

# CHES Sponsorship Terms & Conditions

## Some Terms used in this CHES Sponsorship Agreement

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|---|--|
| AFSL  | Australian Financial Services Licence  |
| ASX Clear (formerly ACH)                                  | ASX Clear Pty Ltd, ABN 48 001 314 503  |
| ASX Settlement (formerly ASTC)                            | ASX Settlement Pty Ltd, ABN 49 008 504 532   |
| ASX   | ASX Limited or Australian Securities Exchange, ABN 98 008 624 691  |
| CHES  | Clearing House Electronic Sub register System  |
| Participant Sponsored Holder You                          | You the Client of Burrell  |
| The Controlling Participant, Participant, Burrell, We, Us | Burrell & Co Holdings Pty Ltd, ABN 58 121 508 978; AFSL No. 352203 An ASX Clear Direct Clearing Participant and ASX Settlement Direct Settlement Participant |

### 1. INTERPRETATION AND OVERVIEW

- 1.1. In this CHES Sponsorship Agreement, any terms used are defined in the ASX Settlement Operating Rules and have the meaning given in the Rules. (Should you require a copy of these definitions please contact your Participant (Burrell)).
- 1.2 The Terms and Conditions of CHES Sponsorship below constitute a contract between you (the Client) and Us (Burrell), in which you name Burrell as your Controlling Participant for the purpose of CHES.
- 1.3. The purpose of CHES is to facilitate settlement of Market Transactions (executed on ASX Trading Platforms or other Approved Market Operators) between Participants and the electronic transfer or ownership of Financial Products
- 1.4 Being CHES sponsored by Burrell means you can buy and sell shares more quickly than if your shares were 'issuer sponsored'.

### 2. APPOINTMENT OF BURRELL & CO HOLDINGS PTY LTD AS YOUR CONTROLLING PARTICIPANT

- 2.1 By entering into this CHES Sponsorship Agreement with Burrell you:
  - 2.1.1 appoint Burrell as your Controlling Participant for the purpose of CHES Sponsorship in accordance with these Terms and Conditions set out in this CHES Sponsorship Agreement; and

- 2.1.2 acknowledge and understand that Burrell, will establish a unique Holder Identification Number (HIN) on your behalf and all Financial Products you transfer in, or acquire through Burrell will be held electronically on your unique HIN;
- 2.2 You acknowledge that before you executed this CHES Agreement, you were provided with a copy and an explanation of its terms and conditions and that you understood its effect.
- 2.3 You are entitled to request an executed copy of this CHES Sponsorship Agreement. If you make such a request, unless the agreement has been terminated, we will provide you with an executed copy:
  - Within 3 Business Days of execution; or
  - At any time thereafter

### 3. MANDATORY PROVISIONS

#### 3.1. PARTICIPANT RIGHTS

- 3.1.1 Where the Participant Sponsored Holder (you) authorises the Participant (us, Burrell) to buy Financial Products, the Participant Sponsored Holder (you) will pay for those financial products, and meet all Settlement Obligations, by the Settlement Date.
- 3.1.2 Subject to Clause 3.1.3, 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.

- 3.1.3 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 and stamp duty. Should you fail to satisfactorily meet a demand of payment, Burrell may take action to sell down any holdings on your HIN without further notice to you.
- 3.1.4 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).
- 3.2. PARTICIPANT SPONSORED HOLDER'S RIGHTS (Your Rights)**
- 3.2.1 Subject to Clauses 3.1.3 and 3.1.4, the Participant (Burrell) will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two business days of the date of the receipt of the Withdrawal Instructions.
- 3.2.2 The Participant will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without the express authority of the Participant Sponsored Holder.
- 3.2.3 For sell trades the relevant Participant Sponsored Holdings are pledged as collateral for settlement to ASX Clear Pty Ltd at the time of confirmation note finalisation.
- 3.2.4 The regulatory regime that applies to us includes:
- a) the Corporations Act;
  - b) the Rules, directions, decisions and requirements of the Market Operator from time to time;
  - c) the customs and usages of the Market;
  - d) the Rules, directions, decisions, and requirements of ASX Settlements from time to time; and
  - e) domestic and international anti money laundering and counter terrorism finance laws
- 3.2.5 You acknowledge and agree that you will not do anything that would prevent or hinder us from complying with our obligations under the regulatory regime set out at paragraph 3.2.4 above.
- 3.2.6 The Rules are administered by ASX Settlement and Burrell & Co Holding's AFSL 352203. Information regarding Burrell status as a Sponsoring participant can be obtained from ASX Settlement. Information regarding Burrell AFSL status can be obtained from ASIC.
- 4. OTHER RIGHTS AND DUTIES**
- 4.1. SUPPLY OF INFORMATION**
- 4.1.1 The Participant Sponsored Holder will supply all information and supporting documentation which is reasonably required to permit the Participant to comply with the registration requirements, as are in force from time to time, under the ASX Settlement Operating Rules.
- 4.2. EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS**
- 4.2.1 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:
- a) 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;
  - b) authorises any subsequent dealing (including, without limitation, any transfer) of the reserved Financial Products in accordance with the Rules and ASX Clear Operating Rules;
  - c) 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

- d) 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.
- 4.2.2 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.
- 4.2.3. 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.
- 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. The Participant Sponsored Holder will pay all Brokerage fees and associated transactional costs within the period prescribed by the Participant.

#### **5. INDEMNITY**

- 5.1 The Participant Sponsored Holder (you) must indemnify Burrell against, and you must therefore pay us on demand for any direct loss, damages or costs we suffer or incur:
- in connection with us performing our obligations under this CHES Sponsorship Agreement; or
  - in connection with us acting as your Controlling Participant or agent for the purpose of CHES; or
  - if you do something you agree not to do, or fail to do something you agree to do, under this CHES Sponsorship Agreement; save to the extent that Burrell have caused or contributed to the loss or damage.
- 5.2 The Participant Sponsored Holder must pay Burrell any amount we claim under the

indemnity in 5.1 when we ask. Burrell can debit any of these amounts to any account you have with us even if we do not expressly ask you to pay us. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.

- 5.3 The indemnity in clause .1 is a continuing obligation, independent of your other obligation to us. It

continues after this agreement is terminated.

#### **6. MANDATORY NOTIFICATIONS AND ACKNOWLEDGMENTS**

- 6.1. 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.
- 6.2. The Participant Sponsored Holder acknowledges that if a Transfer is taken to be effected by the Participant under Section 9 of the ASX Settlement Operating Rules and the Source Holding for the Transfer is a Participant Sponsored Holding under the Sponsorship Agreement, then:
- (a) the Participant Sponsored Holder may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by the Participant Sponsored Holder to effect the Transfer, and
  - (b) unless the Transfer is also taken to have been effected by a Market Participant of 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.
- 6.3. In the event that the Participant breaches any of the provisions of this CHES Sponsorship Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.

6.4. In the event that the Participant is suspended from CHESSE participation, subject to the assertion of an interest in Financial Products controlled by the Participant, by the liquidator, receiver, administrator or trustee of that Participant:

(a) the Participant Sponsored Holder has the right, within 20 business days of ASX Settlement giving notice of suspension, to give notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:

- (i) from the CHESSE Subregister, or
- (ii) from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10, or

(b) where the Participant Sponsored Holder does not give notice under Clause 6.4. (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 business days of the change of Controlling Participant.

6.5. 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.

6.6. 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.

6.7. The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied pursuant to Clause

#### **FOR JOINT HOLDINGS ONLY**

6.8. 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.

6.9. The Participant Sponsored Holder acknowledges that in the event of the bankruptcy of one of the Holders the Participant will:

- (a) 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
- (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.

#### **7. CHANGE OF CONTROLLING PARTICIPANT**

7.1 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 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 7.2 or 7.3.
- 7.2 The Participant Sponsored Holder may choose to terminate the CHES Sponsorship Agreement by giving Withdrawal Instructions under the ASX Settlement Operating Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:
- (a) transfer its Participant Sponsored Holding to another Controlling Participant, or
  - (b) transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.
- 7.3 If the Participant Sponsored Holder does not take any action to terminate the agreement in accordance with 7.2 above, and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree to the change of Controlling Participant then, on the effective date, the CHES Sponsorship 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 CHES Sponsorship 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.
- 7.4 The novation in clause 7.3 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.
- 7.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in clause 7.4 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.
- 7.6 The CHES Sponsorship Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in clause 7.3 not binding or effective on the Effective Date, then the CHES Sponsorship Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of the Agreement on trust for the New Controlling Participant.
- 7.7 Nothing in this clause 7 will prevent the completion of CHES transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the effective date and the CHES Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the CHES Sponsorship Agreement to the New Controlling Participant under this clause 7.
- ## 8. CLAIMS FOR COMPENSATION
- 8.1 If the Participant breaches a provision of this CHES Sponsorship Agreement and the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant.
- 8.2 The Participant Sponsored Holder may lodge a complaint with the Australian Financial Complaints Authority (AFCA) against the Participant or any claim for compensation with the National Guarantee Fund (NGF). For more information on the circumstances in which a Participant Sponsored Holder may make a claim on the National Guarantee Fund or for information on the NGF generally, contact the Securities Exchange Guarantee Corporation Limited.
- 8.3 If a breach by a Participant of a provision of this CHES Sponsorship Agreement falls within the circumstances specified in the compensation

arrangements applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations, a Participant Sponsored Holder may make a claim under the relevant compensation arrangements.

## **9. TERMINATION**

- 9.1 Subject to the ASX Settlement Operating Rules, this CHES Sponsorship Agreement will be terminated upon the occurrence of any of the following events:
- (a) by notice in writing from either the Participant Sponsored Holder or the Participant to the other party to the CHES Sponsorship 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).

- 9.2 Termination under Clause 9.1(a) will be effective upon receipt of Notice by the other party to the CHES Sponsorship Agreement.

## **10. VARIATION**

- 10.1 Should any of the provisions in this CHES Sponsorship 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 business days written notice, vary the CHES Sponsorship Agreement to the extent to which in the Participant's reasonable opinion is necessary to remove any inconsistency.