

ECS FINANCIAL SERVICES GUIDE.

Execution, Clearing and Settlement Service

PURPOSE OF THE FINANCIAL SERVICES GUIDE AND OTHER DISCLOSURE DOCUMENTS

This Financial Services Guide dated 11 October 2011 is issued by Bell Potter Securities Limited (ABN 25 006 390 772) ("Bell Potter"), whose contact details appear on the back of the Guide.

The purpose of the Financial Services Guide is to:

- provide brief details of the execution, clearing and settlement service ("E,C&S service") Bell Potter provides in order to assist prospective and new Retail Clients referred to Bell Potter by a secondary financial services provider to decide whether to obtain such E,C&S service from Bell Potter;
- provide information on remuneration paid to Bell Potter; and
- provide details on how Bell Potter deals with complaints.

Retail Clients should be aware that the Financial Services Guide is one of three disclosure documents that Retail Clients **may** be entitled to receive, the other two being a Statement of Advice and a Product Disclosure Statement, although Bell Potter is only obliged to provide these two latter documents in certain specific circumstances which do not arise in relation to the provision of the E,C&S service.

Statement of Advice

Retail Clients who commence to use a financial advisory service for the first time and who seek personal financial product advice will be asked to provide details of their financial situation, particular needs and investment objectives. Such Retail Clients will be provided with a written Statement of Advice (SoA) that will summarise the advice, the basis of the advice, any fees or charges and any potential conflict of interest on the first occasion that advice is provided. However, as a Retail Client receiving Bell Potter's E,C&S service, you will not be receiving an advisory service from Bell Potter and you will therefore not be provided with an SoA by Bell Potter.

Product Disclosure Statement

If a financial services provider recommends a financial product to a Retail Client (ie. provides investment advice), other than a financial product that is a listed security, then the financial service provider is obliged to provide the Retail Client with a Product Disclosure Statement (PDS). The PDS contains information about the particular product including the features, benefits, fees and risks associated with that product so that the Retail Client can make an informed decision. However, as Retail Clients receiving Bell Potter's E,C&S service will not be receiving recommendations from Bell Potter in relation to unlisted securities, they will not be provided with a PDS by Bell Potter.

This Financial Services Guide will provide details of or confirm the following:

- Bell Potter's AFSL authorisation;
- The financial products and services to which Bell Potter's authorisation extends;
- The licenced market or clearing and settlement facility of which Bell Potter is a participant;
- Details of Bell Potter's E,C&S service;
- The fact that Bell Potter does not provide any advice when providing a E,C&S service;
- How Bell Potter and its associates are paid for the E,C&S service that it provides;
- Any potential conflicts of interest that Bell Potter may have; and
- The Dispute Resolution procedures that Bell Potter has in place.

BELL POTTER'S AUTHORISATION

Bell Potter holds Australian Financial Services (AFS) Licence No. 243480, which has been issued to it by the Australian Securities & Investments Commission pursuant to section 913B of the Corporations Act 2001.

Bell Potter's AFS Licence authorises it to carry on a financial services business

to provide advice and deal in a range of financial products to retail and wholesale clients. In addition to this Bell Potter is authorised to provide certain custodial services.

The financial products Bell Potter is authorised to advise on includes the following:

- Securities;
- Derivatives;
- Foreign Exchange;
- Bonds and Debentures;
- Deposit Products;
- Managed Investments;
- Retirement Savings Accounts;
- General & Life Insurance Products;
- Managed Discretionary Account Service; and
- Superannuation.

Bell Potter is also authorised to deal in the above financial products with the exception of Insurance products where its authorisation is limited to the provision of advice. In addition, Bell Potter is authorised to provide custodial services for listed financial products and to advise on and make a market in foreign exchange. Notwithstanding the authorisation Bell Potter holds, the services that it provides pursuant to this Financial Services Guide are limited to the E,C&S service.

BELL POTTER FINANCIAL PRODUCTS AND SERVICES

Bell Potter offers a comprehensive range of financial products and services to both wholesale and retail investors however not all services or products may be available to all Retail Clients. As already mentioned, only a limited service of execution, clearing and settlement transactions in securities and derivatives on the ASX and Cboe Australia is covered by this Financial Services Guide. Bell Potter may also execute transactions on the National Stock Exchange of Australia and Overseas Exchanges on behalf of E,C & S Clients.

DIRECT ACCESS TO LICENCED MARKETS

Bell Potter is a Participant of ASX Group which provides them with direct access to the Execution, Clearing and Settlement facilities for both Securities and Derivatives on the Australian Securities Exchange. As such, Bell Potter is a Sponsoring Broker in the Clearing House Electronic Sub-register System (CHES) operated by ASX Settlement and Transfer Corporation Pty Ltd. Bell Potter is also a Participant of Cboe Australia and of the National Stock Exchange of Australia.

Bell Potter is also a Principal Member of the Securities and Derivatives Industry Association and of the Financial Planning Association of Australia Limited.

BELL POTTER'S REMUNERATION FOR THE SERVICES PROVIDED

Bell Potter may charge brokerage, commission or a fee depending upon the services that are provided. Any charges will be discussed and agreed with the Client or their authorised agent and fully disclosed in relation to specific services and transactions.

Some details of Bell Potter's current standard charges are included with this Guide. Some charges are negotiable and therefore it is important that Clients or their authorised agent agree brokerage/fees with Bell Potter prior to transacting any business.

Fees from third parties will be separately disclosed to Clients or their authorised representatives.

Bell Potter may rebate brokerage and or fees to third parties who introduce business to it.

Bell Potter personnel may receive a salary, salary and a discretionary bonus or a proportion of the brokerage/fees charged by Bell Potter. They may receive between 0 – 50% of all fees and charges generated from the Clients they service depending on the level of salary and the aggregate revenue that they earn for Bell Potter. Bell Potter may receive interest on any Trust Account balance maintained in conjunction with its Financial Services business.

Bell Potter will retain all such interest received on the Trust Accounts for the benefit of Bell Potter. Details of Bell Potter charges for brokerage and fees are set out below:

1. BROKERAGE

Brokerage is payable on all local and international securities, options and warrant transactions, both purchases and sales, and as a payment for services such as brokerage attracts GST.

Brokerage and GST are added to the purchase price of a Buy transaction and are deducted from the proceeds of a Sale that has been executed for a Client's Account. As a result Brokerage and GST are settled on the usual settlement terms of the market.

Subject to minimum Brokerage amounts per transaction detailed below Brokerage is usually calculated as a percentage of total consideration of each transaction.

Brokerage rates are subject to negotiation by the Client or their authorised agent and Bell Potter and may be a rate applicable to all transactions or a rate applicable to a single transaction.

The brokerage rate will depend on the type and level of service required and provided, the size and the frequency of the transaction.

The maximum Brokerage that a Client will be charged is 3% plus GST for a full advisory, execution, clearing and settlement service.

The standard minimum brokerage charge is \$115 per contract for all local equity and warrant transactions, \$80 for local exchange traded option transactions, \$55 for Bank Bills or Fixed Interest instruments and AUD\$150 or 1% for US security transactions and equivalent amounts for transactions in other overseas markets. All above charges are quoted excluding GST. All International Accounts attract an annual fee of \$150.

With respect to international securities transactions the foreign currency will be converted into Australian dollars or vice versa (or any other currency) to enable settlement. Such foreign exchange

transaction may result in Bell Potter receiving a currency spread of 20 – 50 basis points.

2. CASH MANAGEMENT

Bell Potter will receive a commission, usually 0.25-0.50% p.a. on the funds invested in its Cash Management Service and Cash Management Trust Accounts. These fees are detailed in the Product Disclosure Statement and other issuing documentation that is provided to Clients in conjunction with the application form to open the Cash Management facility.

3. FLOATS/NEW ISSUES/PLACEMENTS

Bell Potter's Corporate Finance department specialises in small to mid-cap companies and trusts, providing expertise on capital raisings, underwritings, acquisitions and divestments. Bell Potter has significant experience as a lead manager, underwriter, coordinator and participant in IPO's, placements and other capital market activities across all market sectors. Clients are not charged any brokerage in connection with subscriptions for shares in floats, new issues and placements. However, Bell Potter may receive a handling fee/underwriting fee from the Issuer. This fee will be disclosed in the documentation relating to the issue. If an issuer offers any incentive then it will be disclosed to the Client.

4. WARRANTS

From time to time Warrant Issuers promote new warrants and may rebate a fee to Bell Potter on warrants purchased by Clients of Bell Potter. This fee is generally 2.2% inclusive of GST and may be in addition to brokerage charged by Bell Potter to the Client.

5. OTHER BENEFITS FROM PRODUCT ISSUERS

A particular product issuer may pay volume bonuses to brokers however this does not relate to any particular client and varies from one product issuer to another. Similarly a product issuer may on rare occasions offer other incentives. If there is any possibility that any such incentive could influence the advice being

provided to Clients then the incentive will be disclosed. The most common incentive provided by product issuers relates to educational seminars which are aimed at keeping Advisers up to date with the specific nature of the product.

6. FAIL FEES / INTEREST

Clients are obliged to settle transactions by the specified times either by the delivery of payment or securities and failure to effect settlement on time could result in fail fees imposed by the ASX or Cboe Australia being incurred. There is a wide range of fail fees, details of which can be obtained by making an enquiry to the Melbourne office of Bell Potter.

Cheque or Direct Debit failures (dishonours) also attract fees. In addition, failure to pay for purchased securities by the specified settlement date may result in interest being charged by Bell Potter on the outstanding balance and such interest will be charged at a rate which is six percentage points above Bell Potter Bank's Base Rate calculated and payable daily from the date due for payment until the amount is paid.

BELL POTTER'S ASSOCIATIONS WITH FINANCIAL PRODUCT ISSUERS

Although UBS AG, Australia Branch (UBS) is a shareholder in Bell Potter Securities' parent company Bell Financial Group Limited, and UBS may offer some of its products and services to Bell Potter Securities to distribute on a non-exclusive basis, Bell Potter Securities is neither an agent nor a representative of UBS. Such products and services may from time to time include research, which Bell Potter securities may provide to secondary service providers as General Securities Advice.

INSTRUCTING BELL POTTER IN RELATION TO INVESTMENTS IN FINANCIAL PRODUCTS

Clients referred by a secondary service provider to Bell Potter's E,C&S service will open an Account for the purpose of the secondary financial service provider utilising Bell Potter's E,C&S service on behalf of the Client, on the following basis;

- The secondary financial service provider will instruct Bell Potter to execute, clear and settle securities transactions for the Client's Account and Bell Potter will not be responsible for the provision of any advice in relation to any such transactions;
- Trade Confirmations of all transactions executed, cleared and settled by Bell Potter for the Client's Account pursuant to the instructions of an authorised secondary service provider will be forwarded to the Client's residential, postal or email address with a copy forwarded to the secondary financial service provider.
- Proceeds of SELL transactions for the Client's Account will be deposited into the Clients designated Bank, Cash Management Trust or Cash Account to the extent that such funds are not required to settle a BUY transaction on the Client's behalf or as otherwise directed in writing by the client.
- The settlement of BUY transactions will be executed via the Clients designated Bank, Cash Management Trust or Cash Account unless special arrangements are made.
- All SELL and BUY transactions for the Client's Account will be charged a brokerage rate that has been agreed by the secondary service provider, and/or the Client and Bell Potter, which shall be disclosed on the Trade Confirmations issued by Bell Potter to the Client and copied to the secondary financial services provider.
- As the secondary financial service provider will be providing all advice to the Client a portion of the aforesaid brokerage charged to the Client may be rebated to the secondary financial service provider; the amount of such brokerage rebate will be available to the Client on request to the secondary financial service provider.
- All transactions on the Client's Account will be subject to Bell Potter's Execution, Clearing and

Settlement Terms and Conditions as applying from time to time, as set out on Trade Confirmations and as appearing on Bell Potter's website (www.bellpotter.com.au) and which will be available to the Client on request of the secondary financial service provider.

Telephone is the usual method of instructing Bell Potter in relation to a securities or derivatives trading account, although instructions can also be given in person or by mail, facsimile or email. Instructions by mail, facsimile and e-mail will only be effected once Bell Potter has acknowledged receipt of those instructions. Similarly instructions for the acquisition or disposal of other financial products may be made in writing or electronically provided such instructions are acknowledged by Bell Potter.

It is important to note that ASX or Cboe Australia have the power to cancel a Market Transaction that has been executed on its markets. Any such instruction to Bell Potter to cancel a trade will automatically result in cancellation of the transaction by Bell Potter with the Client irrespective of whether or not the trade has previously been confirmed to the Client.

CLIENT'S RIGHTS AND RESPONSIBILITIES

In relation to securities transactions undertaken pursuant to Bell Potter's E,C&S service Bell Potter is not providing any personal financial product advice either to the Client or to the secondary financial service provider on behalf of the Client. It is the secondary financial service provider's responsibility to ensure that advice provided to a Client in respect of securities transacted through Bell Potter's E,C&S service is appropriate having regard to personal financial information provided by the Client to the secondary financial service provider, or, in the event of the Client not providing personal financial information to the secondary financial service provider, warning the Client that it is the Client's responsibility to assess whether the advice is appropriate to the Client.

Bell Potter's published Research is general financial product advice only and does not constitute advice to any particular person and therefore cannot be considered as personal advice.

General advice is prepared without consideration of any specific Client's financial situation, particular needs and investment objectives. Accordingly, in the event of receiving general advice Clients should consult their secondary financial service provider before any investment decisions are made based on such general advice.

PRIVACY

Client privacy is important to Bell Potter. Bell Potter's Privacy Policy is available from its website.

COMPLAINT RESOLUTION PROCEDURES

As part of its commitment to customer service Bell Potter has in place a complaints handling procedure consistent with the Australian Standard.

In the first instance, Clients should raise any complaint that they have with the relevant Bell Potter's State Manager.

However, if Clients have not received a satisfactory resolution to their complaint they can also contact Bell Potter's Compliance Department.

If the complaint is not resolved internally to the Client's satisfaction then the Client is entitled to refer the complaint to the external complaints scheme of which Bell Potter is a Member, the contact details of which are as follows:

Financial Ombudsman Service (FOS)

GPO Box 3
MELBOURNE VICTORIA 3001
Telephone: (03) 9613 7366
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

ASIC also provides a free info-line service on 1300 300 630.