



Client Agreement – Terms and Conditions

- 1)
 - (a) State One, subject to this Agreement, will deal (or will instruct third persons to deal) on Your behalf in Financial Products traded on the Australian Securities Exchange (“ASX”), Chi-X Australia Pty Limited (“Chi-X”) or any other stock exchange (an “Exchange”) in accordance with Your instructions.
 - (b) You and State One are bound by and will comply with the Corporations Act, the ASIC Market Integrity Rules, the Operating Rules that apply to each Relevant Exchange, the ASX Clear Operating Rules and the ASX Settlement Operating Rules and the customs, usages of the applicable licensed market, as amended from time to time.
- 2) Before placing any order You will be in a position to pay for any Financial Products purchased and have control of and have available any Financial Products sold as the case may be.
- 3) You will provide State One with all information regarding Your financial affairs sufficient and necessary for State One to make informed investment recommendations and will further notify State One of any relevant new information or change in information as it occurs.
- 4) State One may require You to provide to it sufficient monies or scrip to settle an order prior to placing it. Unless State One holds monies and scrip on Your behalf sufficient to effect settlement, You will on receipt of the confirmation note:
 - (a) for a purchase, pay the purchase price to State One no later than 10.00 am on the Settlement Date specified on the confirmation note: or
 - (b) for a sale, deliver sufficient valid scrip and any other necessary documentation of unencumbered Financial Products to State One office no later than 10.00 am the business day before the settlement date specified in the confirmation note.

State One will not accept payments in cash. You will make all payments under this agreement directly to State One by cheque, BPay[®] or other means acceptable to State One and may not pay by cash or credit card. Please note that cash deposits at our bank may also attract an additional charge by the bank, which will be passed to you.
- 5) If You fail to settle a contract as required by this Agreement within seven (7) days from the date on which settlement was due, State One is entitled to resell or repurchase, as the case may be, the Financial Products the subject of the contract at Your risk and expense (including any applicable brokerage, GST and administration fees) and claim any resulting loss from You.
- 6) This Agreement applies to all transactions in all Financial Products including, without limitation, equities, exchange traded options and warrants, but does not include futures contracts. Where You proposes to execute transactions in exchange traded options or warrants, You must first execute and deliver to State One the Australian Options Market Client Agreement or the ASX Warrant Client Agreement as the case may be.
- 7) You acknowledge and agree that:
 - (a) You will take all reasonable steps to obtain and communicate to State One all information and deliver or cause to be delivered to State One all documents with respect to dealings in Financial Products on an Exchange which are requested by a person having a right to request such information or documents, and deliver or cause to be delivered all documents to the person so requesting;
 - (b) a notice signed by any director, manager or other authorised employee of State One state the amount of monies due and payable by You is prima facie evidences of the same;
 - (c) State One may obtain credit reports on You for the purpose of assessing the circumstance in which State One will require payment of monies or delivery or scrip prior to placement of an order. Credit information acquired by State One about You may be disclosed by State One to credit reporting agencies.
- 8) You may from time to time give notice to State One of any person or persons authorised to give instructions to State One on Your behalf in accordance with and for the purpose of this Agreement. Any such notice shall set out the name and specimen signatures of the person or persons so authorised by You and their specimen signatures are set out in the Account Application Form and/or Third Party Authority.
- 9) Any such authority may be revoked but such revocation is only effective upon receipt by State One of a written notice of revocation from You. State One may assume the genuineness and authenticity of any instructions given or purportedly given orally or in writing by You or by any person authorised by You, and that any person claiming to be a person authorised by You is in fact that person. State One is not obliged to make any enquires as to any of the matters referred to in this clause and is entitled to act, and You hereby instruct State One to act upon any such instructions believed by it to be genuine and to be given by a person duly authorised to give such instructions.
- 10) Without limiting any other provision of this Agreement or the ASIC Market Integrity Rules, the Operating Rules that apply to each Relevant Exchange, the ASX Clear Operating Rules and the ASX Settlement Operating Rules You must pay to State One:
 - (a) brokerage at such rates as may be advised by State One from time to time;
 - (b) any fees, taxes or other charges as may from time to time be levied on or in connection with any dealings in Financial Products entered into on Your behalf; and
 - (c) in respect of any unpaid amounts required to be paid under this Agreement interest on all such amounts denominated in Australian dollars at the rate of 14% per annum or the rate prescribed from time to time pursuant to the Credit Act 1987, on such amounts, such interest to accrue and be calculated daily from the due date (irrespective of any grace period) to the date of its payment in full.
- 11) You authorise
 - (a) State One to deduct any amounts payable from any account maintained by You with State One or any related body corporate.
 - (b) State One may make payments due under this Agreement to You or in accordance with Your written directions. Until otherwise directed You hereby directs payments to be made to the person(s) set out in the Account Application Form and/or Third Party Authority. Payment to any person as directed in accordance with this provision constitutes a good discharge by State One in respect of amounts so paid.
- 12) State One reserves the right to refuse to deal on Your behalf in relation to any dealing in Financial Product, or to deal only on such conditions as State One considers appropriate.
- 13) You acknowledge that State One may record any select or all incoming and/or outgoing phone calls without making a disclosure to You of this nature each and every time You speak with a representative of State One. These calls may be recorded with or without an audible tone.
- 14) You authorise State One to make any enquiries regarding Your credit worthiness from any person including (without limitation) Financial Services Protection (“FSP”), any credit agency or bank.
- 15) You authorise State One to collect personal information so that we may provide You with the products and services which You may request from time to time, or products and services which may be of interest or benefit to You. If you provide us with inaccurate or incomplete information, we may not be able to provide You with the services or products You request.
- 16) You agree that information collected about You (including all parties to the account/s You hold with State One) is collected for the purposes of this Agreement, including (without limitation):
 - (a) to assess Your application to open a Client Account or a CMT/CMA;
 - (b) to effect purchases and sales of financial products;
 - (c) to effect the transfer of funds and payments;
 - (d) where applicable to allow State One to communicate with third parties in connection with the matters contemplated by this Agreement; and
 - (e) to ensure that legal and regulatory requirements are met.
- 17) You agree that You have read and understood the State One Privacy Policy as available at www.stateone.com.au.
- 18) State One may terminate Your account at any time and without prior notice, subject to all outstanding obligations being fully discharged.
- 19) You may terminate your account by giving not less than five (5) business days written notice to State One, subject to all outstanding obligations being duly discharged.
- 20) Save for any liability which cannot be excluded, State One, its employees and agents disclaim all responsibility for any loss or damage which may be suffered by You or any other person directly or indirectly through Your dealings with State One howsoever that loss or damage is caused and whether that damage is caused by any fault or negligence on the part of State One or otherwise.
- 21) The contents of confirmation notes and statements issued by State One to You are prima facie evidence of the truth of their contents and that the dealings were executed in accordance with Your instructions. Market Transactions are entered into subject to the conditions set out in the ASIC

Market Integrity Rules. If no objection is received from You within 48 hours of service of a confirmation note or statement You are deemed to have accepted and ratified its contents which shall (in the absence of manifest error) be conclusive.

- 22) You agree to abide by the Operating Rules of each Relevant Exchange which enables the Exchange to deal with transaction errors and enables the Exchange, in some cases, to cancel trades without having to first obtain Your permission or agreement. Where You do not agree to cancel a transaction completed in error and the matter is referred to the Relevant Exchange Dispute Committee, fees and charges may be payable and may be passed on to You.
- 23) These terms and conditions may be varied by giving You not less than five (5) business days notice (in writing or by electronic mail). All variations to the terms and conditions will be posted on www.stateone.com.au with two (2) business days of changes coming into effect. Any continued use by You of Your Account/s is an acceptance of the variation.
- 24) If You are more than one person, then all persons are jointly and severally bound by these terms and conditions.
- 25) You consent to receive Contract Notes and other information provided by State One (from time to time) via email.
- 26) Explanation of Order Limits

When placing an order with State One the following information should be noted

Market – An order placed 'at market' will trade through all opposing price levels in the central order book (i.e. the best and all subsequent prices until the entire volume of the order has been filled.)

Market to Limit – these orders will be placed to trade at the best opposing price only. Should there be a balance of an order not traded when the order is placed in the market the remainder of the order will become a limit order.

At Best – Orders at best do not have a specified price at the time of order entry; the order is the best price on the same side of the market. After they have been entered, orders at best become limit orders. Orders at best are disallowed if there are no orders on the same side of the market as there are no best prices to use.

At Limit – A limit order is any order with a specified maximum buy price or a specified minimum sell price.

Warrant Orders – all warrant orders will be day only orders.

- 27) State One is not liable to You for any damage, loss, expense or cost whether direct or indirect, economic or consequential (and whether or not caused by our negligence or the negligence of any provider of information which arises in connection with a any one or more of the following):
 - Your access to, or use of, the website or any external website; or
 - Your access to, use of, or reliance on, information provided on or accessed through the Website or any external website.

This includes but is not limited to direct or indirect consequences of You;

- Acting, or failing to act, on any information contained or referred to on the website or any external website; or
- Using or acquiring, or Your inability to use or acquire, any service or product contained or referred to on the website or any external website.
- Experiencing a delay or non-performance by us resulting from matters beyond our reasonable control; or
- Using the services provided by a third party service provider.

If State One facilitates linkages to other websites or provides or make's available general research, information or recommendations provided by other persons, State One are not liable to You if You rely on any research, information, advice or recommendation provided by such sites or persons.

- 28) State One may maintain a transaction log including a copy of all instructions received from You in electronic format. In the event of a dispute, the log will be conclusive evidence of the details of the communication contained in it except in the case of a manifest error. To the extent permitted by law, State One is not liable for any Loss incurred by You as a result, directly or indirectly, of any inaccuracies or lack of timeliness in the information appearing on the log.
- 29) You are responsible for establishing your own agreements with third party networks (including without limitation Internet Service Providers) involved in the transmission of Electronic Communications initiated by You to State One including any connect time or other fees charged by those third parties.
- 30) You agree that You have read and understood the State One Best Execution Policy which is available at www.stateone.com.au or by obtaining a copy from your Advisor.
- 31) You agree that You have read and understood the State One Dealing Policy which is available at www.stateone.com.au or by obtaining a copy from your Advisor.
- 32) In this explanation:
"State One" means State One Stockbroking Ltd [ABN 95 092 989 083], Australian Financial Services Licence (AFSL) 247100 and a Participant of the ASX Group and/or any other Relevant Exchange

"You / Your" means the party / parties to this Agreement and/or party/parties authorised to operate this account.

ASX Warrants Agreement

This Agreement applies when a person or entity ("The Client") agrees to the following:

- 1) .The Client has received and read a copy of the Explanatory Booklet issued by the Australian Stock Exchange Limited (the Exchange) in respect of Warrants.
- 2) TThe Client understand that neither Australian Options Market nor Options Clearing House Pty Limited have any involvement whatsoever in Warrants.
- 3) TThe Client is aware that a Warrant has limited life and cannot be traded after its expiry date.
- 4) TThe Client is aware that the Warrants do not have to standardized Terms of Issue and acknowledge that it is my responsibility to become aware of the Terms of Issue of any Warrant in which I choose to invest.

- 5) .The Client is aware that Warrants may be subject to adjustments after their initial issue. I acknowledge that it is my responsibility to become aware of any adjustments, which may have been made to any Warrant in which I choose to invest.
- 6) TThe Client is aware that admission to Trading Status of a Warrant does not imply that the Exchange or the National Securities Exchanges Guarantee Corporation Limited gives any guarantee or warranty as to the viability of the Warrant-Issuer or Guarantor.
- 7) .The Client acknowledges that failure of the Warrant-Issuer or the Guarantor (if applicable) to fulfil their obligations does not give rise to a claim against the exchange handling Member Organisations or the National Securities Guarantee Corporation Limited

Explanation of Participant Sponsorship Agreement (for CHES)

Under clause 5.5 of the Participant Sponsorship Agreement ("**Agreement**"), State One is required to provide an explanation of the effect of entering into such an Agreement. Please ensure you read this explanatory information and should you have any questions, you should contact an Amscot dealer or the State One Compliance Officer.

What is CHES?

CHES (Clearing House Electronic Sub-Register System) is a computer system that registers securities. CHES transfers legal ownership of securities between buyers and sellers. CHES also facilitates the transfer of monies for securities.

CHES is operated by ASX Settlement and Transfer Corporation ("ATSC"), a wholly owned subsidiary of ASX.

CHES has a monopoly on the securities clearing function in Australia, doing the securities clearing for ASX and other exchanges including Chi-X Australia and Asia Pacific Exchange Limited.

What is the Purpose of the Agreement?

Before Your shares can be registered on CHES, an agreement must be entered into between You and an approved CHES sponsor. State One, as a full trading, clearing and settlement of ASX and other key Australian exchanges, is an approved CHES sponsor. The Agreement sets out the terms and conditions by which you appoint State One as a sponsor.

In this explanation:

"You / Your" means the party/parties to this Agreement as a Participant Sponsored Holder.

"State One" means State One Stockbroking Ltd [ABN 95 092 989 083], holder of an Australian Financial Services Licence (AFSL # 247100) and a Participant of ASX Group, Chi-X Australia and Asia Pacific Exchange.

"AQUA Product" means an Approved Financial Product that is admitted under Schedule 10A of the ASX Operating Rules, and is a Managed Fund Product (as defined in the ASX Operating Rules) which is issued by or provided pursuant to a "simple managed investment scheme" (as defined in the Corporations Regulations) in relation to which the issuer provides disclosure in the form of a shorter PDS in accordance with Part 7.9 Division 4, Subdivision 4.2C of the Corporations Regulations. ETFs and Structured Products (as those terms are defined in the ASX Operating Rules) are not AQUA Products for the purposes of these Rules.

Explanation of the Agreement

1. Interpretation

Indication as to where meanings for terms defined can be located.

3. Mandatory Provisions

State One's Rights

You must pay State One within 2 business days of a purchase of shares. Where payment is not received, State One is not obliged to transfer these shares and if payment remains outstanding, State One may sell those shares at Your risk and expense (this includes brokerage, GST and stamp duty). Any loss arising is payable by You.

Where monies are legally owed to State One, State One can refuse to transfer Your holdings to the extent that at least 120% of the current market value remains. For example, if You owe State One \$10,000 and You currently have holdings of \$20,000 (current market value), State One can refuse to transfer \$12,000 of Your holdings.

Your Rights

State One will initiate any transfer or conversion within 2 business days and we will only do so if requested by You.

If You have any questions about State One's Australian Financial Services Licence (AFSL) You can contact ASIC for further information.

Should You have a complaint with State One and You don't believe the complaint has been dealt with by State One appropriately You can lodge a complaint with the Financial Ombudsman Service ("FOS").

4. Other Rights and Duties

You must supply all information reasonably requested to allow State One to comply with requirements.

For exchange traded options ("options"), where You lodge holdings sponsored by State One as cover for a written position and You inform State One, You authorise State One to do whatever is required to satisfy ASX Clear Pty Ltd ("ASX Clear") requirements.

Where You arrange a charge over holdings sponsored by State One, You authorise State One to do whatever is required to give effect to that arrangement.

Where a sub-position (as per Rule 14.1.3) is created through the actions of State One, in accordance with the Agreement and Your instructions, You agree that any transfers or conversions will be restricted in accordance to the Rules relating to sub-positions (e.g. acceptance of a take over offer or the lodgement of stock as collateral for an ETO position)

The Agreement does not override any interest that ASX Clear may have.

You must pay all brokerage and associated transactional costs to State One within the prescribed period.

5. Notifications and Acknowledgements

The Approved Market Operator (or related party) does not have any responsibility to You if State One is **not** a Participant of the Approved Market Operator. State One is a Participant of ASX Group ("ASX"), Chi-X Australia ("Chi-X") and Asia Pacific Exchange Ltd ("APX").

Where a transaction sponsored by State One occurs under Section 9 of the ASX Settlement Rules You cannot claim that State One did not perform the transaction or that it was not authorised by You. Where a transaction is not effected by a Participant of an Approved Market Operator, You will have no claim against the relevant compensation arrangement (refer clause 6 below).

You may notify any regulatory authority, including ASX Settlement of any breach of this Agreement by State One.

Where State One is suspended from CHES (by virtue of a liquidator, receiver, administrator or trustee being appointed) by the ASX Settlement through the issue of a Notice of Suspension, You may request that ASX Settlement Ltd (within 20 days) to either remove holdings sponsored by State One from CHES or that Your holdings be transferred to another sponsoring participant (a Participant Sponsorship agreement must be in place).

Where You do not instruct ASX Settlement within 20 days, ASX Settlement Pty Ltd may provide a substitute participant on the same terms as the Agreement. The new participant must provide You with a new agreement within 10 business days.

You acknowledge that You have been provided with an explanation of the Agreement and that You understand the effect of the Agreement. If, after reading this explanatory information (and the Agreement), You do not understand the effect of entering into the Agreement, please contact an Amscot dealer or the State One Compliance officer before signing.

In the event that You die or become bankrupt, Your holdings will be "locked" in accordance with the Settlement Rules, unless a legally appointed representative or trustee elects to remove the holdings from CHES. A "lock" will prevent transactions involving these holdings from being entered into until unlocked. In the event of death, the Agreement will continue for up to 3 months after the "lock" is removed.

For joint accounts, where one holder dies, State One will transfer all holdings to a new account in the name of the surviving account holder. The Agreement will remain in place under the new account.

For joint accounts, where one holder becomes bankrupt, State One will (unless legally appointed representative elects to remove holdings from CHES) transfer the interests of the bankrupt person to a new account in name of bankrupt person and request that it be "locked". The remaining holdings will be transferred to a new account for the non bankrupt holder.

6. Change of Controlling Participant

Where notice is given to You that State One will have a change of control (e.g. taken over or sold) You may:

- Do nothing or inform State One that You will accept to the change of State One's ownership change.

In such circumstances:

- ❖ the new controller of State One will become a party to the Agreement in place of State One;
- ❖ all rights will be transferred to the new controller;
- and
- ❖ State One will have no obligations to You from the effective date of change of control.

Before the transfer can take effect, the new controller must provide You with a notice indicating that they will act as Your Sponsoring Participant.

- Request the Agreement be cancelled by giving State One written instructions that You would like to transfer Your holdings to another broker or transfer Your holdings to one or more Issuer Sponsored Holdings.

The Agreement will continue to be in place for State One for any rights and obligations that have accrued before the change in controller takes effect (or You terminate the Agreement) and State One will be obliged to complete all CHESS transactions that have arisen before this date.

7. Claims for Compensation

As a client of a Participant of ASX Group, Chi-X Australia and APX, you are entitled to lodge a claim for compensation (under their various compensation arrangements for each market) if you suffer loss due to default by State One in relation to trades in equities, warrants and exchange trade options.

The entitlement to make a claim is detailed under the statutory compensation arrangements specified in the Corporations Act and Corporations Regulations.

If State One breaches a provision of this Agreement and You make a claim for compensation pursuant to that breach, the ability of State One to satisfy that claim will depend on the financial circumstances of State One.

For more information on the circumstances in which a Participant Sponsored Holding may make a claim on the National Guarantee Fund or for information on the National Guarantee Fund generally, contact the Securities Exchanges Guarantees Corporation Limited.

8. Termination

The Agreement may be terminated if:

- State One becomes insolvent;
- State One's participation on CHESS is suspended / terminated; or
- Either party provides written notification that they wish to terminate

Any rights existing before termination will not be affected.

9. Variation

Where there is an inconsistency between the Agreement and the Settlement Rules, the Settlement Rules will apply.

You will be notified of any significant change to the Agreement.

10. Additional information

Additional information on CHESS can be obtained from the ASX website at:

http://www.asx.com.au/documents/research/chess_brochure.pdf

Participant Sponsorship Agreement (for CHESS)

This Agreement applies when a person or entity ("The Client") agrees to be sponsored by State One Stockbroking Ltd in the Clearing House Electronic Subregister System ("CHESS")

1. INTERPRETATION

1.1 Any term used in this Agreement which is defined in the ASX Settlement Rules ("the Rules") has the meaning given in the Rules.

(Should You require a copy of these definitions please contact State One Stockbroking Ltd or visit the ASX website at <http://www.asx.com.au/regulation/rules/asx-settlement-operating-rules.htm>

"You / Your" means the party/parties to this Agreement as a Participant Sponsored Holder.

1.3 "State One" means State One Stockbroking Ltd [ABN 95 092 989 083], holder of Australian Financial Services Licence ("AFSL" 2471000 and a Participant of ASX Group, Chi-X Australia and APX.

1.4 "HIN" means Holder Identification Number

2. APPOINTMENT

You appoint State One to provide, and State One agrees to provide, transfer and settlement services as Your agent in relation to Sponsored Holdings identified by the HIN notified to You in writing after the date of this Agreement, on the terms and conditions of this Agreement. You authorise State One as Your agent to do any act under CHESS, relating to Your Sponsored Holdings.

3. MANDATORY PROVISIONS

3.1 PARTICIPANT RIGHTS

3.1.1 Where You authorise State One to buy Financial Products, You will pay for those Financial Products within two (2) Business Days of the date of purchase.

3.1.2 Subject to Clause 3.1.3, State One is not obliged to Transfer Financial Products into the Participant Sponsored Holding, where the payment for those Financial Products has not been received, until the payment is received.

3.1.3 Where a contract for the purchase of Financial Products remains unpaid, after State One has made a demand of You to pay for the Financial Products, State One may sell those Financial Products that are the subject of that contract at Your risk and expense and that expense will include brokerage, GST and stamp duty.

3.1.4 Where State One claims that an amount lawfully owed to it has not been paid by You, State One has the right to refuse to comply with Your Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current value of the amount claimed).

3.2 PARTICIPANT SPONSORED HOLDER'S RIGHTS

3.2.1 Subject to Clauses 3.1.3. and 3.1.4., State One will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal

Instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.

3.2.2 Subject to Clause 6.8 State One will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without Your express authority.

3.2.3 The Regulatory regime which applies to State One is the Corporations Act and Corporations Regulations, ASIC Market Integrity Rules, Chi-X Operating Rules, APX Operating Rules, and the rules of the ASX Group, including the ASX Operating Rules, the ASX Settlement Rules and the ASX Clear Rules and their associated procedures. You can obtain information as to the status of State One from the Australian Securities and Investments Commission ("ASIC"), Chi-X Australia Pty Ltd ("Chi-X"), Asia Pacific Exchange Pty Ltd ("APX"), the Australian Securities Exchange Limited ("ASX"), ASX Settlement Pty Ltd ("ASX Settlement") and ASX Clear Pty Ltd ("ASX Clear").

3.2.4 You may lodge a complaint against State One with ASIC, APX, Chi-X, ASX, ASX Settlement, ASX Clear or the Financial Ombudsman Service ("FOS"). You may lodge any claim for compensation with State One in the first instance and if not satisfied with State One's response, You may refer the matter to FOS. You may lodge any claims to the relevant compensation fidelity fund for each market.

4. OTHER RIGHTS AND DUTIES

4.1 SUPPLY OF INFORMATION

4.1.1 You shall supply all information and supporting documentation which is reasonably required to permit State One to comply with the registration requirements, as are in force from time to time, under the ASX Settlement Rules.

4.2 EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS

4.2.1 Where You arrange with ASX Clear to lodge Financial Products in a Participant Sponsored Holding as a cover for written positions in the Australian Options Market, and inform State One of the arrangement, You authorise State One to take whatever action is reasonably required by ASX Clear in accordance with the Rules to give effect to that arrangement.

4.2.2 Where You arrange with any person to give a charge over, or any other interest in, Financial Products in a Participant Sponsored Holding, You authorise State One to take whatever action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.

4.2.3 You acknowledge that where, in accordance with this Agreement and/or Your instructions, State One initiates any action which has the effect of creating a sub-position over Financial Products in the Participant Sponsored Holding, Your right to transfer, convert or otherwise deal with those Financial Products is restricted in accordance with the terms of the Rules relating to sub-positions.

4.2.4 Nothing in this Agreement operates to override any interest of ASX Clear in the Financial Products.

4.3 FEES

4.3.1 You will pay all Brokerage fees, GST and associated transactional costs within the period prescribed by State One.

5. NOTIFICATIONS AND ACKNOWLEDGEMENTS

5.1 You acknowledge that if State One is not a Participant of an Approved Market Operator, neither the Approved Market Operator nor any related party of the Approved Market Operator has any responsibility for supervising or regulating the relationship between You and State One, other than in relation to the Rules relating to Sponsorship Agreements.

5.2 You acknowledge that if a Transfer is taken to be effected by State One under Section 9 of the ASX Settlement Rules and the Source Holding for the Transfer is a Participant Sponsored Holding under the Sponsorship Agreement, then:

(a) You may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by State One or that State One was not authorised by You to effect the Transfer;

and

(b) unless the Transfer is also taken to have been effected by a Participant of an Approved Market Operator or a Clearing Participant of ASX Clear, You have no claim arising out of the Transfer against the relevant fidelity fund under Part 7.5, Division 4 of the Corporations Regulations.

5.3 In the event that State One breaches any of the provisions of this Agreement, You may refer that breach to any regulatory authority, including ASX Settlement.

5.4 In the event State One is suspended from CHES participation, subject to the assertion of an interest in Financial Products controlled by State One, by the liquidator, receiver, administrator or trustee of State One:

(a) You have the right, within twenty (20) Business Days of ASX giving Notice of Suspension, to give notice to ASX requesting that any Participant Sponsored Holdings be removed either:

(i) from the CHES Sub-Register; or

(ii) from the control of State One to the control of another Participant with whom You have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10; or

(b) where You do not give notice under Clause 5.4.(a), ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11 and You shall be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as State One's Sponsorship Agreement. Where You are deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with You within ten (10) Business Days of the change of Controlling Participant.

5.5 You acknowledge that before You executed the Sponsorship Agreement, State One provided You with an explanation of the effect of the Sponsorship Agreement and You understood the effect of the Sponsorship Agreement.

5.6 You acknowledge that in the event of Your death or bankruptcy, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASX Settlement Rules, unless the Participant Sponsored Holding's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHES Sub-Register.

5.7 You acknowledge that in the event of Your death, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer Your estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied pursuant to Clause 5.6.

FOR JOINT HOLDINGS ONLY

5.8 You acknowledge that in the event of the death of one of the Holders, State One will transfer all Holdings under the joint Holder Record into a new Holding under a new Holder Record in the name of the surviving Participant Sponsored Holder(s), and that this Sponsorship Agreement remain valid for the new Holdings under the new Holder Record.

5.9 You acknowledge that in the event of the bankruptcy of one of the Holders State One will:

(a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHES Subregister, establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under a new Holder Record

and request that ASX Settlement apply a Holder Record Lock to all Holdings under that Holder record; and

(b) establish a new Holder Record in the name(s) of the remaining Participant Sponsored Holder(s) and Transfer the interest of the remaining Participant Sponsored Holder(s) into new Holdings under the new Holder Record.

6. CHANGE OF CONTROLLING PARTICIPANT

6.1 If You receive a Participant Change Notice from State One for Your Participant Sponsored Holding and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, You are under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in Clauses 6.2 or 6.3.

6.2 You may choose to terminate the Agreement by giving Withdrawal Instructions under the ASX Settlement Rules to State One, indicating whether You wish to:

(a) transfer Your Holding to another Controlling Participant; or

(b) transfer Your Holding to one or more Issuer Sponsored Holdings.

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

(a) the New Controlling Participant is a party to the Agreement in substitution for State One;

(b) any rights of State One are transferred to the New Controlling Participant; and

(c) State One is released by You from any obligations arising on or after the Effective Date.

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

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

6.6 The Agreement continues for the benefit of State One in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in Clause 6.3 not binding or effective on the Effective Date, then the Agreement will continue for the benefit of State One until such time as the novation is effective, and State One will hold the benefit of the Agreement on trust for the New Controlling Participant.

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

6.8 ASX Settlement will not accept a Notice of change of Controlling Participant under Rule 8.17 where Holdings to which the Notice relates comprise AQUA products and the new Controlling Participant is not accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. In this instance your existing controlling participant must convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Sub-Register. If State One fails to convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Sub-Register, ASX Settlement may convert AQUA Product Holdings to Holdings on the Issuer Sponsored Sub-Register.

7. CLAIMS FOR COMPENSATION

7.1 As a Participant of ASX Group any claim for compensation can be lodged with the National Guarantee Fund which operates as a compensation arrangement for investors who may suffer loss due to default by State One in relation to equities, warrants and exchange trade options.

As a Participant of Chi-X any claim can be lodged (by a retail client) with the Fidelity Fund operated by Chi-X. Losses covered by the fidelity fund may include money and property given to State One in connection with effecting a transaction or proposed transaction through the Chi-X market.

As a Participant of APX, claims can be made against the APX Fidelity Fund.

7.2 If State One breaches a provision of this Agreement which falls within the circumstances specified in the compensation arrangements applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations., You may make a claim under the relevant compensation arrangements.

7.3 If State One breaches a provision of this Agreement and You make a claim for compensation pursuant to a breach, the ability of State One to satisfy that claim will depend on the financial circumstances of State One.

8 TERMINATION

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

- (a) by notice in writing from either You or State One to the other party to the Agreement;
- (b) upon State One becoming insolvent;
- (c) upon termination or suspension of State One; or
- (d) upon the giving of Withdrawal Instructions by You to State One in accordance with Rule 7.1.10(c).

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

9. VARIATION

9.1 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASX Settlement Rules, State One shall, by giving You no less than 7 Business Days written Notice, vary the Agreement to the extent to which in State One's reasonable opinion is necessary to remove any inconsistency.