

Financial Services Guide

FIIG Securities Limited

ABN 68 085 661 632 AFSL No. 224659

INTRODUCTION

This Financial Services Guide (“FSG”) has been prepared to inform you of the services offered by FIIG Securities Limited (“FIIG”), how FIIG operates, how FIIG is paid, how FIIG deals with client’s complaints, any interests, associations or relationships that could influence FIIG, and to assist you in deciding whether to use any of the services offered by FIIG.

As part of FIIG’s services, FIIG may also provide you with a disclosure document. A disclosure document is required to be provided if the financial product is being acquired from the issuer of the product (i.e., the product is a new product) and in some circumstances where you are purchasing the product from a person to whom it was issued during the previous 12 months. A disclosure document will provide information about the product and the issuer, including the cost of the product and risks associated in acquiring the product, necessary for you to decide whether the product is suitable for you to purchase.

If you require additional information or clarification, please do not hesitate to contact us, as follows:

FIIG Securities Limited
 Level 8 Emirates House
 167 Eagle Street
 Brisbane QLD 4000

Telephone +61 (0)7 3231 6666
 Facsimile +61 (0)7 3231 6699

Email: info@fiig.com.au
www.fixedincome.com.au

BEFORE YOU USE OUR SERVICES

Who is FIIG Securities Limited?

FIIG Securities Limited is Australia’s largest specialist fixed income broker. FIIG is a public unlisted company, and holds Australian Financial Services Licence No 224659 issued by the Australian Securities and Investment Commission (“ASIC”). FIIG was established in 1999 and has offices in Brisbane, Sydney and Melbourne.

FIIG specialises in fixed income financial products, such as term deposits, government and semi-government debentures and bonds, corporate debentures and bonds including hybrids, deposit and payment products, and managed investment products. FIIG is not owned by, or aligned to, any financial institution.

Services offered by FIIG

FIIG is licensed by ASIC to provide dealing and execution services, general financial product advice and custodial services for financial products as an adjunct to those services. As part of these services, FIIG owns and operates the website termdeposit.com.au, an internet portal that specialises in term deposits. The general financial product advice provided by FIIG relates primarily to fixed income financial products and will not be based upon the client’s individual financial circumstances, objectives or needs. As a result, clients should, before acting upon any advice from FIIG, consider whether or not FIIG’s advice and any proposed investments in financial products are appropriate to the client’s individual financial circumstances, objectives or needs. Where applicable, clients should obtain and read the disclosure document of a financial product (if any) in its entirety before deciding whether or not to invest in that product and retain it for future reference. FIIG strongly recommends that you seek independent accounting, financial, taxation, and legal advice, tailored to your specific objectives, financial situation or needs, prior to making any investment decision. For wholesale clients, FIIG also provides Review and Assessment Services for client’s existing fixed income portfolios.

How FIIG operates

FIIG operates as a broker and dealer in fixed income financial products. FIIG’s role is to assist clients to obtain the best rates of return on term deposits and fixed income financial products as well for clients to buy and sell fixed income financial products. FIIG provides general financial product advice in the form of suggestions, recommendations or advice about, or a recommended portfolio of, fixed income financial products. For wholesale clients, FIIG also provides Review and Assessment Services for client’s existing fixed income portfolios.

For clients who require the service, FIIG can provide custodial services whereby your assets can be held in safe custody in FIIG’s account with FIIG’s custodial service provider. FIIG does not charge for these custodial services. Alternatively, FIIG can arrange for the safe custody of your assets with a custodial service provider whereby you will have a designated sub-account in your name in FIIG’s account with the custodial service provider. As FIIG is charged fees by the custodial service provider for this last mentioned service, those fees insofar as they pertain to your designated sub-account may be required to be reimbursed by you. Clients can also make independent arrangements for the safe custody of their assets with the custodian of their choice including opening a custody account direct with FIIG’s custodial service provider.

When using FIIG's services, you will be assisted by a representative who has been employed by and acts on behalf of FIIG. The representative's name will appear on any contract notes or trade confirmations issued by FIIG. Instructions may be provided to the representative by telephone, email, facsimile or post. FIIG maintains a record of its clients' investments as well as any correspondence relating to these investments. These files are all available for your examination if required.

The basis upon which FIIG will deal with you

FIIG will only deal with you and act upon your instructions on the basis, and the terms and conditions, set out below. FIIG will act upon your written or oral instructions to purchase, rollover, or sell, financial products. In so doing, FIIG may act as the counterparty (that is, the seller or buyer of the product).

FIIG will also act upon your instructions in relation to making, rolling-over, redeeming, or reinvesting, term deposit investments. If you fail to provide FIIG with written or oral instructions for an existing financial product, or term deposit, investment, then (subject to the policy of the issuer of the financial product or the Authorised Deposit-taking Institution) FIIG will arrange for your investment to be rolled-over until express instructions are received from you. In doing these things, FIIG acts as your agent. FIIG does not act as the agent of the issuers of financial products, or Authorised Deposit-taking Institutions, and is not responsible for any payments to be made by them to you.

FIIG does not provide tax advice

The assessable income, or capital gain, or both, on financial products may be taxed in circumstances where the income or gain may not be received until a subsequent period. This can have cash flow consequences depending upon your personal financial situation. FIIG strongly recommends that you seek independent accounting, financial, taxation and legal advice, tailored to your specific objectives, financial situation or needs, prior to making any investment decision.

How is FIIG paid?

FIIG derives its income from seven categories of transactions by its clients or services, as follows:

- 1 Acting as principal: FIIG acts as the counterparty (that is, the seller or purchaser) of the financial products, whereby FIIG will make a margin (e.g., by purchasing the financial product in FIIG's name at a price, and then selling it to the client at a higher price; and vice versa). The price quoted to you by FIIG for the purchase or sale of a financial product is net of FIIG's margin. FIIG's margin may depend upon the liquidity, credit rating, size and duration of the financial product as well as settlement risk and will therefore vary from product to product. These transactions may be executed and settled over-the-counter (OTC) or on an exchange such as the Australian Securities Exchange (ASX). When acting as counterparty in transactions with the client, FIIG may sell financial products which it owns on its own account and FIIG may purchase financial products to hold on its own account.
- 2 Acting as a broker for deposits: FIIG acts as a broker of deposit facilities offered by Authorised Deposit-taking Institutions, whereby FIIG will make a margin on the interest rate offered on the deposit. The interest rates quoted to you by FIIG on deposits, including on termdeposit.com.au, are net of FIIG's margin. The bank or financial institution providing the deposit facility is responsible for paying FIIG the margin, which is likely to be less than 0.25% of the yield received on the deposit.
- 3 Acting as a broker for listed securities: FIIG acts as a broker of financial products listed on an exchange such as the ASX including listed hybrids, debt securities and bonds, whereby FIIG will charge you brokerage when we buy or sell these financial products for you. The amount of the brokerage depends upon the size of the transaction, the nature of the financial products and the level of service and will usually be a percentage of the total consideration. FIIG has entered into an Execution and Clearing Agreement with Etrade Australia Securities Ltd to settle and clear all ASX transactions.
- 4 Distributing new issues or products: FIIG acts as the distributor of new issues of financial products originated by third parties, whereby FIIG will be paid a commission by the originator. In these instances, the commission payable differs with each issue. The level of commission will be disclosed in the disclosure document for the issue and is likely to be in the range of 0.25% to 3.00% of the amount invested.
- 5 Custodial services: FIIG can provide custodial services whereby your assets can be held in safe custody in FIIG's account with FIIG's custodial service provider. FIIG does not charge for these custodial services. Alternatively, FIIG can arrange for the safe custody for your assets with a custodial service provider whereby you will have a designated sub-account in your name in FIIG's account with the custodial service provider. As FIIG is charged fees by the custodial service provider for this last mentioned service, those fees insofar as they pertain to your designated sub-account may be required to be reimbursed by you.
- 6 Referral Fees: FIIG may also receive fees, commissions, or other benefits or advantages, from a third party who FIIG referred you to if you transact with that third party or use their services. Any such referring fees are not fixed or based upon a set formula but will be paid from (and therefore be less than) the margins or commissions received by the third party. You may request particulars of the referral remuneration before any financial service is provided to you by a third party.
- 7 Review and Assessment Services: FIIG provides review and assessment services for clients' existing financial product portfolios whereby FIIG is paid a fee based upon an hourly rate. The hourly rate will be agreed before the commencement of the service under a separate engagement letter.

FIIG does not remunerate its representatives upon individual transactions by FIIG's clients. Rather, FIIG remunerates its representatives by a salary, plus a periodic bonus based in part upon the revenue generated by that person during that period if certain key performance indicators are reached. The bonus to FIIG's representatives will be paid from (and therefore be less than) the margins or commission paid to FIIG set out above.

FIIG may also pay fees, commissions, or other benefits or advantages, to a third party who referred you to FIIG or to someone nominated by the third party, if you transact. Any such referring fees are not fixed or based upon a set formula but will be paid from (and therefore be less than) the margins or commission paid to FIIG set out above and will be recorded in the contract note or trade confirmation.

FIIG Securities Limited's Client Trust Account

FIIG operates Client Trust Accounts for money received from you for the payment of financial products. You do not receive any interest earned on money deposited in FIIG Securities Limited's Client Trust Account unless otherwise agreed by you and FIIG.

FIIG will obtain a written authority from you requesting and authorising FIIG to:

- 1 withdraw money from FIIG Securities Limited Client Trust Accounts in order to make payments for transactions or investments by you, or your nominees, in accordance with contract notes and trade confirmations issued by FIIG Securities Limited;
- 2 deposit financial products and deposit payments products in safe custody in designated sub-accounts with FIIG Securities Limited's custodial service providers;
- 3 deposit financial products and deposit payment products in safe custody with Authorised Deposit-taking Institutions;
- 4 if you have entered into a Client Custody Deed with FIIG Securities Limited, deposit financial products and deposit payment products in safe custody with FIIG Securities Limited.

FIIG Securities Limited's Custodial Services

FIIG provides custodial services whereby your assets can be held in safe custody in FIIG's account with FIIG's custodial service provider. Before this custodial service is provided by FIIG, you will need to enter into a Client Custody Deed with FIIG. The beneficial ownership of your assets held in safe custody remains with you at all times. Your assets can only be bought, sold, or otherwise dealt with, on your instructions to FIIG. There are no fees for this service.

Alternatively, FIIG can arrange for the safe custody for your assets with custodial service provider whereby you will have a designated sub-account in your name in FIIG's account with the custodial service provider. As FIIG is charged fees by the custodial service provider for this last mentioned service, those fees, insofar as they

pertain to your designated sub-account, may be required to be reimbursed by you.

In addition, you can also make independent arrangements for the safe custody of your assets by appointing the custodian of your choice including opening your own custody account direct with FIIG's custodial service provider.

Are there any interests, associations or relationships that could influence FIIG?

FIIG is a public unlisted company whose shares are wholly owned by a private company, Driven Holdings Pty Limited ABN 84 113 121 896. Therefore, FIIG is not owned by, or aligned to, any financial institution. As a result, FIIG is able to source financial products from a very broad range of financial institutions, product providers and originators. When acting as counterparty in transactions with FIIG's clients, FIIG may sell financial products which it owns on its own account. Conversely, FIIG may purchase financial products to hold on its own account.

How does FIIG deal with the Anti-Money Laundering / Counter-Terrorism Financing Act 2006 (C'th) ("AML/CTF Act")?

FIIG has an obligation under the AML/CTF Act to verify your identity before we can provide you with any financial services. FIIG will let you know what documentation you will need to present to satisfy the customer identification requirements of the AML/CTF Act.

Dispute resolution

FIIG's goal is client satisfaction and FIIG has established procedures for internal and external dispute resolution, including membership of an ASIC approved independent dispute resolution centre.

If you have a complaint about the service provided to you, please take the following steps:

- 1 Please contact your representative and let him or her know the details of your complaint.
- 2 If your complaint is not satisfactorily resolved within three days, please contact the Director – Operations on +61 (0)7 3231 6666, or put your complaint in writing and send it to GPO Box 1186, Brisbane, QLD, 4001. We will try to resolve your complaint quickly and fairly.
- 3 If you do not receive a satisfactory outcome, you have the right to complain to the Financial Ombudsman Service, GPO Box 3, Melbourne, VIC 3001 (Telephone 1300 780 808). FIIG is a member of this scheme. ASIC also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Professional indemnity insurance

FIIG maintains professional indemnity insurance that satisfies the requirements for compensation arrangements under section 912B of the *Corporations Act 2001*. Subject to its terms and conditions, the policy provides cover for civil liability resulting from third party claims concerning the services provided by FIIG and its employees and representatives.

TERMS AND CONDITIONS OF DEALING WITH FIIG SECURITIES LIMITED

FIIG will only deal or act upon your instructions as well as provide its Review and Assessment Services and Custodial Services upon the following terms and conditions:

"In consideration of FIIG Securities Limited ABN 68 085 661 632 ("FIIG") dealing with or on behalf of the Client or the Client's Account or providing its Review and Assessment Services or Custodial Services, the Client has acknowledged and agreed to the following terms and conditions:

- 1 The Client warrants that the Client has received and read FIIG's Financial Services Guide.
- 2 The Client acknowledges and agrees that FIIG has warned the Client prior to the client buying or selling a financial product that: FIIG provides general financial product advice only. As a result, this document, and any information or advice, has been provided by FIIG without taking account of your objectives, financial situation or needs. Because of this, you should, before acting on any advice from FIIG, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If this document, or any advice, relates to the acquisition, or possible acquisition, of a particular financial product, you should obtain any product disclosure statement relating to the product and consider the statement before making any decision about whether to acquire the product. FIIG, its directors, representatives, employees, or related parties may have an interest in any companies and entities, and may earn brokerage from the sale or purchase of any financial product, referred to in this document. Neither FIIG, nor any of its directors, representatives, employees, or agents, makes any representation or warranty as to the reliability, accuracy, or completeness, of this document or any advice. Nor do they accept any liability or responsibility arising in any way (including negligence) for errors in, or omissions from, this document or advice. Any reference to ratings of companies, entities or financial products must only be relied upon by a "wholesale client" as that term is defined in section 761G of the *Corporations Act 2001* (Cth). The assessable income, or capital gain, or both, on financial products may be taxed in circumstances where the income or gain may not be received until a subsequent period. FIIG strongly recommends that you seek independent accounting, financial, taxation and legal advice, tailored to your specific objectives, financial situation or needs, prior to making any investment decision.
- 3 The Client has authorised FIIG to act on the Client's written or oral instructions to purchase, make, rollover, sell, redeem or reinvest financial product and term deposit investments.
- 4 If the Client fails to provide FIIG with written or oral instructions for the Client's existing financial product, or term deposit, investments, then (subject to the policy of the issuer of the financial product or the Authorised Deposit-taking Institution) the Client has authorised FIIG to provide the instructions necessary for the financial product or term deposit investment to be rolled-over until express instructions are received from the Client.
- 5 The Client acknowledges and agrees that FIIG is not responsible for any payments to be made by issuers of financial products or Authorised Deposit-taking Institutions to the Client.
- 6 The Client acknowledges and agrees that FIIG may act as a principal or counterparty in any purchase or sale of financial products by the Client and that when acting as counterparty in transactions with the Client, FIIG may sell financial products which it owns on its own account and FIIG may purchase financial products to hold on its own account.
- 7 The Client shall pay for purchases (including taxes, costs, duties, and charges, in respect thereof) and make good delivery in respect of sales, to enable FIIG to settle by the due settlement date. Where the Client fails to pay for purchases, or make good delivery in respect of sales, by the due settlement date, FIIG is entitled to sell any purchases and pass onto the Client all costs incurred as a result of the Client's failure to settle.
- 8 The Client warrants that it is, and at all times during its dealings with FIIG will be, in a position to meet all commitments on its part arising out of its dealings with, or business conducted on its behalf by, FIIG.
- 9 If more than one person constitutes the Client then they are jointly and severally bound by these terms and conditions.
- 10 FIIG may appropriate credits and all payments received from, or on behalf of, the Client in reduction of any money owing by the Client to FIIG.
- 11 The Client requests and authorises FIIG:
 - (a) withdraw money from FIIG Securities Limited Client Trust Accounts in order to make payments for transactions or investments by the Client, or its nominees, in accordance with contract notes and trade confirmations issued by FIIG Securities Limited;
 - (b) deposit financial products and deposit payments products in safe custody in designated sub-accounts with FIIG

Securities Limited's custodial service providers;

- (c) deposit financial products and deposit payment products in safe custody with Authorised Deposit-taking Institutions;
 - (d) if you have entered into a Client Custody Agreement with FIIG Securities Limited, deposit financial products and deposit payment products in safe custody with FIIG Securities Limited.
- 12 The Client acknowledges and agrees that the Client does not receive any interest earned on money deposited in FIIG's Client Trust Accounts.
 - 13 The Client acknowledges that FIIG may receive fees, commissions, or other benefits or advantages, as a result of the Client executing a deal with FIIG or a third party.
 - 14 The Client acknowledges that FIIG may pay fees, commissions, or other benefits or advantages, to its representatives as a result of the Client executing a deal with FIIG or a third party.
 - 15 The Client acknowledges that FIIG may pay fees, commissions, or other benefits or advantages, to a third party who referred the Client to FIIG or to someone nominated by the third party.
 - 16 FIIG may, at any time, reissue a Contract Note or Trade Confirmation in order to correct any errors or omissions.
 - 17 The Client shall notify FIIG in writing within two business days of any change in the Client's name, address, telephone number or other material circumstances affecting the settlement of transactions."

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PRIVACY POLICY AND COLLECTION STATEMENT

Your privacy is important to us

FIIG Securities Limited ("FIIG") has created this Privacy Policy and Collection Statement ("Privacy Policy") in order to demonstrate FIIG's firm commitment to your privacy. FIIG is bound by the Privacy Act 1998 and the National Privacy Principles ("NPPs").

FIIG will update this Privacy Policy as required. If it is changed, the changes will be included in FIIG's Financial Services Guide and posted on www.fixedincome.com.au so that you are always aware of the sort of information collected, how the information may be used, and under what circumstances it may be disclosed by FIIG. Please note that if at any time FIIG is required by law to release information about you or your organisation, FIIG must cooperate fully. This Privacy Policy does not apply to acts or practices of FIIG that are directly related to employee records of current or former employees.

What sort of information does FIIG collect?

FIIG collects information about you ("Information") in the following ways:

- 1 FIIG collects Information about you when you or your agent perform transactions with FIIG, or with third parties when FIIG is acting in its capacity as a fixed income dealer and during the course of FIIG providing you with its services in its capacity as a licensed dealer in financial products and custodian.
- 2 FIIG collects Information about you when you send FIIG an email, namely, your email address and any other personal information which you disclose in your email.
- 3 FIIG collects Information about you when you register as a client of FIIG either by telephone, written communications, email or by filling out the registers on FIIG's websites www.fixedincome.com.au and www.termdeposit.com.au.
- 4 Any service providers which FIIG engages will be required to adopt the same type of security measures as above to ensure the privacy and confidentiality of your personal information.

What happens if you do not provide the Information?

If you do not supply sufficient personal information to FIIG, FIIG may not be able to carry out your instructions to perform transactions in relation to financial products or FIIG's other services, to ensure that the financial products and money due to you is able to be transferred to you, or to provide you with information arising out of your business relationship with FIIG.

Why does FIIG collect the Information and how is your Information used by FIIG?

FIIG collects the information to provide you with FIIG's services as a licensed dealer in financial products and custodian. For example, we may use the Information you provide to us to comply with your instructions relating to transactions in financial products.

FIIG also uses the information to send you information (either by email or post) that you request, for example, contract notes, trade confirmations and "The Wire". If at any time you receive material that you did not request, or do not want to receive such material any more, please inform us by correcting and updating your profile as discussed below.

Who does FIIG disclose personal information to?

FIIG will not sell, rent, trade or otherwise supply to third parties any personal Information obtained from you unless you consent. FIIG will supply to third parties (for example financial institutions) personal information obtained from you in order to carry out transactions in financial products which you have instructed us to perform.

FIIG may develop aggregate (that is, not individual) reports which incorporate some of the Information. The reports are for use by FIIG and our business partners, however, these reports do not include any personally identifiable Information.

Insofar as FIIG contracts with a service provider to assist in recording or storing all personal information, FIIG will ensure that any such service provider has the same level of privacy and confidential commitment which FIIG agrees to maintain with you as its Client.

How will FIIG keep your personal Information secure?

FIIG has security measures in place designed to protect against the loss, misuse or alteration of the Information under its control.

These security measures are:

- 1 Access to the Information by employees of FIIG is restricted to those employees who are required to access the Information in order to carry out your instructions in relation to transactions in financial products.
- 2 FIIG has clauses in employee contracts requiring confidentiality of FIIG's clients and the Information.
- 3 The Information is stored on computers in FIIG's lockable offices.

Correcting and updating your profile

FIIG gives you the following options for accessing and modifying Information previously provided:

- 1 You may gain access to Information that FIIG has collected about you, by contacting the person named below. We will not charge you for responding to such a request, unless we incur costs in providing the Information.
- 2 You may contact the person named below, by telephone, written communications, or email to notify FIIG of the necessary corrections or updates to the Information.

Contacting

If you have any questions about this Privacy Policy, you should contact:

Director – Operations
 FIIG Securities Limited
 Level 8 Emirates House
 167 Eagle Street
 BRISBANE
 QLD 4000

Telephone + 61 (0)7 3231 6666

Facsimile + 61 (0)7 3231 6699

Email kateb@fig.com.au

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