



WILSONS  
ADVISORY

# Wilsons Advisory CHESS Sponsorship Agreement

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Effective from 11 August 2021

Wilsons Advisory and Stockbroking Limited ("Wilsons Advisory")  
ABN 68 010 529 665  
AFS Licence 238375  
Registered Office:  
Level 53, 111 Eagle Street,  
Brisbane, QLD 4000  
[www.wilsonsadvisory.com.au](http://www.wilsonsadvisory.com.au)  
1300 655 015

# 1 Interpretation and Overview

- 1.1 The Terms and Conditions of CHESS Sponsorship below constitute a contract that you (the Client) enter into with us (Wilsons Advisory), in which you name us as your CHESS sponsor and authorise us to create a CHESS Participant Sponsored Holding in your name and to trade on it as you instruct.
- 1.2 CHESS is an acronym for the Clearing House Electronic Sub register System which is a centralised electronic sub-register for holdings of approved Financial Products. CHESS is owned and operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited, a publicly listed company.
- 1.3 The purpose of CHESS is to facilitate settlement of Market Transactions (executed on ASX Trading Platforms or other Approved Market Operators) between Participants and the electronic transfer or ownership of Financial Products.
- 1.4 Being CHESS sponsored by us means you can buy and sell shares more quickly than if your shares were 'issuer sponsored', and to buy shares without providing a deposit if you have sufficient holdings.
- 1.5 Only participants registered with ASX may control Financial Products on CHESS. Both Wilsons Advisory and Stockbroking Limited (Wilsons Advisory) and its Clearing Participant, FinClear Services Pty Limited AFSL 338264 ABN 60136 184962 are registered Participants with ASX. Individuals or corporate entities that wish to participate in CHESS are required to enter into a sponsorship agreement with a Participant thereby agreeing to certain mandatory terms and conditions which are prescribed by ASX and appointing the Participant as a 'Controlling Participant'. This sponsorship agreement (CHESS Sponsorship Agreement) relates to your appointment of Wilsons Advisory as your Controlling Participant.
- 1.6 In this CHESS Sponsorship Agreement, defined terms have the meaning given to them in this Agreement or in the ASX Settlement Operating Rules save where the context expressly requires otherwise.
- 1.7 If the terms in this CHESS Sponsorship Agreement are inconsistent with the ASX Settlement Operating Rules, the ASX Settlement Operating Rules shall override any such inconsistency.
- 1.8 If the terms in this CHESS Sponsorship Agreement are inconsistent with Wilsons Advisory's general terms and conditions of trading (Wilsons Advisory Terms and Conditions), the Wilsons Advisory Terms and Conditions will override any inconsistency to the extent permitted by law.
- 1.9 You acknowledge that before you executed this Agreement, Wilsons Advisory provided you with an explanation of the effect of the CHESS Sponsorship Agreement and that you understood its effect. Prior to executing this CHESS Sponsorship Agreement you may discuss its terms and condition with your adviser or the Wilsons Advisory Compliance department by emailing [compliance@wilsonsadvisory.com.au](mailto:compliance@wilsonsadvisory.com.au).

# 2 Appointment of Wilsons Advisory as Controlling Participant

- 2.1 By entering into this CHESS Sponsorship Agreement with Wilsons Advisory you:
  - a) appoint Wilsons Advisory as your Controlling Participant for the purpose of CHESS Sponsorship in accordance with Terms and conditions set out in this CHESS Sponsorship Agreement; and
  - b) acknowledge and understand that Wilsons Advisory, will establish a unique Holder Identification Number (HIN) on your behalf and all Financial Products you transfer in, or acquire through Wilsons Advisory will be held electronically on your unique HIN;
  - c) agree that the administration of any additional HIN that we establish on your behalf will be subject to the terms and conditions of this CHESS Sponsorship Agreement
- 2.2 You acknowledge that before you executed this CHESS Agreement, you were provided with a copy and an explanation of its terms and conditions and that you understood its effect.
- 2.3 You are entitled to request an executed copy of this CHESS Sponsorship Agreement. If you make such a request, we will provide you with an executed copy:
  - a) within 3 Business Day of execution; or
  - b) at any time thereafter.
- 2.5 FinClear will administer your Participant Sponsored Holdings on behalf of Wilsons Advisory but Wilsons Advisory remains responsible to you for any actions or matters done or omitted to be done in respect of your Participant Sponsored Holdings.

# 3 Rights and Duties of the Parties

- 3.1 The regulatory regime that applies to us includes:
  - i. the Corporations Act;
  - ii. the Rules, directions, decisions and requirements of the Market Operator from time to time;
  - iii. the customs and usages of the Market;
  - iv. the Rules, directions, decisions and requirements of ASX Settlements from time to time; and
  - v. domestic and international anti money laundering and counter terrorism laws.
- 3.2 You acknowledge and agree that you will not do anything that would prevent or hinder us from complying with our obligations under the regulatory regime set out at paragraph 3.1 above.
- 3.3 The Rules are administered by ASX Settlement and Wilsons Advisory holds an AFSL number 238375. Information regarding Wilsons Advisory's status as a Sponsoring Participant can be obtained from ASX Settlement. Information regarding Wilsons Advisory AFSL status can be obtained from ASIC.
- 3.4 Where Wilsons Advisory acquires Financial Products on your behalf, you agree to meet all Settlement Obligations within the period prescribed by Wilsons Advisory and/or FinClear.
- 3.5 Wilsons Advisory is not obliged to Transfer Financial Products into your Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.

- 3.6 Where a contract for the purchase of Financial Products remains unpaid, after Wilsons Advisory or FinClear has made a demand of you to pay for the Financial Products, Wilsons Advisory may sell those Financial Products that are the subject of that contract and any other Sponsored Holdings at your risk and expense (including brokerage and stamp duty) and account to FinClear for the proceeds of the sale. Should you fail to satisfactorily meet a demand for payment, Wilsons Advisory may take action to sell down any holdings on your HIN without any further notice to you.
- 3.7 Where Wilsons Advisory or FinClear claims that an amount lawfully owed to Wilson or FinClear has not been paid by you, Wilson may refuse to comply with your Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in your Sponsored Holding (where the minimum Value is equal to 120% of the current market value of the amount claimed).
- 3.8 Subject to 3.6 and 3.7 above and 8.6 below, we will initiate any Transfer, Conversion or any action necessary to give effect to Withdrawal Instructions within the Scheduled Time. We will not initiate any Transfer or Conversion into or out of your Sponsored Holding) without your express authority. You acknowledge and agree that Wilsons Advisory cannot accept any instructions from you to transfer, convert or withdraw Financial Products that are held on a HIN Sponsored by another Participant.
- 3.9 You must promptly give us any information or documents we reasonably ask for to enable us to:
- a) perform our obligations or to act as your Controlling Participant under this CHESS Agreement; and
  - b) comply with the Registration Requirements as are in force from time to time under the ASX Settlement Operating Rules.
- 3.10 By agreeing to this CHESS Sponsorship Agreement, you authorise us to obtain and disclose your Personal Information (as that term is defined in the Privacy Act 1988), including your Tax File Number where provided:
- a) to our employees consultants, agents and Related Bodies Corporate to administer our relationship with you and to provide Financial Products and Financial Services to you;
  - b) to third party providers who perform a function or service on your behalf or on our behalf in relation to your Participant Sponsored Holding;
  - c) to any third party service providers who assist us to provide, manage or administer our business or services such as custodians, auditors, insurers, external dispute resolution providers or mail houses;
  - d) to any financial or investment adviser that you nominate or who refers you to us;
  - e) to any financial institution who holds an account for you;
  - f) to underwriters, corporate advisers, or issue managers where you are applying for financial products in an initial public offering or secondary capital raising;
  - g) to prevent or investigate any actual or suspected unlawful activity; or
  - h) as required by a regulatory body or by law.
- 3.11 Our Privacy Policy is available on our website at [www.wilsonsadvisory.com.au/disclosures](http://www.wilsonsadvisory.com.au/disclosures)

## 4 Exchange Traded Options Pledging and Subpositions

- 4.1 Where you arrange with ASX Clear to lodge Financial Products in a Participant Sponsored Holding as Derivatives Cover, and inform Wilsons Advisory of the arrangement, you:
- a) authorise Wilsons Advisory to reserve the Financial Products in the ASX Clear Subposition so that the Financial Product comes under the control of ASX Clear and are subject to the security interest granted in favour of ASX Clear to secure the performance by the relevant Clearing Participant of its obligations to ASX Clear under and in accordance with ASX Clear Operating Rule 14.6.7;
  - b) authorise any subsequent dealing (including, without limitation, any transfer) of the reserved Financial Products in accordance with the Rules and ASX Clear Operating Rules;
  - c) acknowledge that the Financial Products will remain subject to that security interest for so long as those Financial Products remain reserved in the ASX Clear Subposition in accordance with ASX Clear Operating Rule 14.6.7; and
  - d) authorise Wilson to take whatever other action is reasonably required by ASX Clear in accordance with the Rules to give effect to that arrangement.
- 4.2 Both Wilsons Advisory and FinClear reserve the right to liquidate any Financial Product held within your Participant Sponsored Holding to satisfy any outstanding liability relating to your Derivative trading activity or open positions without notice to you.
- 4.3 If you inform Wilsons Advisory that you have arranged to give a charge or other interest to a person(s) in relation to any of the Financial Products held within your Participant Sponsored Holding, then you authorise Wilsons Advisory to take whatever action is reasonably required by that person in accordance with the Rules to give effect to that arrangement.
- 4.4 You acknowledge that where, in accordance with this CHESS Sponsorship Agreement and/or your instructions, Wilsons Advisory initiates any action which has the effect of creating a Subposition over Financial Products in your Participant Sponsored Holding, your right to transfer, convert or otherwise deal with those Financial Products will be restricted in accordance with the Terms of Rules relating to Subpositions.
- 4.5 Nothing in this CHESS Sponsorship Agreement operates to override any interest of ASX Clear in the Financial Products.
- ## 5 Fees
- 5.1 You will pay all Brokerage, fees and associated transaction costs within the period prescribed by Wilsons Advisory and/or FinClear.



## 6 Indemnity

- 6.1 You must indemnify us against, and you must therefore pay us on demand for any direct loss, damages or costs we suffer or incur:
- a) in connection with us performing our obligations under this CHESS Sponsorship Agreement; or
  - b) in connection with us acting as your Controlling Participant or agent for the purpose of CHESS; or
  - c) if you do something you agree not to do, or fail to do something you agree to do, under this CHESS Sponsorship Agreement; save to the extent that we have caused or contributed to the loss or damage.
- 6.2 You must pay us any amount we claim under the indemnity in 6.1 when we ask. We can debit any of these amounts to any account you have with us even if we do not expressly ask you to pay us. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.
- 6.3 The indemnity in clause 6.1 is a continuing obligation, independent of your other obligation to us. It continues after this agreement is terminated.

## 7 Notifications and Acknowledgements

- 7.1 You must advise Wilsons Advisory if:
- a) your details change;
  - b) you wish to change Controlling Participant under CHESS;
  - c) you become bankrupt;
  - d) you wish to issue Withdrawal Instructions in relation to your sponsored holding;
  - e) you wish to create sub-positions over your sponsored financial products;
  - f) you wish to terminate your Sponsorship Agreement with Wilsons Advisory; or
  - g) you wish to lodge financial products as Cover for open Derivatives Contracts written in the market for ASX Derivative Products conducted by ASX.
- 7.2 You acknowledge that if Wilsons Advisory is not a Market Participant of an Approved Market Operator, neither the Approved Market Operator nor any related party of the Approved Market Operator has any responsibility for supervising or regulating the relationship between you and Wilsons Advisory, other than in relation to the relevant Rules relating to this CHESS Sponsorship Agreement.

- 7.3 You acknowledge that if a transfer is taken to be effected by Wilsons Advisory and/or FinClear under Section 9 of the ASX Settlement Operating Rules and the Source Holding for the transfer is a Sponsorship Holding under the Sponsorship Agreement, then:
- a) you may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by Wilsons Advisory/FinClear or that Wilsons Advisory/FinClear was not authorised by you to effect the Transfer; and
  - b) unless the Transfer is also taken to have been effected by a Market Participant of an Approved Market Operator or a Clearing Participant of ASX Clear, you have no claim arising out of the Transfer against the compensation arrangement applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations.
- 7.4 In the event Wilsons Advisory breaches any of the provisions of this CHESS Sponsorship Agreement, you may refer that breach to any regulatory authority, including ASX Settlement.
- 7.5 You acknowledge that if you die or become bankrupt, a Holder Record Lock will be applied to all your Participant Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless your legally appointed representative or trustee elects to remove your Participant Sponsored Holdings from the CHESS Sub register.
- 7.6 You acknowledge that if you die this CHESS Sponsorship Agreement is deemed to remain in operation in respect of the legally appointed representative authorised to administer your estate, subject to the consent of the legally appointed representative, for a period or up to three calendar months after the removal of a Holder Record Lock applied under Clause 7.5.
- 7.7 In the case of joint holdings only, you acknowledge:
- a) that in the event of death of one of the Holders, Wilsons Advisory will transfer all Participant Sponsored Holdings under the joint Holder Record into new Holdings under a new Holder Record in the name of the surviving Holder(s), and that this CHESS Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
  - b) that in the event of the bankruptcy of one of you, Wilsons Advisory will:
    - a. unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Sponsored Holdings from the CHESS Sub register, 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 ASX Settlement apply Holder Record Lock to all Participant Sponsored Holdings under that Holder Record; and
    - b. establish a new Holder Record in the name(s) or 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.

## 8 Change or Controlling Participant

- 8.1 If Wilsons Advisory is suspended from CHESS participation, subject to the assertion of an interest in Financial Products controlled by Wilsons Advisory, or by its liquidator, receiver, administrator or trustee:
- a) you have the right, within twenty (20) Business Days of ASX Settlement giving Notice or suspension, to give notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:
    - a. from the CHESS Sub register; or
    - b. from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement under Rule 12.19.10; or
  - b) where you do not give notice under clause 7.5(a), ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11 and you 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 you are deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with you within ten (10) Business Days of the change of Controlling Participant.
- 8.2 If you receive a Participant Change Notice from Wilsons Advisory of your Participant Sponsored Holding and the Participant Change Notice is received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, you are under no obligation to agree to the change of Controlling Participant and may choose to do any or the following things set out in Clauses 8.3 or 8.4.
- 8.3 You may choose to terminate this CHESS Sponsorship Agreement by giving Withdrawal Instructions under the ASX Settlement Operating Rules to us, indicating whether you wish to:
- a) transfer your Sponsored Holding to another Controlling Participant; or
  - b) transfer your Sponsored Holding to one or more Issuer Sponsored Holdings.
- 8.4 If you take no action to terminate the agreement in accordance with 8.3 above and do not give any other instructions to us which would indicate that you do not agree to the change then, on the Effective Date this CHESS Sponsorship Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the Effective Date:
- a) the New Controlling Participant is a party to this CHESS Sponsorship Agreement in substitution for Wilsons Advisory;
  - b) any rights of Wilsons Advisory are transferred to the New Controlling Participant; and
  - c) Wilsons Advisory is released by you from any obligations arising on or after the Effective Date.

- 8.5 The novation in Clause 8.4 will not take effect until you have received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to act as the Controlling Participant for you and in the event that any of the Holdings comprise AQUA Products, ASX is satisfied that the new Controlling Participant is accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 8.6 ASX Settlement will not accept a Notice of change of Controlling Participant under Rule 8.17 where Holdings to which the Notice relates comprise AQUA Products and the new Controlling Participant is not accredited in accordance with Section 18 of the Rules to facilitate the settlement of AQUA Products. In this instance, we will convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Sub register. If we fail to convert the AQUA Product Holdings to Holdings on the Issuer Sponsored Sub register, ASX Settlement may convert the AQUA product Holdings to Holdings on the Issuer Sponsored Sub register.
- 8.7 You will be taken to have consented to the events referred to in Clauses 8.4 by the doing of any act which is consistent with the novation of this CHESS Sponsorship Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
- 8.8 This CHESS Sponsorship Agreement continues for Wilsons Advisory's benefit 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 8.4 not binding or effective on the Effective Date, then this CHESS Sponsorship Agreement will continue for the benefit of Wilsons Advisory until such time as the novation is effective, and Wilsons Advisory will hold the benefit of this CHESS Sponsorship Agreement on trust for the New Controlling Participant.
- 8.9 Nothing in this Clause 8 will prevent the completion of CHESS transactions by Wilsons Advisory where the obligation to complete those transactions arises before the Effective Date and this CHESS Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of this CHESS Sponsorship Agreement to the New Controlling Participant under this Clause 8.

## 9 Claims for Compensation

- 9.1 You may lodge a complaint or any claim for compensation directly with Wilsons Advisory in the first instance. We will assess your claim under our internal dispute resolution process and may in our discretion, agree to pay you compensation. Our ability to satisfy that claim will depend on our financial circumstances. If we do not resolve a complaint or claim to your satisfaction, you may be entitled to lodge a claim with the Australian Financial Complaints Authority of which we are a member. Further information can be found at [www.afca.org.au](http://www.afca.org.au).
- 9.2 If a breach by Wilsons Advisory of a provision of this CHESS Sponsorship Agreement falls within the circumstance specified under Part 7.5, Division 4 of the Corporation Regulations, you may make a claim on the National Guarantee Fund for compensation. Further information on circumstances in which you may make a claim on the National Guarantee Fund or information on the National Guarantee Fund generally can be found at [www.segc.com.au](http://www.segc.com.au).

- 9.3 Wilsons Advisory is required to lodge a Sponsorship Bond. In certain circumstances, you may be entitled to make a claim to ASX Settlement under our Sponsorship Bond.

## 10 Termination

- 10.1 Subject to the ASX Settlement Operating Rules, this CHESS Sponsorship Agreement will be terminated upon the occurrence of any or the following events:
- a) either you or Wilsons Advisory notify the other in writing;
  - b) Wilsons Advisory become Insolvent;
  - c) Wilsons Advisory's participation in CHESS is either terminated or suspended: or
  - d) you giving Withdrawal Instructions to Wilsons Advisory indicating that you wish to transfer your Holdings to another Controlling Participant or the Issuer Sponsored Sub register.
- 10.2 Termination under Clause 10.1(a) will be effective upon receipt of notice by the other party to the CHESS Sponsorship Agreement.
- 10.3 Termination of this CHESS Sponsorship Agreement does not affect the agreement nor any rights or obligations of either party that have accrued prior to termination.

## 11 Variation

- 11.1 Should any of the provisions in this CHESS Sponsorship Agreement be inconsistent with the provisions in the ASX Settlement Operating Rules, we will, by giving you not less than 7 Business Days written Notice, vary the CHESS Sponsorship Agreement to the extent to which it is necessary in our reasonable opinion to remove any inconsistency.



**Wilsons Advisory & Stockbroking Ltd**

[www.wilsonsadvisory.com.au](http://www.wilsonsadvisory.com.au)

For your nearest office  
free call 1300 655 015