertakes to:
- 3.22.1 permit the Independent Expert, to the extent that it is reasonable having regard to the requirements of this enforceable undertaking, to have access to its books and to interview current employees;
 - 3.22.2 give the Independent Expert any information or explanation reasonably requested by the Independent Expert of any matter in any way connected with the report required to be prepared by the Independent Expert under this enforceable undertaking; and
 - 3.22.3 otherwise reasonably assist the Independent Expert in carrying out the terms of its engagement and producing the reports required to be prepared by the Independent Expert under this enforceable undertaking.
- 3.23 For the avoidance of doubt, FSB is not required to provide the Independent Expert with any document or information that is the subject of legal professional privilege.
- 3.24 FSB undertakes to seek approval under paragraph 3.8 for the appointment of a new independent expert, within 15 business days of becoming aware the appointed Independent Expert is unable to continue its appointment.

Undertaking to pay costs of compliance

- 3.25 FSB undertakes it will pay the costs of its compliance with this enforceable undertaking, including the remuneration and costs associated with the engagement of any Independent Expert.

Undertaking to provide documents and information

- 3.26 FSB will, within 14 days of any written request (unless otherwise agreed by ASIC) provide all documents and information requested by ASIC from time to time for the purpose of assessing FSB's compliance with this enforceable undertaking.

Acknowledgements

- 3.27 FSB acknowledges that ASIC:
- 3.27.1 may issue a media release on execution of this undertaking referring to its terms and to the concerns of ASIC which led to its execution;
 - 3.27.2 may from time to time publicly refer to this undertaking;
 - 3.27.3 will from time to time publicly report about compliance with this undertaking;
 - 3.27.4 will make this undertaking available for public inspection;
 - 3.27.5 may issue a media release referring to the content of the Independent Expert reports required by this undertaking;
 - 3.27.6 may from time to time publicly refer to the content of the Independent Expert reports required by this undertaking; and
 - 3.27.7 will make available for public inspection a summary of the content of the Independent Expert reports required by this undertaking, or a statement that refers to the content of those Independent Expert reports.
- 3.28 ASIC acknowledges that it will not refer to any information from an Independent Expert report that:
- 3.28.1 Consists of personal information of an identified natural person whose acts or omissions are not the subject of, or a concern mentioned in, the enforceable undertaking;
 - 3.28.2 ASIC is satisfied would be unreasonable to release because the release of the information would unreasonably affect the business, commercial or financial affairs of FSB or a third party otherwise than in a way that arises from the execution, implementation and reporting of the outcomes of the enforceable undertaking;
 - 3.28.3 ASIC is satisfied should not be released because it would be against the public interest to do so; or
 - 3.28.4 FSB has asked not to be released if ASIC is satisfied:
 - (a) It would be unreasonable to release because the release of the information would unreasonably affect the business, commercial or financial affairs of FSB otherwise than in a way

that arises from the execution, implementation and reporting of the outcomes of the enforceable undertaking; or

- (b) It should not be released because it would be against the public interest to do so.

3.29 Further FSB acknowledges that:

3.29.1 ASIC's acceptance of this undertaking does not affect ASIC's power to investigate, conduct surveillance or pursue a criminal prosecution or its power to lay charges or seek a pecuniary civil order in relation to any contravention not the subject of ASIC's concerns in this enforceable undertaking or arising from future conduct;

3.29.2 this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking or arising from future conduct.

3.29.3 FSB acknowledges that this undertaking has no operative force until accepted by ASIC, and FSB and ASIC acknowledge that the date of the enforceable undertaking is the date on which it is accepted by ASIC.

Notification

- 3.30 The address for providing ASIC with any document or notification required by the enforceable undertaking is:**

Senior Manager

Market Supervision

Australian Securities and Investments Commission

GPO Box 9827

Sydney NSW 2001

- 3.31 The address for providing FSB with any document or notification required by the enforceable undertaking is:**

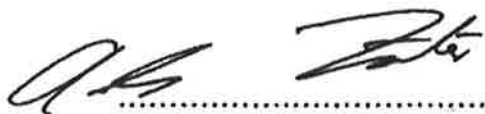
Stuart Foster

Foster Stockbroking Pty Ltd

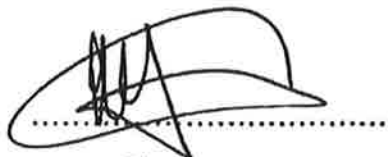
Level 25, 52 Martin Place

Sydney NSW 2000

Executed by Foster Stockbroking Pty Ltd ACN 088 747 148 in accordance with section 127 of the Corporations Act 2001 (Cth)



Signature of director



Signature of director

Alan Stuart Foster

Full Name

MARK KINSLEY

Full Name

Accepted by the Australian Securities and Investments Commission under s93AA of the ASIC Act by its duly authorised delegate:



Sharon Concisom

Delegate of Australian Securities and Investments Commission

Date: 24/11/17

