

## **PART M**

# **Sequoia Asset Management Licensee terms and conditions**

**AFS Licence No. 341506**

**Sequoia Asset Management Pty Ltd (ABN 70 135 907 550)  
Level 7, 7-15 Macquarie Place, Sydney NSW 2000**

## Contents

1. Your agreement with Licensee . . . . .	3
2. Your relationship with Licensee . . . . .	3
3. Trading in ASX derivatives products, warrants and partly paid securities . . . . .	3
3.1 Derivative Products . . . . .	3
3.2 Warrants . . . . .	3
3.3 Partly Paid Securities . . . . .	3
4. Sponsorship . . . . .	4
5. General conditions of trade . . . . .	4
6. Account opening . . . . .	4
7. Orders and instructions . . . . .	4
8. Licensee's use of DMA Service . . . . .	5
9. Orders relating to sales . . . . .	6
10. Settlements . . . . .	6
10.1 Settlement date and time . . . . .	6
10.2 Warranties by the client . . . . .	6
10.3 Purchases . . . . .	6
10.4 Settlement using BPAY facility . . . . .	7
10.5 Sales . . . . .	7
10.6 Confirmations . . . . .	7
10.7 Failure to settle . . . . .	7
11. Cancellations . . . . .	8
12. Disclosure of interest . . . . .	9
13. Fees and charges and amounts owing . . . . .	9
14. GST . . . . .	9
15. Interest on Morrison Securities' trust account . . . . .	9
16. Indemnity . . . . .	9
17. Information . . . . .	9
18. Tax File Number . . . . .	10
19. Electronic Verification . . . . .	10
20. Acknowledgements . . . . .	10
21. No advice . . . . .	11
22. Instructions by fax or e-mail . . . . .	11
23. Credit references . . . . .	11
24. Anti-Terrorism/Money Laundering . . . . .	11
25. Variation and termination . . . . .	11
26. Notices . . . . .	12
27. Authorised Agents . . . . .	12
28. Complaints . . . . .	12
29. National Guarantee Fund . . . . .	12
30. Governing law . . . . .	13
31. Definitions . . . . .	13

## Terms of your agreement with Sequoia Asset Management Pty Ltd (“Licensee”) ABN 70 135 907 550 AFSL 341506

This document contains important information regarding the terms and conditions which apply to your brokerage account arranged by Licensee with Morrison Securities. These terms and conditions apply to all dealings between you and us. By placing an Order with Morrison Securities (either directly or through Licensee, the holder of an Australian Financial Services Licence, who has an arrangement with Morrison Securities to transact on your behalf), you accept the terms and conditions contained in this document.

### PLEASE READ THIS DOCUMENT CAREFULLY AND RETAIN IT FOR YOUR FUTURE REFERENCE.

## I. Your agreement with Licensee

Morrison Securities is admitted as a Trading Participant of one or more Australian Exchanges. Morrison Securities is also admitted as a Clearing Participant in accordance with the operating rules of ASX Clear Pty Ltd ABN 001 314 503 (**ASX Clear**), a wholly owned subsidiary of ASX Limited ABN 98 008 624 691 (**ASX**).

Licensee has entered into an arrangement with Morrison Securities under which you may place orders with Morrison Securities through the Licensee to buy or sell or otherwise deal in Exchange Traded Products.

If you wish to buy or sell or otherwise deal in Exchange Traded Products on an Australian Exchange, the Licensee will (as your agent) communicate your Order to Morrison Securities. If and only if the Licensee grants you access to the online broking/direct market access system (**DMA Service**), you may also place Orders directly with Morrison Securities through the DMA Service. Morrison Securities will, subject to these terms and conditions set out in this document and in your separate agreement with Morrison Securities, execute or facilitate that Order on your behalf and will clear and settle the Exchange Transactions that result from the execution or facilitation of your Orders. Accordingly, Morrison Securities will carry the obligations to complete the sale or purchase, together with all the obligations which are ancillary to the completion (**Settlement Obligations**). Morrison Securities must also settle such Exchange Transactions as principal with ASX Clear or the relevant counterparty even though the Exchange Transaction was entered into on your behalf. Accordingly, your clearing and settlement obligations under the sale or purchase contract are owed directly to Morrison Securities and not to Licensee.

## 2. Your relationship with Licensee

Your primary relationship will be with the Licensee. Your relationship with Morrison Securities will be limited to the execution or facilitation of Orders and the clearing and settlement of the resulting Exchange Transactions. You acknowledge that Morrison Securities will not provide financial product advice, or legal, tax, financial or accounting advice or make any financial product recommendations to you or give a Statement of Advice to you as part of the service to be provided to you by Licensee or Morrison Securities. The Licensee may provide General Advice that does not take into account your financial circumstances, but will not provide legal, tax or accounting advice or give a Statement of Advice to you as part of the service to be provided to you by Licensee.

## 3. Trading in ASX derivatives products, warrants and partly paid securities

### 3.1 Derivative Products

If you wish to trade in Derivatives Products, you will need to enter into a Derivatives Client Agreement with Morrison Securities the terms in the Morrison Securities. Accordingly, before you may place an Order to trade in Derivatives Products, you will need to sign and return the Client Application to Licensee (who will pass this to Morrison Securities) or otherwise confirm in writing to Licensee (who will pass your written confirmation to Morrison Securities) that you agree to be bound by the terms of this agreement (including Part I of the Morrison Securities Derivatives Client Agreement).

### 3.2 Warrants

If you wish to trade in ASX Warrants, you will need to enter into a Warrant Client Agreement with Morrison Securities. Accordingly, before you may place an Order to trade in Warrants (other than an Order to sell a Warrant already held by you), you will need to sign and return the Client Application to Licensee (who will pass this to Morrison Securities) or otherwise confirm in writing to Licensee (who will pass your written confirmation to Morrison Securities) that you agree to be bound by the terms of this agreement (including schedule 1 of Part E, Morrison Securities Equities Terms and Conditions).

### 3.3 Partly Paid Securities

If you wish to place an Order to buy Partly Paid Securities you will need to enter into a Partly Paid Security Agreement with Morrison Securities. Accordingly, before you may place an Order to buy Partly Paid Securities, you will need to sign and return the Client Application to Licensee (who will pass this to Morrison Securities) or otherwise confirm in writing to Licensee (who will pass your written confirmation to Morrison Securities) that you agree to be bound by the terms of this agreement (including schedule 2 of Part E, Morrison Securities Equities Terms and Conditions).

## 4. Sponsorship

Unless agreed otherwise with Licensee and Morrison Securities, if you wish to buy, sell or otherwise deal in Exchange Traded Products under these arrangements, you must have a current Sponsorship Agreement with Morrison Securities to enable easy transfer of your Exchange Traded Products under CHESS.

## 5. General conditions of trade

You acknowledge and agree:

- (a) to comply with these terms and conditions and all applicable legislation and the ASIC Market Integrity Rules, Exchange Rules, ASX Clear Rules and ASX Settlement Rules and the directions, decisions and requirements of each relevant Australian Exchange and the customs and usages of the Market. Copies of the ASIC Market Integrity Rules, Exchange Rules, ASX Clear Rules and ASX Settlement Rules can be inspected at the Licensee's offices on request; and
- (b) all Exchange Transactions are subject to the terms and conditions contained in this agreement, and on the Confirmation issued by or on behalf of Morrison Securities and the Licensee (if any), and to the ASIC Market Integrity Rules, Exchange Rules, ASX Clear Rules, the directions, decisions and requirements of each relevant Australian Exchange and the customs and usages of the Market, the correction of errors and omissions and, if the sale or purchase is in relation to CS Approved Products, the ASX Settlement Rules.

## 6. Account opening

You may apply to open a new Client Account with Morrison Securities and Licensee by completing an Application. Morrison Securities and Licensee may refuse to open a new Client Account for any reason in its absolute discretion.

You warrant and represent that:

- (a) the nominated account is an account in your name;
- (b) if you are more than one person or entity, then each such person or entity shall be jointly and severally liable under these Terms and Conditions;
- (c) if you are acting as trustee, you have the authority to be bound by these Terms and Conditions;
- (d) if you are a corporation, you hold a valid ACN or ABN under the Corporations Act and your principal place of business is in Australia;
- (e) if you are acting as an intermediary on another person's behalf, you are specifically authorised to deal in the relevant Exchange Traded Products, and you have the appropriate AFS Licence;
- (f) if you are a natural person, you are 18 years of age or over; and
- (g) each Order you place and each Exchange Transaction executed for you is lawful and you will at all times be in a position to meet all commitments on your part arising from Exchange Transactions under this agreement.

## 7. Orders and instructions

You agree that, if you wish to place any Order, you must do so with the Licensee, and you authorise the Licensee, as your agent (and not as the agent of Morrison Securities), to communicate your Order and other instructions or information to Morrison Securities. You may only terminate the Licensee's authority to act on your behalf by terminating this agreement.

As a Participant of one or more Australian Exchange, subject to your instructions, Morrison Securities is required to handle and execute Orders in accordance with the ASIC Market Integrity Rules. A copy of the Morrison Securities Best Execution Policy is included with the Morrison Securities Terms and Conditions and, if it is amended by Morrison Securities, Morrison Securities will make such amendments available on its website or through Licensee, or will otherwise notify you of the amended Best Execution Policy.

If (and only if) the Licensee grants you access to the DMA Service, you may also place Orders directly with Morrison Securities through the DMA Service and you agree to be bound by the terms set out in Schedule 3 of the Morrison Securities Terms and Conditions.

Morrison Securities will not act on any Orders or other instructions or information communicated directly to it by you and not through the Licensee (other than an Order placed by you directly with Morrison Securities through the DMA Service if the Licensee grants you access to the DMA Service).

Either the Licensee or Morrison Securities may at any time, in their absolute discretion, refuse to accept any (or may place a limit on any) Order from, or execute Orders (including without limitation Orders relating to Derivatives Transactions) for, you (whether the Order is placed directly by you through the DMA Service or by the Licensee on your behalf). Morrison Securities may also direct the Licensee to refuse to accept any (or to place a limit on any) Orders from you.

# Integrity | Technical Expertise | Professionalism

You acknowledge that Morrison Securities may at any time in its absolute discretion direct Licensee to:

- (a) refuse to accept you as a client or not to accept Orders from you; or
- (b) refuse to accept a particular Order from you.

Morrison Securities will not confirm to you the receipt of, nor will it be responsible for verifying the authenticity of any instructions given to it by or on behalf of you.

Subject to any instructions from you, Morrison Securities will generally execute Orders in the sequence in which they are received. However, you acknowledge and agree that:

- (a) your Order may be automatically crossed against other orders before reaching the Market;
- (b) you will be charged the normal rate of commission by the Licensee for Orders which are crossed with Morrison Securities or the Licensee's principal orders; and
- (c) Morrison Securities or Licensee may not be aware of principal orders that are being (or may be) executed, and that direct market access arrangements and program trading may make it impossible to prevent principal orders from being executed at the same time as (or before) your Order. Accordingly, you agree that Morrison Securities may execute principal orders where your Order on the same terms is outstanding and that this document constitutes disclosure as required by ASIC Market Integrity Rule 5.1.8. Unless you notify Morrison Securities to the contrary, you will be taken to have consented to Morrison Securities (and/or any of its related bodies corporate) trading as Principal with you and agree to pay such commission (if any) on such transactions, each time you place an order with Morrison Securities through Licensee;
- (d) an Order once accepted by Morrison Securities may not be transacted and an Order to transact an AQUA Product through the ASX Managed Fund Settlement Service is subject to acceptance by the issuer of the product and an application for issue or redemption of a product may be rejected; and
- (e) an Order to transact in an AQUA Product is not traded on a Australian Exchange and comprises an application by you to the relevant product issuer. You acknowledge and agree that:
  - (i) Morrison Securities does not control and cannot procure the issue or redemption of AQUA Products or the processing of requests for issue or redemption of, or switch between, AQUA Products;
  - (ii) Morrison Securities has no liability to you or Licensee with respect to any action or failure to take action by an issuer or other Settlement Participant in connection with a request for issue, redemption or switch of AQUA Products including (without limitation) an issuer's failure to issue or redeem AQUA Products or make available redemption monies or to deliver AQUA Products.

## 8. Licensee's use of DMA Service

Morrison Securities may provide a DMA Service to the Licensee under which the Licensee may place your Orders directly into a Trading Platform through an electronic automated client order process. You acknowledge that if Morrison Securities provides a DMA Service to the Licensee:

- (a) there may be delays in the processing, execution, amendment or cancellation of an Order entered through the DMA Service and:
  - (i) an Order may be wholly or partly filled before an instruction for its amendment or cancellation is processed; and
  - (ii) you remain liable to settle the original Order, until any relevant amendment or cancellation is effected;
- (b) the execution of an Order placed through the DMA Service may be delayed by filters or other electronic features of the electronic system;
- (c) neither Morrison Securities or the Licensee is responsible for the processing, execution or cancellation of any Orders submitted through the DMA Service, regardless of who enters such Orders and regardless of whether or not there is an error in the Order entry or for any delays in relation to the same;
- (d) except as required by law, neither Morrison Securities or the Licensee makes any representations or warranties express or implied with respect to the DMA Service;
- (e) there are significant risks in trading through a DMA Service because it is serviced by means of computer and telecommunications systems, even where generally accepted industry standards and practices are followed, including that your data may not be protected, and there are risks that other users of the DMA Service, institutions or brokers may be able to see your Orders and other communications relating to trading and execution without your (or Morrison Securities or Licensee's) consent and that third parties (including persons on private networks) will have the ability to attach to your network; and
- (f) Morrison Securities may terminate the Licensee's participation in the DMA Service at any time without notice to you. If Morrison Securities terminates the Licensee's participation in the DMA Service, any access that the Licensee may have given you to the DMA Service will terminate at the same time.

## 9. Orders relating to sales

You agree that whenever you place a sale Order with the Licensee, you must notify the Licensee whether or not your sale Order is a covered short sale – i.e. a sale where you have, at the time you place the sale Order with the Licensee, a legally binding commitment from a securities lender to lend the securities to you under a Securities Lending Arrangement.

Where your sale relates to a covered short sale, you must also inform the Licensee at the time of placing the sale Order:

- (a) the number of Exchange Traded Products to be sold that are to be delivered under the Securities Lending Arrangement;
- (b) a description of the Exchange Traded Products (e.g. fully paid ordinary shares); and
- (c) the name of the entity that issued the Exchange Traded Products (e.g. BHP Billiton Limited).

You acknowledge that neither the Licensee nor Morrison Securities will be permitted to execute a sale Order for you unless you have informed the Licensee whether or not the sale Order relates to a covered short sale. You agree that, each time you place a sale Order with the Licensee and notify the Licensee that the sale Order relates to a covered short sale, you will be taken to have warranted and represented to Morrison Securities and the Licensee that the sale will meet the requirements and conditions of the Corporations Act, Corporations Regulations and ASIC Class Orders (if any) (as amended from time to time) relating to covered short sales, (including without limitation that you have obtained a legally binding commitment from a securities lender to lend the relevant securities to you under a Securities Lending Arrangement).

## 10. Settlements

### 10.1 Settlement date and time

The Settlement Date and Time for sales or purchases is the date and time specified on the relevant Confirmation, or if no date and time are specified, it is 9.00am (Sydney time) on the second Business Day after the execution of the Exchange Transaction or, in the case of a Derivatives Transaction, on the first Business Day after execution of the Derivatives Transaction.

### 10.2 Warranties by the client

You represent and warrant that before placing any Order with us:

- (a) you will be in a position to pay the Commission (if any) in respect of the transaction which will result from execution of the Order;
- (b) you will be in the position to pay for any Exchange Traded Products purchased and have a presently exercisable and unconditional right to vest any Exchange Traded Products sold to enable settlement at Settlement Date and Time
- (c) in the case of a Derivatives Transaction, have the means to meet the obligations and margin requirements in respect of the Derivatives Transaction;
- (d) if your Order relates to mFund Products, that you will be in a position pay Morrison Securities the issue price of the mFund Products to be issued to you and have a presently exercisable and unconditional right to deliver any mFund Products to be redeemed, in enable settlement at the Settlement Date and Time;
- (e) if your Order relates to the purchase of a Partly Paid Security, you have made arrangements (to Morrison Securities satisfaction) to pay to Morrison Securities a sufficient amount to cover any liability arising from all possible future calls in respect of the Partly Paid Securities; and
- (f) you will not place an Order for an AQUA Product unless you have received and read the Product Disclosure Statement relating to the product and the ASX Fact Sheet in relation to the ASX Managed Fund Settlement Service.

### 10.3 Purchases

You agree to and must ensure that all funds required to settle the relevant Exchange Transaction, and all brokerage, taxes costs, duties and charges in respect of that Exchange Transaction, are made available in your Cash Account before you place the Order in respect of that Exchange Transaction for withdrawal by Morrison Securities. Payment in cash is not acceptable.

On the execution of an Exchange Transaction, which will, on settlement, require you to pay an amount of money to the Licensee, Morrison Securities, you acknowledge that the amount will be “locked” in your Cash Account. From that time, you will not be entitled to withdraw those “locked” funds from the Cash Account. Only Morrison Securities will be entitled to use those funds for the purposes of settling the relevant transaction or otherwise as permitted under this agreement.

You authorise Morrison Securities to:

- (a) appropriate any credits, payments receipts or amounts to which you are entitled (including amounts standing to the credit of any trading or cash management trust account); and

(b) set off those credits, payment, receipts or amounts against any amount due or owing by you to Morrison Securities.

Neither Licensee, nor Morrison Securities is required to transfer you any Exchange Traded Products or other financial products acquired or purchased on your behalf, until Morrison Securities has been paid in full for the relevant acquisition.

## 10.4 Settlement using BPAY facility

If you would like to make payment from your cheque or savings account by BPAY, please make arrangements with your participating financial institution. Please quote the Biller Code and your BPAY reference number (see the front page of the relevant Confirmation (if any)).

## 10.5 Sales

All documents and Security Holder Information (including the holder identification number and if applicable, holder reference number) must be received in a deliverable form two Business Days prior to the Settlement Date and Time.

Credits in respect of sales are not available until the latest of:

- (a) the Settlement Date and Time;
- (b) when all documents and Security Holder Information have been received in a deliverable form; or
- (c) all amounts due and payable by you to Morrison Securities have been paid.

Sale proceeds will be paid directly to you unless Morrison Securities has agreed alternative arrangements with you.

## 10.6 Confirmations

You will be given Confirmations as required by the Corporations Act and the ASIC Market Integrity Rules. You acknowledge that these may be in the form of a confirmation given jointly by the Licensee and Morrison Securities.

You authorise the Licensee and Morrison Securities to dispatch confirmations to you electronically to the email address notified to Morrison Securities by the Licensee on your behalf from time to time for this purpose.

You must promptly check the accuracy of every confirmation sent to you and notify the Licensee immediately of any error that you consider may have occurred. If the Licensee does not receive any such notification from you within 24 hours, you will be taken to have accepted the accuracy of the Confirmation.

A Confirmation may at any time be re-issued to you in order to correct any errors or omissions and the terms and conditions of the original Confirmation will apply in relation to the reissued Confirmation.

If you are a Wholesale Client for the purposes of the ASIC Market Integrity Rules, Morrison Securities and the Licensee may elect not to give any Confirmations to you in relation to Exchange Transactions executed for you. If Morrison Securities and the Licensee so elect, this document is taken to be the notification required to be given by Morrison Securities to you under the ASIC Market Integrity Rules.

Where Morrison Securities enters into multiple Exchange Transactions in order to complete your Order, you authorise Morrison Securities and the Licensee to accumulate those Exchange Transactions (whether executed on the same Australian Exchange or otherwise) on a single Confirmation and to specify the volume weighted average price for those Exchange Transactions on that Confirmation. If requested by you, Morrison Securities will, if required under the ASIC Market Integrity Rules, give you a statement of all the individual prices of the relevant transactions which are accumulated and averaged in a Confirmation.

If you are a Wholesale Client for the purposes of the ASIC Market Integrity Rules, Morrison Securities may elect not to give any Confirmations to you in relation to Exchange Transactions executed for you. If Morrison Securities so elects, this agreement taken to be the notification required to be given by Morrison Securities to you under the ASIC Market Integrity Rules.

## 10.7 Failure to settle

If you fail to settle by failing to make payment, or deliver any documents or Security Holder Information to Morrison Securities in accordance with the relevant Confirmation, the Morrison Securities Terms and Conditions or this agreement and Morrison Securities exercises its right to assign the relevant debt to us, Morrison Securities and the Licensee may do one or more of the following:

- (a) pass on to you all costs incurred as a result of that failure;
- (b) charge an administration fee calculated by reference to the additional cost which may be incurred by Morrison Securities or the Licensee as a result of your failure to settle;
- (c) levy a default charge on the amount from time to time outstanding at a rate which Morrison Securities or Licensee would be required to pay on an overdraft facility with its then current bankers;

- (d) charge interest on any debit balances resulting from the failure to settle;
- (e) sell out (or procure the sale of) any securities or other financial products purchased on your behalf (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Morrison Securities or Licensee;
- (f) sell out (or procure the sale of) any securities or other financial products otherwise held by Morrison Securities or the Licensee on your behalf (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to Morrison Securities or Licensee;
- (g) buy-in (or procure the purchase of) any securities or other financial products sold (with you being fully responsible for any loss in connection with such purchase) and recover the costs in so acting (and you acknowledge and agree that Morrison Securities may be obliged to do so under the ASX Settlement Rules if you have failed to settle the sale or ensure that the sale is settled by the fifth Business Day after the relevant sale order was executed);
- (h) apply any cash held by Morrison Securities or the Licensee on your account to which Morrison Securities or the Licensee has access, or payments received for or from you, to reduce your liability to Morrison Securities or Licensee; and
- (i) cancel or instruct either Morrison Securities or Licensee to cancel any of your unexecuted orders,

and you authorise Morrison Securities and Licensee and each of their respective directors and employees as your attorney to give instructions on your behalf in respect of your Exchange Traded Product holdings sponsored by Morrison Securities or the Licensee in CHESSE, or held by any of their related bodies corporate in nominee holdings, and in respect of call deposit facilities or cash management trust accounts on which they are authorised to give instructions, to enable Morrison Securities or Licensee to realise those Exchange Traded Products or funds and apply the proceeds in reduction of your liability to Morrison Securities or Licensee and to recover Morrison Securities or Licensee's costs in so acting.

If you fail to settle, Morrison Securities may make arrangements on your behalf to ensure that your settlement obligations are performed (including by buying-in or borrowing the relevant Exchange Traded Products).

If you have not met your settlement obligations owed to Morrison Securities in respect of an Exchange Transaction executed for you by Morrison Securities by the date which is 4 Business Days after the Settlement Date and Time, it is Morrison Securities policy (and Morrison Securities may be obliged under the ASX Settlement Rules), without any notice to you:

- (a) in the case of a purchase, to execute an Exchange Transaction to close out the failed purchase (by selling the relevant Exchange Traded Products); or
- (b) in the case of a sale, to execute an Exchange Transaction to close out the failed sale (by buying-in the relevant Exchange Traded Products), and recover any resulting loss from you.

You are responsible to indemnify each of Morrison Securities and Licensee against all costs (including legal costs on a full indemnity basis), expenses, damages and losses arising in connection with any settlement failure referred to above including, without limitation, any consequential loss, brokerage, stamp duty, taxes, penalties, interest and legal costs.

You must pay or reimburse Morrison Securities and Licensee any such administration fees and default charges and any amounts covered by the indemnity as above (together with any GST payable on those amounts) immediately upon demand. Morrison Securities and Licensee may deduct any of those amounts (and any GST) from any sale proceeds or other amounts otherwise payable to you.

Neither Licensee nor Morrison Securities will be liable to you for any failure by Licensee or Morrison Securities to exercise (or any delay in the exercise by either or them of) any right either or them may have against you, or any loss incurred by you as a result of either of them not exercising any of its rights against you immediately, or at all, following any failure by you to comply with your obligations.

The rights described in this clause 10.7 are in addition to any rights that are conferred to Morrison Securities under the Exchange Rules and the ASX Clear Rules.

## 11. Cancellations

You authorise Morrison Securities to, and agree that Morrison Securities may, without your consent, cancel or amend (or request or agree to the cancellation or amendment of) any Exchange Transactions or Crossing relating to the sale or purchase (as the case may be) of Exchange Traded Products:

- (a) if an Australian Exchange exercises its power under the ASIC Market Integrity Rules to cancel or amend (or require the cancellation or amendment of) the Exchange Transaction or Crossing; or



- (b) in the event of an error or otherwise in the circumstances contemplated in the ASIC Market Integrity Rules, your obligations in relation to the settlement of an Exchange Transaction cease to apply in respect of a cancelled transaction from the time it is cancelled.

Your obligations under this agreement and Morrison Securities obligations in relation to the settlement of an Exchange Transaction, will no longer apply in respect of a cancelled transaction from the time it is cancelled or, in the case of an amended Exchange Transaction, apply as amended.

## 12. Disclosure of interest

You acknowledge that Licensee or Morrison Securities may execute Orders for you in circumstances where Licensee or Morrison Securities or any of their respective associates:

- (a) holds a principal position or deals in the Exchange Traded Products;
- (b) provides similar services to other persons in relation to the Exchange Traded Products;
- (c) takes the opposite position in a Exchange Transaction (including a Crossing either acting for another client entitling Licensee or Morrison Securities to charge commission on both sides of the transaction or on their own account);
- (d) sponsors or underwrites a new issue involving the Exchange Traded Products;
- (e) has material price sensitive information relating to Exchange Traded Products where the individuals processing your Order are prevented from knowing or taking into account such information by reason of Chinese Walls; or
- (f) has a potential conflict of interest of which you are not aware and which it is unable to disclose to you.

## 13. Fees and charges and amounts owing

You acknowledge and agree that if you fail to perform any of your Clients Obligations Morrison Securities may (whether or not Morrison Securities has exercised or attempted to exercise any of its rights against you in respect to that failure) by notice to Licensee and you, assign to Licensee the relevant Client Debt, in which event Licensee immediately become liable to pay the full amount of the Client Debt to Morrison Securities.

You agree to pay Morrison Securities (or Licensee as Morrison Securities' agent) on demand all Exchange Transaction fees and charges, including our commission, software fees and other duties and taxes payable at the rates determined by Morrison Securities or Licensee from time to time and notified to you in writing.

You agree to pay Licensee or Morrison Securities on demand interest on any amounts owing to Licensee or Morrison Securities, at the rate at which Licensee or Morrison Securities would be required to pay on an overdraft facility with its current bankers at the relevant time.

## 14. GST

If Licensee or Morrison Securities is liable to pay GST on any supply made to you under or in connection with this agreement or the Morrison Securities Terms and Conditions, you must in addition to and at the same time as you are required to pay the GST exclusive amount in respect of the relevant supply, pay to Licensee or Morrison Securities an amount equal to the amount of GST for which Licensee or Morrison Securities is liable in connection with the relevant supply.

## 15. Interest on Morrison Securities' trust account

You acknowledge that the Morrison Securities will retain the interest (if any) earned on monies held in its trust account from time to time.

## 16. Indemnity

In addition to the above, if as a result of failure by you to settle, or other breach by you of this agreement or other agreement with Licensee, Licensee or any of its related entities, employees, agents and representatives (each an **Indemnified Person**) suffers any claim, liability, direct or consequential loss or incurs any cost, charge or expense of any nature, you must on demand fully indemnify each Indemnified Person and keep each of them fully indemnified in respect of such claim, liability, loss, cost, charge or expense.

## 17. Information

You warrant that all information provided by you to Morrison Securities or Licensee (including in your Application) is, or will be when given, accurate, true and correct and further agree to immediately notify Morrison Securities and Licensee in writing upon becoming aware that such information is no longer accurate, true and correct including any change in address, telephone number or email address.

You agree that Morrison Securities and Licensee may share such information, as well as your account details and information regarding your transactions in Exchange Traded Products with each other and with Morrison Securities' related bodies corporate on a confidential basis as Morrison Securities and Licensee considers appropriate. You also consent to Morrison Securities and the Licensee disclosing such information and your account details to any regulatory authority, and consent to each of them using such information and your account details for the purposes of monitoring compliance by you, or any of them with their respective regulatory and contractual obligations, and resolving disputes.

## 18. Tax File Number

Licensee is an Australian financial service licensee that is authorised by law to request your TFN. You are not required to provide your TFN and failing to provide your TFN to Licensee is not an offence. If Licensee is unable to quote your tax file number or exemption to registries, it may be obliged to take tax at the highest marginal rate from any dividends, distributions, interest and payments to which you are entitled. Accordingly, failing to provide your TFN or not permitting Licensee to quote it in relation to an investment may have taxation consequences. You may wish to seek independent advice in this regard.

By providing a TFN and signing the Application Form you:

- (a) appoint Licensee as your agent and request and authorise Licensee to;
  - (i) provide your Tax File Number to all investment bodies with whom Licensee acts on your behalf;
  - (ii) apply your TFN to any investment or account which you may in future make or open with or through Licensee (and their related bodies corporate) to which your TFN may lawfully be applied; and
- (b) acknowledge that this authority will apply until such time as it is revoked in writing to Licensee.

Despite the other terms in this section, you may instruct Licensee in writing at the time of making an investment, not to quote your TFN in relation to that investment.

## 19. Electronic Verification

Licensee may use the personal information collected about you in the Application Form for any purpose stated in the Privacy Statement as well as for the purposes of verifying your identity in accordance with our obligations under the Anti-Money Laundering Laws. Licensee conduct electronic verification checks which means:

- (a) We may disclose personal information about you to a credit reporting agency for the purposes of providing an assessment as to whether the personal information matches (in whole or part) information contained in a credit information file in the possession or control of the credit reporting agency;
- (b) The credit reporting agency may provide us with the assessment; and
- (c) The credit reporting agency may use the personal information (including your name, residential addresses and date of birth) contained in credit information files of other individuals, for the purpose of preparing the assessment.

Other uses of your personal information by the credit reporting agency are restricted under Privacy laws. By agreeing to this agreement, you consent to us providing your personal information to a credit reporting agency for electronic verification purposes. However, if you do not consent to electronic verification as contained in the declarations section of the Application Form, you will need to provide us with original certified copies of documents so that we can verify your identity manually.

## 20. Acknowledgements

You acknowledge that:

- (a) you have received a copy of the Morrison Securities and Licensee Financial Services Guides (**FSG**). Each of Morrison Securities and Licensee reserves the right to change their respective FSG at any time without notice, subject to its obligations under the Corporations Act. A copy of each current FSG can be obtained on the website of Licensee and Morrison Securities (as the case may be) or on request to Licensee;
- (b) if you have been referred to Morrison Securities or Licensee by or on behalf of a broker or other third party, that broker or third party may receive benefits in the form of a commission or rebate from us;
- (c) you have read and understood all documentation provided to you by Morrison Securities and Licensee including this agreement, any product disclosure statement, ASX Explanatory Booklet for Understanding Options Trading and Understanding Trading and Investment Warrants (if applicable); and
- (d) where you receive Confirmations by electronic means only, you accept that the conditions set out in the ASIC Market Integrity Rules apply.

## 21. No advice

You acknowledge that Morrison Securities does not provide financial product advice, and does not accept responsibility for any financial product advice given to you by any other party. To the maximum extent permissible by law, you agree that you must not represent to any person that Morrison Securities has given any financial product advice to you. Morrison Securities has no liability (including in negligence) for any investment decisions made by you or any Exchange Transactions executed on your behalf, including any diminution in value, in or for your account.

## 22. Instructions by fax or e-mail

You acknowledge and agree that;

- (a) you are and will at all relevant times be authorised to make communications to Licensee (who will pass on those communications to Morrison Securities on your behalf) (including as the case may be, to give instructions in respect of transactions in respect of Exchange Traded Products) by email and fax;
- (b) communication by email and/or fax is not a secure means of communication and involves higher risks of distortion, manipulation and attempted fraud;
- (c) fax communications may be of poor quality or unclear;
- (d) you authorise Licensee and Morrison Securities to accept and act without any inquiry upon, communications (including instructions) provided by email and/or fax which appear to Licensee or Morrison Securities to have been provided by or for you; and
- (e) you indemnify Licensee and Morrison Securities in respect of any and all claims, liabilities, direct or consequential losses, costs, charges or expenses (of any nature) incurred or suffered by Licensee or Morrison Securities as a result of Licensee or Morrison Securities acting on communications (including instructions) provided by email and/or fax.

## 23. Credit references

You agree that Licensee and Morrison Securities may make such enquiries as it thinks fit of any person, including your employer, your bank or a credit agency relating to your creditworthiness.

## 24. Anti-Terrorism/Money Laundering

You acknowledge that we are subject to various anti-money laundering and counter-terrorism financing laws (**AML/CTF Laws**) which may prohibit us from offering services or entering into or conducting transactions. You agree that we are not required to take any action or perform any obligation under or in connection with this document if we are not satisfied as to your identity or where we suspect on reasonable grounds that by doing so we may breach the AML/CTF Laws.

You acknowledges that the AML/CTF Laws include prohibitions against any person dealing with the proceeds of or assets used in criminal activity (wherever committed) and from dealing with any funds or assets of, or the provision of finance to, any person or entity involved (or suspected of involvement) in terrorism or any terrorist act.

You agree that we may delay, block or refuse to make any payment or to provide any service if we believe on reasonable grounds that to do so may breach any law in Australia or any other country, and we will incur no liability to you if we do so.

You agree to provide all information and documents to us which we reasonably require to comply with any law in Australia or any other country, including any AML/CTF Laws. You agree that we may disclose information which you provide to us, or about transactions you are or seek to conduct with us, where we are required to do so by any law in Australia or any other country.

You represent and warrant to us that the payment of monies by us in accordance with this document, or any instructions given by you, will not breach any law in Australia or any other country.

## 25. Variation and termination

Licensee may amend this agreement from time to time. Licensee will give you 10 days' notice of any amendment, after which time, the amendment will become effective.

Licensee may terminate this agreement immediately if you engage in any market manipulation, fraudulent conduct or conduct in breach of the Corporations Act. Licensee may terminate this agreement at any time and without any reason by giving you five Business Days' notice. Termination does not affect outstanding obligations under this agreement which are undischarged at the time of termination. Each indemnity in this agreement survives the termination of this agreement.

## 26. Notices

Notices given by Licensee must be in writing and may be sent to the address, fax number or email address specified in your Application or later notified by you, or by posting the notice on its website. Any notice or Confirmation given by Licensee is taken to have been received on the business day following the transmission or posting of the notice, demand or Confirmation.

Where a Client Account is opened in the joint names of more than one client, each of you agrees that Licensee may discharge any obligation it has to give a notice or a document to you under this agreement or the Corporations Act by giving notice to any one of you.

## 27. Authorised Agents

You may at any time, by notice to Licensee, revoke the appointment of an Authorised Agent and substitute another person as Authorised Agent. Where another person is appointed Authorised Agent, the notice must include the full name, telephone number, fax number, and email address of that person and be verified by you and, in the case of a corporate client, by a Director of the client.

You are and will remain solely liable and responsible for all acts and omissions of your Authorised Agent notwithstanding that an act or omission of the Authorised Agent was outside their actual or ostensible authority or in error, fraudulent, negligent, in breach of its fiduciary duties or criminal.

You agree not to make, and release Licensee from any right that you may have to make, any Claim against Licensee for any Loss incurred or suffered by you which may arise in connection with any act or omission by the Authorised Agent.

## 28. Complaints

Complaints should be referred to Licensee in accordance with the procedure in the Financial Services Guide provided to you.

## 29. National Guarantee Fund

As Morrison Securities is a Trading Participant of one or more Exchanges and a Clearing Participant of ASX Clear, you may make a claim on a compensation fund (such as the National Guarantee Fund (**NGF**) or the Chi-X Fidelity Fund) in the circumstances specified under part 7.5 of the Corporations Act and the Corporations Regulations. For more information on the circumstances in which you may make a claim on a compensation fund contact:

- in relation to transactions on ASX and the NGF, you can contact ASX or the Securities Exchanges Guarantee Corporation Limited ABN 19 008 626 793; or
- in relation to transactions on another Australian Exchange, you can contact that Australian Exchange.

The Chi-X Operating Rules require the following disclosure to be given to retail clients of Morrison Securities:

*"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 stockbroker 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 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)). Note that if your stockbroker is not an ASX participant, the NGF will not apply in any circumstance."*

Neither Licensee nor Morrison Securities takes responsibility for the accuracy of this disclosure. If you have any queries concerning the content of the above disclosure, please contact Chi-X directly on (02) 8078 1700.

Each of Licensee and Morrison Securities has professional indemnity insurance which it considers is adequate having regard to:

- (a) the volume and types of business carried on by it; the number and types of its clients; the number of its representatives; and
- (b) any particular or potential claims that may arise pursuant to our participation in external dispute resolution schemes, including the FOS scheme.

Licensee and Morrison Securities considers that their respective compensation arrangements satisfy the requirements of section 912B of the Corporations Act and associated regulations.

## 30. Governing law

This agreement is governed by the law in force in Victoria and you and Licensee submit to the non-exclusive jurisdiction of the court of Victoria and courts which may hear appeals from those courts.

## 31. Definitions

**this agreement** means the agreement constituted by your acceptance of the terms and conditions contained in this document and the Morrison Securities Client Agreement (including the Schedules to that document) and the additional Parts to that Agreement, including Part I, being the Morrison Securities Derivatives Client Agreement.

**ASIC** means the Australian Securities and Investment Commission.

**ASIC Market Integrity Rules** means the ASIC Market Integrity Rules (Securities Markets) 2017, as amended from time to time.

**ASX Clear Rules** means the operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ASX Clear, as amended from time to time.

**AFS Licence** means an Australian financial services licence issued under the Corporations Act.

**Application** means an application to open a Client Account with Morrison Securities.

**ASX Operating Rules** means the operating rules, procedures, directions, decisions requirements, customs, usages and practices of ASX, as amended from time to time

**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532) or another clearing facility approved to clear securities and other financial product transactions effected on ASX.

**ASX Settlement Rules** means the operating rules, procedures, directions, decisions requirements, customs, usages and practices of ASX Settlement, as amended from time to time.

**Australian Exchange** means ASX or Chi-X or NSX and, without limitation, any other exchange on which Morrison Securities transacts Orders, or the financial markets operated by them (as the context requires).

**Authorised Agent** means the person (if any) described as the authorised agent of you in the Application or another person notified by you to Morrison Securities in writing.

**Business Day** has the meaning given to it in the ASIC Market Integrity Rules.

**Cash Account** means an account with a bank, other deposit taking institution or a cash management trust, approved by Morrison Securities for the purposes of this agreement from time to time.

**CHESS** means the Clearing House Electronic Sub-register System operated by ASX Settlement.

**Chi-X** means Chi-X Australia Pty Ltd ABN 47 129 584 667.

**Clearing Participant** means a person admitted as a participant under the ASX Clear Rules.

**Client Account** means a trading account with Morrison Securities.

**Client Debt** means:

- (a) in relation to an Exchange Transaction for a client means the sum of:
  - (i) in the case of a purchase, the purchase price for the relevant Exchange Traded Products and, in the case of a sale, the cost of buying in the Exchange Traded Products in order for Morrison Securities to meet its clearing obligations; and
  - (ii) if applicable, any amount referred to in clause 13, and any amount recoverable by Licensee or Morrison Securities from the client under the relevant Exchange Rules, the Morrison Securities or this agreement, the Morrison Securities Terms and Conditions or the Confirmation in the event that the client fails to perform and of its obligations and
- (b) in relation to a Derivatives Transaction any amount owing by a client to Morrison Securities in respect of its Client Obligations,

and, when the context requires, includes any amount owing to Morrison Securities or Licensee including any Client Debt assigned by Morrison Securities to Licensee.

**Client Obligations** means all obligations owed by a client to Licensee or Morrison Securities in accordance with any client agreement, Confirmations and derivatives daily statements sent to the client, the Exchange Rules, ASX Clear Rules, ASX Settlement Rules, ASIC Market Integrity Rules and the Corporations Act. including the obligations of the client:

- (a) owed (or in respect of Principal Transactions, by the Licensee) to Morrison Securities in respect of Exchange Transactions;

- (b) under this agreement or the Morrison Securities Terms and Conditions or the Morrison Securities Derivatives Client Agreement to pay moneys or provide other security to Morrison Securities in connection with the obligations incurred by Morrison Securities in relations to Derivatives Transactions executed on behalf of that client;
- (c) in respect of any Derivatives Contract in relation to which Morrison Securities has submitted an Exercise Notice to ASX Clear on behalf of that client and any sale or purchase of any Underlying Financial Products which results;
- (d) in respect of any Derivatives Contract in relation to which that client is the writer and an Exercise Notice has been allocated by ASX Clear and any sale or purchase of any Underlying Financial Products which results;
- (e) in respect of any Derivatives Transaction executed on the instruction of the client or by Morrison Securities under the Morrison Securities Derivatives Client Agreement in order to close out any Derivatives Contract held by or on behalf of that client; and
- (f) to pay the commission or any ASX or ASX Clear fees to Morrison Securities in accordance with this agreement, the Morrison Securities Terms and Conditions or the Morrison Securities Derivatives Client Agreement.

**Confirmation** means any confirmation issued by Morrison Securities or Licensee or on its behalf on execution of an order and includes an electronically transmitted confirmation.

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

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

**Crossing** has the meaning given to it in the ASIC Market Integrity Rules.

**Derivatives Transaction** has the meaning given to Derivatives Market Transaction in the ASIC Market Integrity Rules.

**Derivatives Contract** means, as the context requires, a Derivatives Market Contract (as defined in the ASX Operating Rules) and/or a Derivatives CCP Contract (as defined in the ASX Clear Rules) and/or the corresponding contract between Morrison Securities and the client.

**Derivatives Products** has the meaning given to it in Part I of the Morrison Securities Client Agreement, being the Morrison Securities Derivative Client Agreement .

**Derivatives Transaction** has the meaning given to Derivatives Market Transaction in the ASX Clear Rules and where the context requires, includes the sale or purchase of Underlying Financial Products following the exercise of a Derivatives Contract.

**DMA Service** means service under which a person enter orders to be registered in Morrison Securities' system and, if accepted for submission into a Trading Platform of an Australian Exchange by Morrison Securities, submitted as corresponding Trading Messages without being re-keyed by a Designated Trading Representative of Morrison Securities.

**Exchange Rules** means the operating rules of each Australian Exchange and the ASIC Market Integrity Rules.

**Exchange Traded Products** has the meaning given to Cash Market Products in the ASIC Market Integrity Rules.

**Exchange Transaction** has the meaning given to Cash Market Transaction in the ASIC Market Integrity Rules.

**Exercise Notice** has the meaning given to it in ASX Clear Rules.

**Licensee** means Sequoia Asset Management Pty Ltd ABN 70 135 907 550, AFSL 341506.

**Loss or claim** includes without limitation any expense, costs, liability, claims, damages, fees, taxes, duties, penalties, interest, legal costs (on a full indemnity basis), judgement, consequential, special or indirect loss or loss of prospective profits.

**Market** means the market operated by the relevant Market Operator under the ASIC Market Integrity Rules.

**Morrison Securities** means Morrison Securities Pty Ltd ABN 50 002 430 342 AFSL 241737.

**Order** means any order placed by you with Morrison Securities to purchase or sell or otherwise deal in Exchange Traded Products.

**Partly Paid Security** has the meaning given to it in the ASIC Market Integrity Rules.

**Settlement Date and Time** means the date and time specified on the relevant Confirmation, or if no date and time are specified, it is 9.00am (Sydney time) on the second Business Day after the execution of the Market Transaction

**Securities Lending Arrangement** has the meaning given to it in section 1020AA of the Corporations Act.

**Trading Participant** has the meaning given to that term in the ASIC Market Integrity Rules.

**Underlying Financial Products** has the meaning given to it in the ASX Clear Rules.

# Integrity | Technical Expertise | Professionalism

**Warrant** has the meaning given to it in the ASIC Market Integrity Rules.

**We, us, our** means Licensee or Sequoia Asset Management Pty Ltd ABN 70 135 907 550 AFSL 341506

**You** means the person or persons in whose name the Client Account is opened with the Licensee or named on the account opening or application form as the client. If that is more than one person, "you" means each of them separately and every two or more of them jointly. "You" includes your successors and assigns.

Words expressed in the singular include the plural and vice versa.

Unless the context otherwise requires, a reference to a document or agreement includes any variation or replacement of it and a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision.

Words used in this document have the meanings given to them in the ASIC Market Integrity Rules, Exchange Rules, ASX Clear Rules or the ASX Settlement Rules. If you require a copy of these definitions please contact Licensee.

If you are a joint holder, these terms and conditions bind each person jointly and severally, and each person is authorised to issue instructions to Licensee, Morrison Securities and give receipts to them in relation to any purchase or sale of Exchange Traded Products or other matters to which these terms and conditions relate.

You agree that in the event of any inconsistency between this document and any applicable laws, the ASIC Market Integrity Rules, Exchange Rules, ASX Clear Rules or ASX Settlement Rules, the latter will prevail to the extent of the inconsistency.

You acknowledge that this document is not exhaustive and agree to be bound by other policies and procedures which concern the operations of your account with Licensee or Morrison Securities as notified to you from time to time.

Director 1 name

Signature

Date

Director 2 name

Signature

Date