

## CHESS SPONSORSHIP AGREEMENT form

CHESS Sponsorship through **CMC Markets Stockbroking** is a secure and efficient way of registering your share holdings.

CHESS is a service provided by the Australian Securities Exchange that enables share holdings to be held in electronic form (uncertificated), which means you don't need company issued share holding statements.

Each time you buy or sell shares, you'll receive a 'Holding Statement' showing the number of shares registered in your name. We can even convert your existing Issuer Sponsored holdings on to CHESS, free of charge.

Having all your stock CHESS sponsored allows you to easily keep track of your portfolio and makes it easy to sell stock because your trades are settled electronically.

CHESS Sponsorship is necessary if you are planning to trade via the BOQ Trading website.

Applying for CHESS Sponsorship is easy and free. Simply email your completed and signed form to [scrip@boqtrading.com.au](mailto:scrip@boqtrading.com.au).

Please call **1800 748 977** if you would like to speak to our Client Services Team for more information.

### Current Account Details

BOQ Trading Account Number:

### Client Agreement

I/We have read and agree to the CHESS Sponsorship Agreement contained in this form.

Client Account Name \_\_\_\_\_

Date \_\_\_\_\_ / \_\_\_\_\_ / 20\_\_\_\_\_

Account Holder 1

Account Holder 2

Client Signature(s) \_\_\_\_\_

Name(s) (printed) \_\_\_\_\_

Title (if company) \_\_\_\_\_  
e.g. director, officer, secretary

### Office Use Only

HIN

Signed for CMC Markets Stockbroking \_\_\_\_\_

Please email your completed and signed form to [scrip@boqtrading.com.au](mailto:scrip@boqtrading.com.au)

See overleaf for CHESS Sponsorship Agreement >

The terms and conditions in this Part G apply if the Client wishes to appoint the Broker as its Controlling Participant to establish and control CHES Holdings of financial products for the Client in CHES.

### 58. Interpretation

A term used in this Part G (also referred to as the Sponsorship Agreement) which is defined in the ASX Settlement Operating Rules has the meaning given in the ASX Settlement Operating Rules. If you require a copy of these definitions, please contact the Broker.

### 59. Acknowledgment by Client

- 59.1 The Client acknowledges that before agreeing to be bound by this Sponsorship Agreement, the Client:
- had the opportunity to view the terms and conditions of this Sponsorship Agreement;
  - was provided with a written explanation of the effect of this Sponsorship Agreement;
  - understood the effect of this Sponsorship Agreement; and
  - was provided with telephone contact details which enabled the Client to obtain an explanation of the effect of the Sponsorship Agreement from the Broker.
- 59.2 The Client acknowledges that if a transfer of financial products is taken to be effected by the Broker under Section 9 of the ASX Settlement Operating Rules and the source holding for the transfer is a CHES Holding under the Sponsorship Agreement, then the Client may not assert or claim against ASX Settlement or the relevant Issuer that the transfer was not effected by the Broker or that the Broker was not authorised by the Client to effect the transfer.

### 60. Broker's and client's rights and obligations

- 60.1 The Client appoints the Broker as its Controlling Participant with respect to the Client's CHES Holding, and authorises the Broker to do any act in accordance with the ASX Settlement Operating Rules for the purposes of:
- performing its obligations;
  - acting as Controlling Participant or agent in relation to that Holding; and
  - converting the mode of holding of the relevant financial products.
- 60.2 Where the Client authorises the Broker to buy financial products, the Broker is not obliged to transfer financial products into the CHES Holding of the Client until payment for those financial products has been received.
- 60.3 If the Client has not paid for the purchase of financial products and the Broker has made a demand that the Client pays for the financial products, the Broker may sell those financial products at the Client's risk and expense (including brokerage and GST).
- 60.4 If the Broker claims that an amount lawfully owed to it by the Client has not been paid, the Broker may refuse to comply with the Client's Withdrawal Instructions. The Broker may only refuse to the extent necessary to retain financial products with a value equal to 120% of the current market value of the amount claimed, in the Client's CHES Holding.
- 60.5 Subject to clauses 60.3 and 60.4 the Broker 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.
- 60.6 The Broker will not initiate any Transfer or Conversion into or out of the Client's CHES Holding without the express written authority of the Client.
- 60.7 The regulatory regime which applies to the Broker includes the Corporations Act, the ASIC Market Integrity Rules (ASX Market) 2010, the ASX Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules. You can obtain information as to the status of the Broker under these regulatory regimes from the relevant regulatory authorities, including ASIC, ASX, ASX Clear and ASX Settlement.

### 61. Information

The Client must supply all information and supporting documentation which is reasonably required to permit the Broker to comply with the registration requirements, as are in force from time to time, under the ASX Settlement Operating Rules.

### 62. Exchange traded options, pledging and sub-positions

- 62.1 Where the Client informs the Broker of an arrangement with ASX Clear to lodge financial products in its CHES Holding as Cover under the ASX Clear Operating Rules, the Client authorises the Broker to take whatever action is reasonably required by ASX Clear in accordance with the ASX Clear and ASX Settlement Operating Rules to give effect to that arrangement.
- 62.2 Where the Client informs the Broker that a charge or any other interest in financial products in the Client's CHES Holding has been given, the Client authorises the Broker to take whatever action is reasonably required by the person in accordance with the ASX Settlement Operating Rules to give effect to or record that interest.
- 62.3 Where the Broker, in accordance with this Agreement or the ASX Settlement Operating Rules, initiates any action which creates a sub-position over financial products in the Client's CHES Holding, the Client acknowledges that the right of the Client to transfer, convert or otherwise deal with those financial products is restricted in accordance with the ASX Settlement Operating Rules.
- 62.4 Nothing in this Sponsorship Agreement operates to override any interest of ASX Clear in the financial products.

### 63. Fees and indemnities

- 63.1 The Client will pay all Brokerage fees and associated transactional costs within the period prescribed by the Broker.
- 63.2 The Client indemnifies and must keep the Broker indemnified and held harmless against, and must pay the Broker for any liability, loss, cost (including legal costs on a full indemnity basis), expense, charge, tax or duty suffered, incurred or payable by the Broker in connection with:
- performing its obligations under this Sponsorship Agreement;
  - acting as Controlling Participant or agent in relation to that CHES Holding; or
  - any breach of Sponsorship Agreement by the Client.

### 64. Change of controlling participant

- 64.1 If the Client receives a Participant Change Notice from the Broker 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 Client 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 64.2 or 64.3.
- 64.2 The Client may choose to terminate this Sponsorship Agreement by giving Withdrawal Instructions under the ASX Settlement Operating Rules to the Broker, indicating whether the Client wishes to:
- transfer the Client's CHES Holding to another Controlling Participant; or
  - transfer the Client's CHES Holding to one or more Issuer Sponsored Holdings.
- 64.3 If the Client does not take any action to terminate this Sponsorship Agreement in accordance with clause 64.2 above, and does not give any other instructions to the Broker which would indicate that the Client does not agree to the change of Controlling Participant then, on the Effective Date, this 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:
- the New Controlling Participant is a party to this Sponsorship Agreement in substitution for the Broker;
  - any rights of the Broker are transferred to the new Controlling Participant; and
  - the Broker is released by the Client from any obligations arising on or after the Effective Date.

64.4 The novation in clause 64.3 will not take effect until the Client has received notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Client. The Effective Date may as a result be later than the date set out in the Participant Change Notice.

64.5 The Client will be taken to have consented to the events referred to in clause 64.3 by the doing of any act which is consistent with the novation of this Sponsorship 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.

64.6 This Sponsorship Agreement continues for the benefit of the Broker 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 64.3 not binding or effective on the Effective Date, then this Sponsorship Agreement will continue for the benefit of the Broker until such time as the novation is effective, and the Broker will hold the benefit of this Sponsorship Agreement on trust for the New Controlling Participant.

64.7 Nothing in clause 64 will prevent the completion of CHES transactions by the Broker where the obligation to complete those transactions arises before the Effective Date and this Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of this Sponsorship Agreement to the New Controlling Participant under clause 64.3.

#### 65. Complaints and compensation

65.1 Except as referred to in this clause 65, no compensation arrangements apply to the Client in relation to this Sponsorship Agreement.

65.2 The Client acknowledges that if the Broker breaches the Sponsorship Agreement:

- (a) and the Client makes a claim for compensation from the Broker, the ability of the Broker to satisfy that claim will depend on the financial circumstances of the Broker;
- (b) the Client may make a claim on the National Guarantee Fund (NFG) for compensation in the circumstances specified under Part 7.5, of Division 4 of the Corporations Act and the Corporations Regulations 2001 (Cth); and
- (c) the Client may refer that breach to any regulatory authority, including ASX Settlement.

For more information on the circumstances in which the Client may make a claim on the NGF or for information on the NGF generally, contact the Securities Exchange Guarantee Corporation Limited (SEGC).

65.3 The Client may lodge a complaint against the Broker or any claim for compensation with ASIC, ASX, ASX Clear, ASX Settlement or the Financial Ombudsman Service.

#### 66. Suspension from CHES

66.1 If the Broker is suspended from CHES participation, then subject to the assertion by the liquidator, receiver, administrator or trustee of that Broker of an interest in financial products controlled by the Broker the Client may within twenty (20) Business Days of ASX Settlement giving Notice of Suspension, give notice to ASX Settlement requesting that any of the Client's CHES Holdings be removed either:

- (a) from the CHES Subregister; or
- (b) from the control of the suspended Broker to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to ASX Settlement Operating Rule 12.19.10; or

If the Client does not give such notice, ASX Settlement may effect a change of Controlling Participant under ASX Settlement Operating Rule 12.19.11 and the Client will be deemed to have entered into a new Sponsorship Agreement with that Participant on the same terms as this Sponsorship Agreement. Where the Client is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Client within ten (10) Business Days of the change of Controlling Participant.

#### 67. Loss of legal capacity

67.1 The Client acknowledges that:

- (a) in the event of its death or bankruptcy, a Holder Record Lock will be applied to all of the Client's CHES Holdings in accordance with the ASX Settlement Operating Rules unless the Client's legally appointed representative or trustee elects to remove the Client's CHES Holdings from the CHES Subregister; and
- (b) in the event of the death of the Client, this Sponsorship Agreement is deemed to remain in operation in respect of the legally appointed representative authorised to administer the Client'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 67.1(a).

67.2 If the Client is a joint Holder, the Client acknowledges that:

- (a) where one of the Holders dies, the Broker will transfer all of the Client's CHES Holdings under the Joint Holder Record into new CHES Holdings under a new Holder Record in the name of the surviving Holder/s, and that this Sponsorship Agreement will remain valid for the new CHES Holdings under the new Holder Record; and
- (b) in the event of the bankruptcy of one of the Holders, the Broker will:
  - (i) establish a new Holder Record in the name of the bankrupt Client, transfer the interest of the bankrupt Holder into new CHES Holdings under the new Holder Record and request that ASX Settlement apply a Holder Record Lock to all Holdings under that Holder Record (unless the legally appointed representative of the bankrupt Holder elects to remove the CHES Holdings from the CHES Subregister); and
  - (ii) establish a new Holder Record in the name/s of the remaining Holder/s and Transfer the interest of the remaining Holders into new CHES Holdings under the new Holder Record.

#### 68. Termination

68.1 Subject to the ASX Settlement Operating Rules, this Sponsorship Agreement will be terminated under the following circumstances:

- (a) by notice in writing from either the Client or the Broker to the other;
- (b) upon the Broker becoming insolvent;
- (c) upon the termination or suspension of the Broker; or
- (d) upon the giving of Withdrawal Instructions by the Client to the Broker in accordance with ASX Settlement Operating Rule 7.1.10(c).

68.2 Termination of this Sponsorship Agreement under clause 68.1(a) will be effective upon receipt of Notice by the other party.

68.3 Termination of this Sponsorship Agreement does not affect the existing rights and obligations of the Client or the Broker at termination, and does not terminate any other Part of this Agreement.

#### 69. Variation

The Broker may vary this Sponsorship Agreement by giving the Client written notice of the variation. The Broker must give:

- (a) at least seven (7) Business Days written notice of the variation if, in the reasonable opinion of the Broker, the variation is to remove any inconsistency between this Agreement and the ASX Settlement Operating Rules, and
- (b) at least twenty (20) Business Days written notice in other cases.

#### 70. Broker's contact details

The Contact Details for a responsible officer of the Broker who can explain the effect of the Sponsorship Agreement are as follows:  
Email: [brokingservice@cmcmarkets.com.au](mailto:brokingservice@cmcmarkets.com.au)  
Telephone: 1300 136 323

#### 71. Availability of executed Sponsorship Agreement

The Broker acknowledges that it is obliged to provide the Client with access to an executed version of the Sponsorship Agreement (which may be an electronic version posted on a website or emailed to the client) showing the details of execution, within three (3) Business Days after execution of the Sponsorship Agreement.