



the sharemarket college

CLIENT AGREEMENT AND DISCLOSURE DOCUMENT

Important Client Account Opening Information

Any person who wishes to trade with The Sharemarket College Pty Ltd must become a Client of Sonray Capital Markets Pty Ltd ("Sonray") in order to trade securities, derivatives, deposit and payment products, foreign exchange, government securities and miscellaneous financial investment products (warrants on managed investments) (together "financial products") must satisfy the following preconditions:

- Execution of this Agreement and the Risk Disclosure schedule;
- Provision of all such information requested, including identification and verification documentation, ACN, certified copies of constituent documentation and the Client's TFN;
- Provision of a third party guarantee/indemnity if so requested by Sonray;
- Read and understand the Financial Services Guide, the Product Disclosure Statements and the additional risk disclosures provided herewith;
- Understand and acknowledge that exchange traded securities and derivatives trading will be governed by the applicable rules of the exchange and the Corporations Act 2001 (Cth);
- Understand and acknowledge that during times of unusual market volatility, initial margins may be increased intra-day and margin calls may need to be met intra-day by the Client;
- Provision of 24 hour contact details when the Client has open positions; and
- Understand and acknowledge that Sonray reserves the right to close out the Client's position if margin calls are not met within the time specified by Sonray.

Please note

- You should take all reasonable steps to fully understand the outcomes of trades and strategies adopted in relation to utilising the advice provided by Sonray. We recommend that you seek independent advice to ascertain whether entry into this Agreement and the various transactions contemplated hereby, are appropriate and suitable for your financial needs, objectives and circumstances; and
- Where Sonray provides personal advice to retail clients, a Statement of Advice shall be issued to you.
- The Sharemarket College Pty Ltd is an authorised representative (Rep No 290845) of Sonray Capital Markets Pty Ltd (AFSL 231151).

Client identification documentation provided:
[certified copies must be provided]

- ALL SIGNATORIES** must complete the 100 point check as set out in Schedule 2
In addition, all Company/Partnership/Joint Venture/Trust/Superannuation Fund accounts must provide the following:
 - Certificate of Incorporation (or equivalent) [*for companies*]
 - Certified copy of Partnership Agreement [*for partnerships*]
 - Certified copy of Joint Venture Agreement [*for Joint ventures*]
 - Relevant extract from Trust Deed or Superannuation Fund deed [*for trusts*]
 - Australian Drivers Licence No:; or
 - Passport No:; PLUS
 - Utility bill, credit card statement, bank statement, etc [*for individuals*]

CLIENT AGREEMENT AND DISCLOSURE DOCUMENT

This Client Agreement (the "Agreement") is dated200.... and is between:

Sonray Capital Markets Pty Ltd [ACN 086 300 950] ("Sonray") and

.....[ACN.....] ("Client").

This Agreement shall replace any prior or existing service agreement between the parties and shall apply to any existing arrangements currently operating between the parties.

The parties hereby agree and acknowledge the following:

1. PURPOSE

The Client wishes Sonray to deal in exchange-traded and over-the-counter financial products on their behalf in accordance with the Client's instructions from time to time, and in accordance with the terms and conditions contained in this Agreement.

2. INTERPRETATION

In this Agreement unless a different intention is expressed, the following terms (as subsequently modified by amended legislation or regulation) shall mean:

"**agent**" means a legal entity undertaking a transaction or function on behalf of another legal entity but in its own name;

"**Agreement**" means this client agreement and any schedules or other documents annexed or incorporated by reference;

"**Business Day**" means a day on which trading banks in Melbourne Australia are open for business;

"**contract**" means any contract whether verbal or written, for the purchase or sale of a financial product, entered into by the Client;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**financial product**" shall include securities, derivatives, deposit and payment products, foreign exchange, government securities and miscellaneous financial investment products (warrants on managed investments), whether traded on an eligible exchange or over-the-counter, as those terms are defined in the applicable legislation or governed by market convention;

"**operating rules**" shall mean the rules, regulations, customs and practices from time to time of any exchange, clearing house or other organisation or market involved in the execution or settlement of any financial product transaction or contract;

3. CLIENT REPRESENTATIONS AND WARRANTIES

- i. The Client represents and warrants to Sonray that:
the Client is duly organised and validly existing (or, if an individual, is of legal age and is under no legal disability or incapacity) and has full power and authority to enter into, and has taken all necessary steps to enable it lawfully to enter into, this Agreement and the transactions contemplated thereunder, and perform its obligations thereunder;
- ii. the person executing this Agreement has full power and authority to execute the Agreement on behalf of the Client, and bind the entity (whether individual, company, partnership or otherwise);
- iii. this Agreement constitutes a legal, valid and binding obligation of the Client;

- iv. where the Client is more than one person they shall each be jointly (together) and severally (individually) liable;
- v. where the Client is a Trustee, the Trust deed specifically empowers and authorises dealings in the financial products, and such dealings are within the authorised ambit of the Trust's investment strategy;
- vi. where the Client is a Joint Account, that all such decisions made, and instructions issued, pursuant to this Agreement, are made on a fully informed and agreed basis by all the parties to the Joint Account;
- vii. where the Client is an investment manager or a Responsible Entity, the investment management agreement or fund constitution specifically empowers and authorises dealings in the financial products, by the Client and on behalf of their underlying clients; and
 - a. such dealings are within the authorised ambit of the/each underlying client's investment strategy;
 - b. it will enter into transactions pursuant to the applicable investment management agreement as investment manager or Responsible Entity and not otherwise;
 - c. it will only deal in financial product transactions when the funds or other assets under its control are sufficient to meet the obligations which arise in connection with such dealing;
 - d. in the event of termination of the Client's appointment as investment manager or Responsible Entity of the Client, it is authorised to arrange for closing out of all contracts entered into on behalf of the Client prior to the date of such termination as soon as possible; and
 - e. repeats each of these representations and warranties in relation to both itself and its underlying clients;
- viii. is not an employee or the close relative of an employee of any exchange participant;
- ix. the Client has read this Agreement and the risk disclosures, has considered its objectives and financial situation and has been advised by Sonray to obtain appropriate independent advice prior to entering into this Agreement, and has formed the opinion that dealing in the financial products is suitable for the Client's needs and purposes;
- x. the Client is willing and able, financially and otherwise, to assume the risk of trading in high risk investments;
- xi. all information supplied to Sonray by the Client is, or at the time it is supplied will be, accurate in all material respects and the Client will not omit or withhold any information which would make such information inaccurate in any material respect;
- xii. the Client shall, where so required, provide herewith to Sonray a valid and binding guarantee and indemnity in favour of Sonray as a precondition of entering into this Agreement;
- xiii. the Client will provide to Sonray on request such information regarding its financial and business affairs and/or identity, as Sonray may reasonably require;
- xiv. in executing this Agreement, the Client will appoint Sonray as its agent for the purpose of dealing in financial products in accordance with the terms of this Agreement;
- xv. the Client and Sonray are bound by the applicable financial product laws, Corporations Act, applicable exchange operating rules, customs, usages and practices (as modified from time to time) of the applicable exchange and clearing houses where any dealing takes place;
- xvi. that all orders to be placed and all trading to be conducted under this Agreement are lawful;
- xvii. in executing and complying with this Agreement, the Client will not infringe any provisions of any other document or agreement to which the Client is a party; and
- xviii. the Client will take all reasonable steps to obtain and communicate to Sonray all information, and shall deliver or cause to be delivered to Sonray all documents with respect to

dealings in the financial products which are requested by any person having the right to request such documents and information. The Client authorises Sonray to pass on/deliver all such information and documents to any such person.

4. CLIENT ACKNOWLEDGEMENTS

The Client acknowledges to Sonray that:

- i. Sonray will deal or instruct third parties to deal on behalf of the Client, in the financial products;
- ii. Sonray will utilise the execution and settlement services of appropriately licensed third parties on behalf of the Client in order to provide the services detailed in this Agreement;
- iii. dealings in the financial products may create an obligation to give or take delivery or make a cash adjustment in accordance with the terms of the relevant transaction;
- iv. Sonray may act as principal in respect of the financial products traded by Sonray on behalf of the Client regardless of whether Sonray is acting on Client instructions or not;
- v. Subject to applicable legal/regulatory requirements, the Client consents where Sonray either knowingly or unknowingly takes the opposite side to the Client in relation to any of the financial products;
- vi. Subject to applicable legal/regulatory requirements, the Client agrees and acknowledges that Sonray's directors, employees and associates may and can deal on their own account;
- vii. Sonray reserves the right, at its sole discretion and without explanation, to refuse to deal on behalf of the Client in relation to any exchange traded or over-the-counter financial products (other than closing out existing open positions held in Sonray's account on behalf of the Client) or to limit the number of open positions held on behalf of the Client or both. Sonray will inform the Client of any refusal before or as soon as practicable after such refusal;
- viii. Where errors have occurred in the pricing of transactions quoted by Sonray to the Client, Sonray reserves the right to not be bound by such contract where Sonray is able to substantiate to the Client that there was a material error at the time of the transaction;
- ix. any benefit or right obtained by Sonray upon registration of an exchange traded or over-the-counter financial products with a clearing house is personal to Sonray and such benefit or right shall not pass to the Client;
- x. when, in dealing in the financial products on behalf of the Client, Sonray needs to buy/sell foreign currency from time to time, the applicable exchange rate shall be that available on the date the Client's money is exchanged;
- xi. there are risks associated with utilising an Internet-based deal execution trading system which include, but are not limited to, the failure of hardware, software, and Internet connection. Since Sonray does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, Sonray will not be responsible for communication failures, distortions or delays when trading via the Internet;
- xii. reports to the Client on the execution of contract notes by Sonray, and the content of such contract notes, open position statements and monthly statements, unless otherwise objected to within 48 hours after communication thereof to the Client, shall be deemed proof of the accuracy of such contents and their execution in accordance with this Agreement; and
- xiii. a notice issued by an authorised officer or agent of Sonray stating the amount of money due and payable by the Client shall be taken as final evidence thereof.

5. SONRAY REPRESENTATIONS

Sonray seeks to act honestly, exercise due care and diligence and act in the Client's best interests at all times. Sonray will give priority to Client interests and undertakes that it will not misuse Client information. Sonray will use reasonable endeavours to execute or arrange the execution of the Client's instructions.

6. AUTHORISATIONS AND INSTRUCTIONS

- a) The Client hereby authorises Sonray to trade in the financial products on their behalf pursuant to the prior approval and instruction of the Client, or otherwise in accordance with Sonray's rights elsewhere under this Agreement;
- b) The Client may authorise any other person ("Authorised Signatory") to give instructions (via the agreed methods) on its behalf and Sonray is entitled to act upon instructions which are or appear to be from the Client or any Authorised Signatory thereof. It is the Client's responsibility to notify Sonray in writing immediately if there is any change to the Authorised Signatory list provided pursuant to this Agreement;
- c) The Client shall be responsible for all orders, and for the accuracy of information, sent via the internet using the Client's name, password or any other personal identification means implemented to identify the Client;
- d) The Client is obliged to keep all passwords secret and ensure that third parties do not obtain access to the Client's trading facilities;
- e) Mere transmission of an instruction by the Client shall not constitute a binding contract with Sonray until confirmed by Sonray via the trade confirmation;
- f) The Client has appointed Sonray as its agent for the purposes set out in this Agreement and conferred upon Sonray authority to do, or omit to do, all things reasonably necessary to perform its functions and all things reasonably incidental to the performance of its functions; and
- g) The Client will execute or otherwise authorises Sonray to execute all such agreements as required to enable the provision of the services contemplated in this Agreement. The Client appoints Sonray as the Client's attorney to do all things necessary to enter into such agreements on the Client's behalf.

7. EXECUTION OF ORDERS

- a) Sonray undertakes and the Client acknowledges that in respect of dealings in the financial products, and in compliance with the applicable Corporations Act and exchange operating rules requirements, Sonray shall execute all dealings in the sequence in which they are received and recorded, unless it would be fair and equitable to allocate such contracts on a different basis;
- b) Sonray shall provide the Client with contract notes and monthly statements in accordance with applicable laws and regulation;

- c) It is the responsibility of the Client on receipt to carefully check all transaction confirmations and statement documentation (whether received/accessed electronically or otherwise) and to bring any errors or omissions to the attention of Sonray in writing within the time specified by Sonray. In the absence of such written objection, the contract notes and monthly statements shall be deemed correct in all respects; and
- d) Orders may be placed as market orders to buy or sell an instrument as soon as possible at the price obtainable in the market, or limit and stop orders to trade when the price reaches a predefined level, as applicable to the various instruments offered. Limit orders to buy and stop orders to sell must be placed below the current market price, and limit orders to sell and stop orders to buy must be placed above the current market price. If the bid price for sell orders or ask price or ask price for buy orders is reached, the order will be filled as soon as possible at the price obtainable in the market. Limit and stop orders are thus not guaranteed executable at the specified level or amount, unless explicitly stated otherwise by Sonray.

8. DEPOSITS AND MARGINS

The Client agrees and acknowledges that:

- a) Sonray may advise the Client of the need to provide an initial or variation deposit or margin for the payment of money, or if Sonray so agrees, the lodgment of property in lieu thereof, in such amount as determined by Sonray in its sole discretion, feels is necessary to protect itself from the personal obligation incurred by dealing in the financial products on behalf of the Client;
- b) The Client will comply with and meet all such calls in accordance with the Agreement by paying the sum requested or lodging the property agreed within the time specified by Sonray;
- c) Where Client trades via the trading platform, margin calls will be notified via 'pop-up' screens on the trading platform, and Client is required to log-in to the system on a daily basis when they have open positions to ensure they receive notification of any such margin calls. It is the client's sole responsibility to monitor and manage their open positions and exposures, and ensure margin calls are met as required.
- d) Where Client has not checked the trading platform for margin call notifications, and hence has not met them in a timely manner, positions will be closed out by Sonray, without further reference to the Client.
- e) Sonray may, in its discretion, request the Client to make all margin and deposit payments with respect to any exchange traded or over-the-counter financial product transactions directly to a broker affiliated with Sonray. Sonray agrees that any payments made by the Client to such affiliate of Sonray pursuant to such a request will satisfy the Client's obligation to make payments to Sonray;
- f) Liability for a deposit or margin arises at the time it is executed irrespective of the time at which any call is made, and such liability is not limited to the amount, if any, deposited with Sonray;
- g) Sonray reserves the right whenever it deems appropriate to raise or lower the margin or deposit requirements, which may apply to existing positions as well as to new positions;
- h) The Client is responsible to pay any deficit owing to Sonray after closure, and if Client defaults or refuses such payment, Sonray may apply the proceeds of any assets held by Sonray against that deficit;
- i) A margin call will not be considered to have been met UNLESS AND UNTIL cleared funds have been received by Sonray in the nominated account (generally around 10am on the following business day).

- j) Should the Client fail to meet a call, Sonray may without prejudice to any other rights or powers under this Agreement, and in its absolute discretion, close out, without notice, any or all of the Client's exchange traded or over-the-counter financial product contracts; and
- k) No credit shall be extended directly or indirectly to the Client by Sonray, unless otherwise agreed in writing.

9. COMMISSIONS FEES AND EXPENSES

- a) The Client agrees to pay:
 - (i) commission upon the execution of any requested financial product transaction at such rate as is agreed separately between Sonray and the Client, as well as an amount equal to any other fee charged or levied on Sonray, or other expense incurred by Sonray, arising from any action taken pursuant to this Agreement;
 - (ii) All stamp duty, duties and taxes (including GST) payable on or pursuant to this Agreement;
 - (iii) All amounts payable as a result of making or taking delivery or making cash adjustment in accordance with the terms of an exchange traded or over-the-counter financial product transaction;
 - (iv) All amounts incurred by Sonray as a result of the Client's default under the terms of this Agreement, including without limitation, all reasonable legal costs on a solicitor/client basis; and
 - (v) Interest, in respect of any unpaid amount due under this Agreement, at a rate of up to five per cent per annum over the cash rate of the Reserve Bank of Australia (or of such monetary authority as may replace it). Such interest shall accrue and be calculated daily from the date payment was due until the date the Client pays in full and shall be compounded monthly.
- b) The Client authorises Sonray to appropriate, transfer, credit, apply or pay monies that may be received by Sonray or held by Sonray on the Client's behalf in payment of any amounts which may be outstanding by the Client to Sonray or Sonray's agent in a transaction effected on the Client's behalf.
- c) Where amounts are payable by one party to the other, netting principles shall apply to enable the party owing the larger amount to pay the excess only to the other party. Amounts may be converted into the same currency in line with Clause 4(x) of this Agreement.

10. DELIVERY (FUTURES ONLY)

The Client agrees and acknowledges that:

- i. Sonray does not permit entry into delivery against exchange traded positions;
- ii. for contracts where there is no cash settlement, all open positions must be closed out in the current month, before the delivery period; and
- iii. Sonray is authorised by the Client to close out a position in the current month of a deliverable contract by entering into a contract which is the opposite of the original position.

11. SEGREGATED ACCOUNTS

The Client agrees and acknowledges that:

- i. All money and property deposited by the Client with Sonray, or received by Sonray on behalf of the Client, shall be segregated by Sonray and invested in accordance with applicable legal and regulatory requirements;
- ii. Such segregation of the Client's money and property does not protect the Client's money and property from the risk of loss;
- iii. Whilst the Client's money and property is segregated from Sonray's money and property, it may be co-mingled with the money and property of other Sonray clients;
- iv. Unless otherwise agreed in writing, Sonray shall be entitled to retain any interest earned on such segregated money or property held or invested by Sonray; and
- v. If the Client does not provide Sonray with a tax file number or details of exemption, Sonray shall be legally obliged to deduct tax from interest payments at the highest marginal rate plus medicare levy.

12. RISK DISCLOSURES

- a) The Client hereby confirms they have read, understood and accept the risk disclosures contained in the Product Disclosure Statements provided prior to executing this Agreement in relation to the financial products to be traded, as per Schedule 1 herein; and
- b) The Client acknowledges, recognises and understands that trading and investment in these financial products is speculative, may involve an extreme degree of risk and significant loss, and is appropriate only for persons who can assume risk of loss in excess of their margin deposit.

13. DEFAULT

- a) The Client acknowledges and agrees that where one of the following events occurs, Sonray may take any such action provided in Clause 13(c) below:
 - i. the Client fails to meet a call for a deposit or margin or make any other payment when due under this Agreement;
 - ii. the Client is not contactable by Sonray (and has not made alternative arrangements) within the time specified by Sonray in order for Sonray to obtain instructions (where required);
 - iii. the Client dies or becomes of unsound mind, or the partnership is dissolved or ceases to exist for any reason;
 - iv. the Client suspends payment of its debts, makes any composition with its creditors, has a receiver appointed over some or all of its assets, takes or has any proceedings taken against it in bankruptcy or takes or allows any steps to be taken for its winding up (except for a solvent amalgamation or reconstruction approved in advance in writing by Sonray) or anything similar to any of these events happens to the Client anywhere in the world;
 - v. the Client fails in any respect fully and promptly to comply with any obligations to Sonray under this Agreement or otherwise or if any of the representations or information supplied by the Client are or become inaccurate or misleading in any material respect;
 - vi. any guarantee, indemnity or security for the Client's obligations is withdrawn or becomes defective, insufficient or unenforceable in whole or in part;
 - vii. this Agreement has been terminated;
 - viii. it becomes or may become unlawful for Sonray to maintain or give effect to all or any of the obligations under this Agreement or otherwise to carry on its business or if Sonray or the Client is requested not to perform or to close out a transaction (or any

part thereof) by any governmental or regulatory authority whether or not that request is legally binding; or

- ix. Sonray considers it necessary to do so for its own protection.
- b) If the Client becomes aware of the occurrence of any event referred to in clause 13(a) above, it shall notify Sonray immediately.
- c) If any event referred to in Clause 13(a) above takes place, Sonray shall at its absolute discretion be entitled, but not obliged, to, and at the expense of the Client:
 - i. close out any or all of the Client's contracts;
 - ii. close out, exercise or abandon any option not yet exercised;
 - iii. cover positions by entering into further contracts;
 - iv. cancel any outstanding orders in order to close the Client's account;
 - v. convert any amount owed by the Client to Sonray into Australian currency at any time on or after payment is due (until payment is received in full);
 - vi. satisfy any obligation the Client may have to Sonray out of any property, money or security belonging to the Client in Sonray's custody or control, and enforce any such asset or security (at the Client's expense) held by Sonray in such manner as it deems appropriate, but to a maximum amount equal to all sums due or to become due to Sonray from the Client;
 - vii. charge the Client with all of the costs, expenses and losses incurred by Sonray as a result of entering into, or closing out transactions pursuant to this Agreement; and
 - viii. to take any such action a reasonably prudent person would take in the circumstances to protect the personal obligation incurred when dealing on behalf of the Client.

14. INDEMNITY

- a) The Client will indemnify and keep indemnified Sonray and its employees, contractors or agents from and against any cost, expense, claim, action, suit, loss, damage or other amounts whatsoever arising out of any default, whether by act or omission, of the Client under this Agreement or anything lawfully done by Sonray in accordance with this Agreement or by reason of Sonray complying with any direction, request or requirement of an exchange or its clearing house or other regulatory authority.
- b) Sonray shall not be responsible or liable in any way for any delay or error in the transmission or execution of any dealing by it under this Agreement caused by the Client or any other third party, including but not limited to trading floor or exchange system operational failure or action, bank delay, postal delay, failure or delay of any fax or electronic transmission or delay caused by accident, emergency or act of god.
- c) No warranty is provided by Sonray in relation to information or advice sourced from third parties, and all information or advice provided by Sonray to the Client is for the private use of the Client and is not to be communicated to any third party without the prior written consent of Sonray.
- d) Sonray makes no representation or warranty as to the results of dealing in the financial products, and shall not be liable for any damage or loss suffered or incurred by the Client arising out of or in connection with any advice, forecast, or opinion to the Client in relation to price movements or positions or to the likely profitability of any transaction.

15. DISPUTE RESOLUTION

If a dispute arises between Sonray and the Client relating to any transaction (a "Disputed Transaction"), Sonray may close out or take any other action it considers appropriate in relation to the Disputed Transaction without previously notifying and/or without having received instruction from the Client. Sonray will try to notify the Client (verbally or in writing) what action it has taken, as soon afterwards as it practically can, but if it does not, the validity of its action shall not be affected.

16. TERMINATION

- a) This Agreement can be terminated at any time by either party giving 10 business days written notice to the other party.
- b) Unless otherwise agreed in writing between the parties upon termination of this Agreement Sonray will close out all of the Client's exchange traded or over-the-counter financial product transactions and will close out, abandon or exercise any option not yet exercised, at Sonray's discretion.
- c) Termination of the Agreement shall not release either party from any existing obligations or from any liabilities for any antecedent breach of any of the terms of this Agreement.
- d) Rights under this Agreement can only be waived in writing, such waiver not to affect the waiving party's rights or entitlements in respect of subsequent breaches of the Agreement. Failure to compel performance shall not be construed as a waiver.

17. GENERAL

- a) Sonray may amend this Agreement by giving the Client thirty days written notice of any amendments.
- b) In the event that any of the provisions contained in this Agreement are found to be invalid or unenforceable, such provisions shall be deemed deleted, and the validity and enforceability of the remaining provisions shall continue unimpaired.
- c) If a party fails to exercise or delays in exercising any right under this Agreement, by doing so it does not waive such right. The rights provided in this Agreement do not exclude other rights provided by law.
- d) The Client may not assign or otherwise transfer its rights or obligations under this Agreement or any transaction, without the express written consent of Sonray.
- e) The parties agree to the electronic recording by either party of telephone or internet conversations between the parties with or without an automatic tone warning device, and the use of such recordings as evidence by either party in any dispute or anticipated dispute between the parties or relating to dealings between the parties. Clients shall be permitted access to such tapes up to 90 days after the date of the relevant telephone conversation, and shall be liable to Sonray for all reasonable costs in retrieving and providing such tape.
- f) The Client acknowledges and agrees that Sonray is permitted to carry out an electronic database search and search credit reference agencies in order to verify the Client's identity and credit standing. If such searches are carried out, Sonray may keep records of the contents and results of such searches in accordance with all current and applicable laws.
- g) Sonray reserves the right to collect such information as is necessary from the Client to meet its obligations under applicable Anti Money Laundering Regulations. Sonray may pass on information collected from the Client and relating to transactions as required by applicable anti money laundering laws and regulations and is under no obligation to inform the Client it has done so. Sonray may undertake all such anti money laundering checks in relation to the Client (including

restricted lists, blocked persons and countries lists) as deemed necessary or appropriate by Sonray, and reserves the right to take any action with regard thereto with no liability whatsoever therefor.

- h) Sonray reserves the right to provide all such information regarding the Client in relation to its obligations to, or requests (whether legally binding or not) by a relevant regulatory body.

18. PRIVACY

- a) In order to provide the Client with these services, Sonray needs to collect personal information about the Client and obtain the Client's agreement in relation to the handling of such personal information. If the Client does not provide the requested information or agree to the information handling practices detailed in this Agreement, Sonray may be unable to provide the services outlined in this Agreement to the Client.
- b) The Client shall ensure that all information provided to Sonray is accurate and up-to-date at all times. Any changes must be advised to Sonray as soon as practicable.
- c) Sonray have systems and processes in place to address privacy requirements, and can provide the Client with a Privacy Statement should the Client require further information about Sonray's information handling practices.
- d) The Client authorises Sonray to collect, use, store or otherwise process any personal information which enables Sonray to provide and/or improve its services. This may, on occasion, require the disclosure of personal information to our related entities, agents and service providers, and to organisations located in countries which do not have comparable laws to protect the Client's information.

19. NOTICES

All communications relating to this Agreement shall be in writing and delivered by hand or sent by post or telex, facsimile or, electronic mail to the party concerned at the relevant address. Any such communication shall take effect if delivered, upon delivery; if posted, two business days after it is posted to the party's last known address; if sent by facsimile or electronic mail, at the time of transmission (and receipt of confirmation); by telex, upon receipt of the answer back.

20. GOVERNING LAW

This Agreement is governed by and construed in accordance with the laws of Victoria, and the parties submit to the non-exclusive jurisdiction of the courts and tribunals in that State.

I/We hereby acknowledge that I/we have read, understand and agree to be legally bound by the entire Agreement.

SIGNED for and on behalf of:

Client Name & ACN: <i>[if applicable]</i>		
Signature: <i>[for a company 2 signatures are required unless sole director company]</i>	x	x
Position:		
Date:		

SIGNED

For and on behalf of **SONRAY CAPITAL MARKETS PTY LTD**

Name:	
Position:	
Signature:	
Date:	

GUARANTEE & INDEMNITY

(Applicable to Company, Trust and Superannuation Fund accounts)

In consideration of Sonray entering into this Agreement (as amended) and agreeing to enter into the financial products at the request of the person named as Guarantor herein, the Guarantor as evidenced by execution of this Agreement hereby unconditionally and irrevocably:

- a) Guarantees the due performance observance and fulfillment by the Client of its obligations herein contained or implied and on the part of the Client to be performed, observed and fulfilled (whether or not such performance, observance or fulfillment is or may be for any reason unenforceable in whole or in part); and
- b) Indemnifies, as a principal and independent obligation, Sonray against any cost, loss, damages, expense, action, claim or liability which Sonray may suffer as a direct or indirect consequence of, or in connection with, any breach by the Client of, or a failure by the Client to perform, this Agreement or the invalidity or unenforceability of this Agreement.

EXECUTED AS AN AGREEMENT

SIGNED for and on behalf of **(the Guarantor)**

Guarantor/s Name:		
Signature:	x	x
Date:		

Witness/es Name:		
Signature:	x	x
Date:		

As authorized by account holders:

Client Name & ACN: [if applicable]		
Signature: [for a company 2 signatures are required unless sole director company]	x	x
Position:		
Date:		

SCHEDULE 1

RISK DISCLOSURE STATEMENT

This brief statement does not disclose all of the risks and other significant aspects of trading financial products, and must be read in conjunction with the Product Disclosure Statements issued for each of the financial products. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationship) into which you are entering and the extent of your exposure to risk and loss. Trading in these financial products is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

EFFECT OF 'LEVERAGE' OR 'GEARING'

Transactions in foreign exchange, contracts for difference, futures and sold options carry a high degree of risk. The amount of the initial margin (or option premium) is small relative to the value of the contract so that transactions are 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit, this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the prescribed time, your position may be liquidated at a loss and you will be liable for any resulting deficit.

The placing of certain orders such as stop-loss orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Strategies such as 'straddles' and 'spreads' may be as risky as taking simple 'long' or 'short' positions.

OPTIONS

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (ie put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium, transactions costs and potential for loss.

The purchaser of options may offset or exercise the options or allow the option to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin. If the purchased option expires worthless, you will incur a total loss of your investment, which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (granting or writing) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount if the option is exercised against them. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin. If the option is covered by the seller holding a corresponding position in the

underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk or loss can be unlimited.

SUSPENSION OR RESTRICTION

Market condition (eg illiquidity) and/or the operation of the rules of certain markets may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Normal pricing relationships between the underlying interest and the future or option may not exist, for example, where the underlying instrument is subject to price limits when the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

TRANSACTIONS IN OTHER JURISDICTIONS

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected.

CURRENCY RISKS

The profit or loss in transactions effected in foreign currency-denominated contracts (whether traded in your own jurisdiction or not) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

TRADING FACILITIES

Most trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Further, the result of any system failure may be that your order is not executed according to your instructions.

OVER-THE-COUNTER TRANSACTIONS

Where your transaction is effected off-exchange, it may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, such transactions may involve increased risk. Further, off-exchange transactions may be less regulated or subject to a separate regulatory regime.

DECLARATION

I/We confirm that I/We have read and understand this risk disclosure statement and the Product Disclosure Statements provided by Sonray, and have received satisfactory answers to all my/our questions regarding the terms, conditions and other issues in relation to the relevant financial products, and have been afforded the time/opportunity to seek independent advice, and consider that transacting in these financial products is appropriate for my financial circumstances and objectives.

Client Name & ACN: <i>[if applicable]</i>		
Signature: <i>[for a company 2 signatures are required unless sole director company]</i>	x	x
Position:		
Date:		

SCHEDULE 2

Identification Record for a Signatory to an Account - '100 point Check'

Type of Check

70 Points

1. PRIMARY DOCUMENTS

Name of the signatory verified from one of the following:

- Birth Certificate
- Birth Card issued by the New South Wales Registry of Births, Deaths and Marriages
- Citizenship Certificate
- International Travel Document:
 - a current passport
 - expired passport which has not been cancelled and was current within the preceding 2 years
 - other document of identity having the same characteristics as a passport (e.g. this may include some diplomatic documents issued to refugees)

Note: Do not score additional points for more than one document

40 Points

2. Name of signatory verified from a written reference from one of the following signed by both the persons giving it and the signatory:

- Another financial body certifying that the signatory is a known customer
 - Another customer who has been verified as a signatory by the cash dealer
 - An acceptable referee (refer to AUSTRAC Guideline No. 3 and Information Circular No.3)
-

40 Points

3. Name of a signatory verified from one of the following (but only where they contain a photograph or signature that can be matched to the signatory);

- A licence or permit issued under a law of the Commonwealth, a State or Territory (e.g. an Australian drivers licence)
- An identification card issued to a public employee
- An identification card issued by the Commonwealth, a State or Territory as evidence of the person's entitlements to a financial benefit
- An identification card issued to a student at a tertiary education institution

Note: Additional documents can be awarded 25 points

35 Points

4. Name and Address of signatory verified from any of the following:

- A document held by the cash dealer giving security over the signatory property
 - A mortgage or other instruments of security held by another financial body
-

35 Points

5. Name and Address of signatory verified from any of the following:

- A current employer, or a previous employer within the last 2 years
 - A rating authority (e.g. land rates)
 - A Credit Reference Association of Australia (subject to the Privacy Act 1988)
 - Land Titles Office Records
-

35 Points

6. Name, Address and Telephone Number verified:

- By reference to the latest telephone directory published by Telstra or by advice provided by Telstra; and
 - By telephone contact with the signatory on that telephone number
-

25 Points

7. Name of signatory verified from any other secondary identification document relating to the signatory, e.g. marriage certificate (for maiden name only), credit card, council rate notices, telephone account, foreign driver's licence, Medicare Card, etc.

Note: More than one document may be counted, but points scored from a particular source may be counted only once e.g if MasterCard issued from the same financial institution, only one may be counted.

25 Points

8. Name and Address of the signatory verified from any of the following:

- the electoral roll compiled by the Australian Electoral Commission and available for public scrutiny
 - An acceptable reference (refer to AUSTRAC Information Circular No 3)
Note: It is not required that the acceptable referee has known the signatory for 12 months or more
 - The owner, landlord, or a real estate agent acting as managing agent of the premises, if the signatory lives or carries on business in rented accommodation
 - The records of a public utility
 - The records of another financial body of which the signatory is a known customer
 - A record held under a law other than a law relating to land titles (for which, see no.6)
-

25 Points

9. Name and Date of Birth of the signatory verified from any of the following:

- The records of a primary, secondary or tertiary educational institution attended by the signatory within the last 10 years
 - The records of a professional or trade association of which the signatory is a member.
-

Client Details Form

CHECKLIST

	Individual	Joint	Company
IDENTIFICATION			
100 point check as per schedule 2 applicable to ALL signatories	✓	✓	✓
CLIENT AGREEMENT			
Page 12	✓	✓	✓
Page 13			✓
Page 16	✓	✓	✓
CLIENT DETAIL FORM			
Section A	✓	✓	✓
Section B		✓	✓
Section C			✓
Section D (Trust Applicants)	If applicable	If applicable	If applicable
Section E	✓	✓	✓
Section F	✓	✓	✓
Section G	✓	✓	✓
Section H	✓	✓	✓

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