

# CHESS Sponsorship

**Between**

Morgans Financial Limited ABN 49 010 669 726 AFSL 235410 ('Participant') GPO Box 202, Brisbane QLD 4001

A Participant of ASX Group.

A Participant Member of NXSA

and

**Client Details**

Title	Given names	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Title	Given names	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Title	Given names	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>

Company name

Designation (if applicable)

**Registration Address**

Street/PO Box

Suburb/Town/City	State	Postcode	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Morgans CHESS Sponsorship**

I/We instruct Morgans to act as our CHESS sponsoring broker. By doing so I/we acknowledge that I/we have been provided with, and agree to be bound by the CHESS Broker Sponsorship Terms in the Share Account Terms and Conditions.

New CHESS Sponsorship

Transfer CHESS Sponsorship from another broker (Please complete Section A, on reverse)

Transfer of holdings ONLY from another broker (Please complete Section B on reverse)

Convert Issuer Sponsored Holdings (Please complete Section C on reverse)

<input type="checkbox"/> Individual 1	<input type="checkbox"/> Director 1	<input type="checkbox"/> Trustee 1	<input type="checkbox"/> Individual 2	<input type="checkbox"/> Director 2	<input type="checkbox"/> Trustee 2	<input type="checkbox"/> Individual 3	<input type="checkbox"/> Director 3	<input type="checkbox"/> Trustee 3
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Signature	Signature	Signature
<input type="text"/>	<input type="text"/>	<input type="text"/>

Date	Date	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>

Morgans confirms its agreement to the Share Account Terms and Conditions and the execution of the CHESS Sponsorship Agreement by allocating a Holder Identification Number (HIN) to the applicant(s). If you would like a copy of your CHESS Sponsorship Agreement, please contact your adviser.

**Office/Adviser use only**

Account number	HIN
<input type="text"/>	<input type="text"/>
Date of Execution	Authorised Morgans Officer
<input type="text"/>	<input type="text"/>

# CHESSE Sponsorship - transfer your holdings

Note: Registration details at your existing participant must be identical to your Morgans registration details. If they are not the same please discuss this with your adviser.

### Section A

Transfer all of my/our CHESSE shareholding(s) and Holder Identification Number (HIN) from another broker.

Name of current sponsoring broker

HIN details with other broker

X

Existing account name

### Section B

Transfer the CHESSE shareholding(s) listed below from my current sponsoring broker.

Name of current sponsoring broker

HIN details with other broker

X

Existing account name

Copies of statements provided Or  Listed below Or  All Holdings

Company Name	ASX Code	Quantity

### Section C

#### Issuer sponsored holdings

Convert the below issuer sponsored holdings to my Morgans CHESSE sponsorship.

Copies of statements provided Or  Listed below

Company Name	ASX Code	Quantity	SRN

# CHESSE Sponsorship

Please refer to our website [www.morgans.com.au](http://www.morgans.com.au) for the most up to date version of our CHESSE Sponsorship Agreement

## 1 Interpretation

- 1.1 Any term used in the Agreement which is defined in the ASX Settlement Operating Rules ("Rules") has the meaning given in the Rules. (Should you require a copy of these definitions please contact our office.)

## 2 Mandatory Provisions

### 2.1 Participant Rights

- 2.1.1 Where the Participant Sponsored Holder authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those Financial Products within two (2) Business Days of the date of purchase.

- 2.1.2 Subject to Clause 2.1.3 the Participant is not obliged to transfer Financial Products into the Participant Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.

- 2.1.3 Where a contract for the purchase of Financial Products remains unpaid, after the Participant has made a demand of the Participant Sponsored Holder to pay for the Financial Products, the Participant may sell those Financial Products that are the subject of that contract at the Participant Sponsored Holder's risk and expense and that expense will include brokerage, GST and stamp duty (if applicable).

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

### 2.2 Participant Sponsored Holder's Rights

- 2.2.1 The Participant Sponsored Holder is entitled to receive a copy of the executed Broker Sponsorship Agreement on request.
- 2.2.2 Subject to Clauses 2.1.3 and 2.1.4, the Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.
- 2.2.3 The Participant will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without the express authority of the Participant Sponsored Holder.
- 2.2.4 The Participant is regulated by the Corporations Act 2001 (Cth), the Australian Securities and Investment Commission (ASIC) Act and related legislation applicable to Financial Services Providers, the ASIC Market Integrity Rules (Securities Markets), ASX Operating Rules, ASX Clearing Rules, and ASX Settlement Rules (collectively ASX Rules), the Chi-X Australia Pty Limited (Chi-X) Operating Rules. The Participant Sponsored Holder can obtain information as to the status of the Participant from ASIC, ASX and Chi-X.
- 2.2.5 The Participant will investigate and respond to all complaints via an Internal Dispute Resolution process at no cost to the Participant Sponsored Holder. It may be up to 45 days before the Participant is in a position to provide formal feedback. If an issue has not been resolved to the satisfaction of the Participant Sponsored Holder, a complaint can be lodged with the Australian Financial Complaints Authority (AFCA).

AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au)

Telephone: 1800 931 678 (free call)

Email: [info@afca.org.au](mailto:info@afca.org.au)

In writing to: Australian Financial Complaints Authority,  
GPO Box 3, Melbourne VIC 3001

- 2.2.6 The Participant Sponsored Holder may lodge a claim for compensation with the Participant, or if the circumstances specified in Part 7.5 Division 4 of the Corporations Regulations 2001 apply, with the National Guarantee Fund.

## 3 Other Rights And Duties

### 3.1 Supply of Information

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

### 3.2 Exchange Traded Options, Pledging and Sub-Positions

- 3.2.1 Where the Participant Sponsored Holder arranges with ASX Clear to lodge Financial Products in a Participant Sponsored Holding as Derivatives Cover, and informs the Participant of the arrangement, the Participant Sponsored Holder:

- authorises the Participant to reserve the Financial Products in the ASX Clear Subposition so that the Financial Products come under the control of ASX Clear and are subject to the security interest granted in favour of ASX Clear to secure the performance by the relevant Clearing Participant of its obligations to ASX Clear under and in accordance with ASX Clear Operating Rule 14.6.7;
- authorises any subsequent dealing (including, without limitation, any transfer) of the reserved Financial Products in accordance with the Rules and ASX Clear Operating Rules;
- acknowledges that the Financial Products will remain subject to that security interest for so long as those Financial Products remain reserved in the ASX Clear Subposition in accordance with ASX Clear Operating Rule 14.6.7; and
- authorises the Participant to take whatever other action is reasonably required by ASX Clear in accordance with the Rules to give effect to that arrangement.

- 3.2.2 Where the Participant Sponsored Holder arranges with any person to give a charge or any other interest in Financial Products in a Participant Sponsored Holding, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.

- 3.2.3 The Participant Sponsored Holder acknowledges that where, in accordance with this Agreement and/or the Participant Sponsored Holder's instructions, the Participant initiates any action which has the effect of creating a sub-position over Financial Products in the Participant Sponsored Holding, the right of the Participant Sponsored Holder to transfer, convert or otherwise deal with those Financial Products is restricted in accordance with the terms of the Rules relating to sub-positions.

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

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### 3.3. Fees

- 3.3.1 The Participant Sponsored Holder will pay all Brokerage fees and associated transactional costs within the period prescribed by the Participant.

## 4 Mandatory Notifications and Acknowledgments

- 4.1 The Participant Sponsored Holder acknowledges that if the Participant is not a Market Participant of an Approved Market Operator, neither the Approved Market Operator nor any Related Party of the Approved Market Operator has any responsibility for regulating the relationship between the Participant Sponsored Holder and the Participant, other than in relation to the Rules relating to Sponsorship Agreements.
- 4.2 The Participant Sponsored Holder acknowledges that if a transfer is taken to be effected by the Participant under Section 9 of the ASX Settlement Operating Rules and the Source Holding for the transfer is Participant Sponsored Holding under the Sponsorship Agreement, then
- the Participant Sponsored Holder may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by the Participant Sponsored Holder to effect the transfer; and
  - unless the transfer is also taken to have been effected by a Market Participant of ASX or a Clearing Participant of ASX Clear, the Participant Sponsored Holder has no claim arising out of the transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations 2001.
- 4.3 In the event that the Participant breaches any of the provisions of this Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.
- 4.4 In the event that the Participant is suspended from CHESSE participation, subject to the assertion of an interest in Financial Products controlled by the Participant, by the liquidator, receiver, administrator or trustee of that Participant:
- the Participant Sponsored Holder has the right, within twenty (20) Business Days of ASX Settlement giving Notice of Suspension, to give notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:
    - from the CHESSE Subregister, or
    - from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10, or
  - where the Participant Sponsored Holder does not give notice under Clause 4.4.(a), ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11. and the Participant Sponsored Holder will be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where a Participant Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Participant Sponsored Holder within ten (10) Business Days of the change of Controlling Participant.
- 4.5 The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed the Sponsorship Agreement, the Participant provided the Participant Sponsored Holder with an explanation of the effect of the Sponsorship Agreement and that the Participant Sponsored Holder understood the effect of the Sponsorship Agreement.

- 4.6 The Participant Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Participant Sponsored Holder, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless the Participant Sponsored Holder's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHESSE Subregister.
- 4.7 The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three (3) calendar months after the removal of a Holder Record Lock applied pursuant to Clause 4.6.

### For Joint Holdings Only

- 4.8 The Participant Sponsored Holder acknowledges that in the event of the death of one of the Holders, the Participant will transfer all Holdings under the joint Holder Record into new Holdings under a new Holder Record in the name of the surviving Participant Sponsored Holder(s), and that this Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 4.9 The Participant Sponsored Holder acknowledges that in the event of the bankruptcy of one of the Holders the Participant will:
- unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHESSE 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 the new Holder Record and request that ASX Settlement apply a Holder Record Lock to all Holdings under that Holder Record, and
  - 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.

## 5 Change Of Controlling Participant

- 5.1 If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least twenty (20) Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the Participant Sponsored Holder is under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in clauses 5.2 or 5.3.
- 5.2 The Participant Sponsored Holder may choose to terminate the Agreement by giving Withdrawal Instructions under the ASX Settlement Operating Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:
- transfer its Participant Sponsored Holding to another Controlling Participant, or
  - transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.
- 5.3 If the Participant Sponsored Holder does not take any action to terminate the Agreement in accordance with 5.2 above, and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree

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to the change of Controlling Participant then, on the effective date, the Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the effective date:

- a the New Controlling Participant is a party to the Agreement in substitution for the Existing Controlling Participant
  - b any rights of the Existing Controlling Participant are transferred to the new Controlling Participant, and
  - c the Existing Controlling Participant is released by the Participant Sponsored Holder from any obligations arising on or after the effective date.
- 5.4 The novation in clause 5.3 will not take effect until the Participant Sponsored Holder has received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Participant Sponsored Holder. The effective date may as a result be later than the date set out in the Participant Change Notice.
- 5.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in clause 5.4 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.
- 5.6 The Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the effective date and, to the extent that any law or provision of any agreement makes the novation in clause 5.3 not binding or effective on the effective date, then the Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of the Agreement on trust for the New Controlling Participant.
- 5.7 Nothing in this clause 5 will prevent the completion of CHESSE transactions by the Existing Controlling Participant 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 5.

### 6 Claims For Compensation

- 6.1 Except for the operation of clauses 2.2.5 and 6.3 no external compensation arrangements apply to the Participant Sponsored Holder.
- 6.2 If the Participant breaches a provision of this Agreement and the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant.
- 6.3 If a breach by a Participant of a provision of this Agreement falls within the circumstances specified in the compensation arrangements applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations, a Participant Sponsored Holder may make a claim under the relevant compensation arrangements.
- 6.4 Chi-X and ASX operate different compensation funds that provide protection for retail investors in the circumstances defined in the Corporations Act and Regulations. The Chi-X compensation fund covers losses resulting from defalcation or fraudulent misuse of your money, property or authority by a Chi-X participant, subject to certain exceptions.

In circumstances where your stockbroker is also an ASX participant, the following applies in relation to such a loss. If you do not expressly or impliedly instruct your stockbroker, who is a Chi-X participant, to execute your trading instructions on the Chi-X market, and it is not reasonably apparent from the usual business practice of your stock broker which of the ASX or Chi-X market the participant would use when acting for you, the Chi-X fund will not apply. In this case, the National Guarantee Fund (NGF) may apply, provided the loss is connected to the ASX market and is covered by the NGF claims provisions. The NGF claims provisions are set out in Division 4 of Part 7.5 of the Corporations Act and Regulations (for further information see the legislation and the NGF Information Booklet available at [www.segc.com.au](http://www.segc.com.au)).

### 7 Termination

- 7.1 Subject to the ASX Settlement Operating Rules, this Agreement will be terminated upon the occurrence of any of the following events:
- a by notice in writing from either the Participant Sponsored Holder or the Participant to the other Party to the Agreement
  - b upon the Participant becoming insolvent
  - c upon the termination or suspension of the Participant, or
  - d upon the giving of Withdrawal Instructions by a Participant Sponsored Holder to a Controlling Participant in accordance with Rule 7.1.10(c).
- 7.2 Termination under Clause 7.1(a) will be effective upon receipt of Notice by the other party to the Agreement.

### 8 Variation

- 8.1 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASX Settlement Operating Rules, the Participant will, by giving the Participant Sponsored Holder not less than seven (7) Business Days written Notice, vary the Agreement to the extent to which in the Participant's reasonable opinion is necessary to remove any inconsistency.