

THIRD PARTY PLATFORM PTY LTD ACN 121 227 905 TRADING AS DESKTOP BROKER EXPLANATION OF SPONSORSHIP AGREEMENT

This explanation of the terms of the Sponsorship Agreement provides you with an outline of the main features of the Sponsorship Agreement. To have a full understanding of the Sponsorship Agreement it will be necessary for you to read the entire agreement which is available on this website. To get a full understanding of your and our obligations it is also necessary that you read our Terms and Conditions which are also available on this website. If there is anything you do not understand please contact us on 1300 726 177.

CHESS

To facilitate settlement of your trades and to hold Financial Products in CHESS you must be sponsored in CHESS. Only certain persons, such as Desktop Broker can sponsor Financial Products in CHESS. As your sponsoring broker, in relation to any Financial Products that are held through us, only Desktop Broker may communicate with CHESS to effect your settlements, maintain your holdings and take any corporate actions and otherwise send instructions to CHESS on your behalf. Desktop Broker will take such action in accordance with your instructions but subject to our Terms and Conditions and the Sponsorship Agreement.

Holder Identification Number (“HIN”)

In CHESS your Financial Products are identified by your HIN. You will be informed of your HIN before your first trade is settled through us.

Payment and Settlement

When purchasing Financial Products through Desktop Broker you must provide sufficient funds in the manner set out in the Terms and Conditions to pay for the Financial Products and any associated charges, including brokerage and taxes. If there are insufficient funds provided, Desktop Broker may be entitled to sell the Financial Products that you have purchased or any other Financial Products in your Trading Account. When selling Financial Products you must deliver sufficient Financial Products to enable us to settle and you must pay all associated charges including brokerage.

Withdrawal of Financial Products

You can withdraw Financial Products at any time from your CHESS holding by sale or you may transfer the sponsorship of them to another CHESS Participant. Provided you have met all of your obligations to Desktop Broker, we will comply with your instructions. If you have not met all of your obligations we can, amongst other things, retain Financial Products to a maximum value of 120% of the value of the amount owing to us. In certain circumstances, will also be able to sell any Financial Products held with us to settle your trades.

Information

You must also provide Desktop Broker with access to certain information relating to your sponsored holdings and your contact details, in order for you to comply with CHESS registration requirements. You may be required to pay the reasonable costs of obtaining such information and it may also be necessary for us to disclose this information to others.

Other Matters

Our ability to meet any claims made by you will depend, amongst other things, on our financial circumstances at the time the claim is made. You may also be entitled to make a claim on the National Guarantee Fund (**NGF**) in certain cases. More information on the NGF is available from the Securities Exchange Guarantee Corporation Pty Ltd.

The agreement also sets out what happens to your holdings in the event of death or bankruptcy of the account holder, or of one of the account holders, if the account is in joint names.

**THIRD PARTY PLATFORM PTY LTD ACN 121 227 905
TRADING AS DESKTOP BROKER**

SPONSORSHIP AGREEMENT

INTRODUCTION

- A. ASX Settlement and Transfer Corporation Pty Limited (ASTC) in its capacity as the approved Clearing and Settlement Facility under the Corporations Act, operates the Clearing House Electronic Subregister System ("**CHESS**").
- B. CHESS allows Clients to hold Financial Products in an uncertificated form in holdings sponsored by the Participant.
- C. The Client ("**the Participant Sponsored Holder**") agrees to be sponsored by Third Party Platform Pty Trading as Desktop Broker ("**the Participant**").
- D. The Client is entitled to receive a copy of the executed Sponsorship Agreement and may request a copy by emailing support@desktopbroker.com.au.
- E. If you have any questions concerning this agreement please contact our customer service team on 1300 726 177.

AGREEMENT

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement:

ACH means Australian Clearing House Pty Ltd and its successors;

ASTC means the ASX Settlement and Transfer Corporation Pty Limited ABN 49 008 504 532 as approved as the Clearing and Settlement Facility under the Corporations Act to operate CHESS;

CHESS Holding means an uncertificated holding of Financial Products on a sub-register for that class of Financial Products maintained by ASTC;

HIN means Holder Identification Number;

Rules means the ASTC Settlement Rules;

Sponsored Holding means a CHESS Holding of the Participant Sponsored Holder which is identified by a HIN which is, at the request of the Participant Sponsored Holder, notified in writing by the Participant to the Participant Sponsored Holder after this Agreement commences; and

Withdrawal Instructions means instructions for withdrawal of Financial Products from a Sponsored Holding;

1.2 Any term used in this Agreement which is defined in the ASTC Settlement Rules has the same

meaning given to term in the ASTC Settlement Rules.

1.3 Words expressed in one gender include all genders; and Words expressed in the singular include the plural and vice versa.

1.4 This Agreement is intended to comply with the ASTC Settlement Rules and shall be read and construed accordingly.

2. APPOINTMENT

2.1 The Participant Sponsored Holder appoints the Participant to provide, and the Participant agrees to provide, transfer and settlement services as agent for the Participant Sponsored Holder in relation to Sponsored Holdings on the terms and conditions contained in this Agreement.

3. PARTICIPANT'S RIGHTS

3.1 Where the Participant Sponsored Holder authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those Financial Products within three Business Days of the date of purchase. The Participant may require payment or a deposit before it executes the Participant Sponsored Holder's instructions to buy Financial Products.

3.2 Subject to Clause 3.3, the Participant is not obliged to transfer Financial Products into the Participant Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.

3.3 Where a contract for the purchase of Financial Products remains unpaid, after the Participant has made a demand of the Participant Sponsored Holder to pay for the Financial Products, the Participant may sell those Financial Products that are the subject of that contract at the Participant Sponsored Holder's risk and expense and that expense shall include brokerage, and stamp duty and any other costs incurred by the Participant.

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

4. **PARTICIPANT SPONSORED HOLDER'S RIGHTS**

- 4.1 Subject to Clauses 3.3 and 3.4, the Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.
- 4.2 The Participant will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without the express authority of the Participant Sponsored Holder.
- 4.3 The Participant is an Australian Financial Services Licensee and is therefore regulated by Australian Securities and Investment Commission (ASIC) pursuant to the Corporations Act. In addition, as a Participant of the ASX Group, the Participant is bound by the ASX Market Rules, ASTC Settlement Rules, ACH Clearing Rules and associated procedures. The Participant Sponsored Holder can obtain further information as to the status of the Participant from either ASIC, ASX, ASTC or ACH.
- 4.4 The Participant Sponsored Holder may lodge a complaint against the Participant with either ASIC, ASX, ASTC, ACH or the Financial Industry Complaints Service ("**FICS**") as a result of any contravention of this agreement. Any claim for compensation can initially be lodged with the Participant and then with FICS. A claim for compensation can also be lodged with the National Guarantee Fund which operates as a compensation arrangement for investors who may suffer loss due to the defalcation by Market Participants in relation to equities and warrants and exchange traded options.

5. **SUPPLY OF INFORMATION**

- 5.1 The Participant Sponsored Holder shall supply all information and supporting documentation that is reasonably required to permit the Participant to comply with the registration requirements, as are in force from time to time, under the ASTC Settlement Rules.

6. **EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS**

- 6.1 Where the Participant Sponsored Holder arranges with ACH to lodge Financial Products in a Participant Sponsored Holding as cover for written positions in the Australian Options Market, and informs the Participant of the arrangement, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonably required by ACH in accordance with the Rules to give effect to that arrangement.
- 6.2 Where the Participant Sponsored Holder arranges with any person to give a charge or any other interest in the Financial Products in a Participant Sponsored Holding, the Participant Sponsored Holder authorises the Participant to take whatever

action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.

- 6.3 The Participant Sponsored Holder acknowledges that where, in accordance with this Agreement and/or the Participant Sponsored Holder's instructions, the Participant initiates any action which has the effect of creating a sub-position over Financial Products in the Participant Sponsored Holding, the right of the Participant Sponsored Holder to transfer, convert or otherwise deal with those Financial Products is restricted in accordance with the terms of the Rules relating to subpositions.
- 6.4 Nothing in this Agreement operates to override any interest of ACH in the Financial Products.

7. **FEES**

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

8. **NOTIFICATIONS AND ACKNOWLEDGEMENTS**

- 8.1 The Participant Sponsored Holder acknowledges that if the Participant is not a Market Participant of ASX, that neither ASX nor a Related Party of ASX has any responsibility for supervising or regulating the relationship between the Participant Sponsored Holder and the Participant, other than in relation to the Rules relating to Sponsorship Agreements.
- 8.2 The Participant Sponsored Holder acknowledges that if a Transfer is taken to be effected by the Participant under Section 9 of the ASTC Settlement Rules and the Source Holding for the Transfer is a Participant Sponsored Holding under the Sponsorship Agreement, then:
- (a) the Participant Sponsored Holder may not assert or claim against ASTC or the relevant Issuer that the Transfer was not effected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by the Participant Sponsored Holder to effect the Transfer; and
- (b) unless the Transfer is also taken to have been effected by a Participating Organisation of ASX or a Clearing Participant of ACH, the Participant Sponsored Holder has no claim arising out of the Transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations.

- 8.3 In the event that the Participant breaches any of the provisions of this Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASTC.

- 8.4 In the event that the Participant is suspended from CHES participation, subject to the assertion of an

interest in Financial Products controlled by the Participant, by the liquidator, receiver, administrator or trustee of that Participant:

- (a) the Participant Sponsored Holder has the right, within twenty (20) Business Days, of ASTC giving Notice of suspension, to give Notice to ASTC requesting that any Participant Sponsored Holdings be removed either: (i) from the CHESSE Subregister; or (ii) from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10;
- (b) where the Participant Sponsored Holder does not give notice under Clause 8.4(a), ASTC may effect a change of Controlling Participant under Rule 12.19.11 and the Participant Sponsored Holder will be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where a Participant Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Participant Sponsored Holder within ten (10) Business Days of the change of Controlling Participant.

8.5 The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed the Agreement, the Participant provided the Participant Sponsored Holder with an explanation of the effect of the Sponsorship Agreement to the Participant Sponsored Holder and the Participant Sponsored Holder understood the effect of the Agreement.

8.6 The Participant Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Participant Sponsored Holder, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASTC Settlement Rules, unless the Participant Sponsored Holder's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHESSE Subregister.

8.7 The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied pursuant to Clause 8.6, unless the Participant Sponsored Holder's legally appointed representative elects to remove the Participants Sponsored Holdings from the CHESSE Subregister.

FOR JOINT HOLDINGS ONLY

8.8 The Participant Sponsored Holder acknowledges that in the event of the death of one of the Holders, the Participant will transfer all Holdings under the joint Holder Record into new Holdings under a new Holder Record, and that this Sponsorship Agreement remains valid for the new Holdings under the new Holder Record.

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

- (a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHESSE Subregister, establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under the new Holder Record and request that ASTC apply a Holder Record Lock to all Holdings under that Holder Record; and
- (b) establish a new Holder Record in the name(s) of the remaining Participant Sponsored Holder(s) and Transfer the interest of the remaining Participant Sponsored Holder(s) into new Holdings under the new Holder Record.

9. CHANGE OF CONTROLLING PARTICIPANT

9.1 If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the Participant Sponsored Holder is under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in clauses 9.2 or 9.3.

9.2 The Participant Sponsored Holder may choose to terminate the Agreement by giving Withdrawal Instructions under the ASTC Market Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:

- (a) transfer its Participant Sponsored Holding to another Controlling Participant; or
- (b) transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.

9.3 If the Participant Sponsored Holder does not take any action to terminate the agreement in accordance with 9.2 above, and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree to the change of Controlling Participant then, on the Effective Date, the Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the Effective Date:

- (a) the New Controlling Participant is a party to the Agreement in substitution for the Existing Controlling Participant;
- (b) any rights of the Existing Controlling Participant are transferred to the new Controlling Participant; and
- (c) the Existing Controlling Participant is released by the Participant Sponsored Holder from any obligations arising on or after the Effective Date.
- 9.4 The novation in clause 9.3 will not take effect until the Participant Sponsored Holder has received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Participant Sponsored Holder. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 9.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in clause 9.4 by the doing of any act which is consistent with the novation of the Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
- 9.6 The Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in clause 9.3 not binding or effective on the Effective Date, then the Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of the Agreement on trust for the New Controlling Participant.
- 9.7 Nothing in this clause 9 will prevent the completion of CHESS transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the Effective Date and the Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the Agreement to the New Controlling Participant under this clause 9.
10. **CLAIMS FOR COMPENSATION**
- 10.1 As a Participant of the ASX Group any claim for compensation can be lodged with the National Guarantee Fund which operates as a compensation arrangement for investors who may suffer loss due to the defalcation by Participants in relation to equities and warrants and exchange traded options.
- 10.2 If the Participant breaches a provision of this Agreement and the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant. In this regard, the Participant may seek to rely upon the cover provided by its professional indemnity insurance policy.
- 10.3 If a breach by a Participant of a provision of this Agreement falls within the circumstances specified under Part 7.5, Division 4 of the Corporations Regulations, a Participant Sponsored Holder may make a claim on the National Guarantee Fund for compensation. (For more information on the circumstances in which a Participant Sponsored Holder may make a claim on the National Guarantee Fund or for information on the National Guarantee Fund generally, contact the Securities Exchange Guarantee Corporation Limited).
11. **TERMINATION**
- 11.1 Subject to the ASTC Settlement Rules, this Agreement will be terminated upon the occurrence of any of the following events:
- (a) by notice in writing from either the Participant Sponsored Holder or the Participant to the other party to this Agreement;
- (b) upon the Participant becoming insolvent;
- (c) upon the termination or suspension of the Participant; or
- (d) upon the giving of Withdrawal Instructions by a Participant Sponsored Holder to a Controlling Participant in accordance with Rule 7.1.10(c).
- 11.2 Termination under Clause 11.1 (a) will be effective upon receipt of Notice by the other party to the Agreement.
12. **VARIATION**
- 12.1 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASTC Settlement Rules, the Participant shall, by giving the Participant Sponsored Holder not less than seven (7) Business Days written Notice, vary the Agreement to the extent to which, in the Participant's reasonable opinion, it is necessary to remove any inconsistency.

EXECUTED as an Agreement