

1 July 2015

This document has been prepared by FIIG Securities Limited (ABN 68 085 661 632, AFSL Number 224659). It is intended to provide clients who held a FIIG Client Account prior to 1 July 2015 with a summary of key changes to:

- (a) the "Client Custody Agreement Terms and Conditions" ("**Ts&Cs**") that will apply on and from **31 October 2015**; and
- (b) the "Agreement for Opening a Client Custody and Investment Transaction Account" forming part of the "Opening a FIIG Client Account" form ("**Application Form Conditions**") that will apply on and from 1 July 2015,

(referred to together in this document as the "**Client Documents**").

This document is only intended to be a basic summary of certain key changes to the Client Documents. It is not intended to be a comprehensive description of any party's rights and obligations under, or to affect the interpretation or application of, those Client Documents. You should obtain and read a copy of the full Client Documents, available at www.fiig.com.au, and consider the appropriateness of those documents having regard to your own objectives, financial situation and needs.

Unless the contrary intention appears, terms used in this document have the same meaning as in the relevant Client Document.

Client Document Reference	Summary of change
Clause 1, Ts&Cs	<p>Amendments to clause 1 of the Ts&Cs introduce or modify a number of definitions. Key changes include:</p> <ul style="list-style-type: none"> • a modified definition of "Bank Account", to clarify that this is an account nominated by the Client. For a "New Client", this account must be a "Funding Account" (unless the Custodian determines otherwise in its discretion); • "Funding Account" is defined as a Bank Account of a particular type with a particular ADI, as specified by the Custodian from time to time; and • "New Client" has been defined as a Client who enters into the Ts&Cs on or after 1 July 2015. The Ts&Cs also introduce the concepts of: <ul style="list-style-type: none"> - a "Pre-Existing Client" (that is, a Client who is not a New Client); and - a "Post-October 2015 Client", meaning a Client (whether a New Client or a Pre-Existing Client) who is a Retail Client (as defined in the Corporations Act) who enters into the Ts&Cs, or in relation to whom the Ts&Cs are varied, after 31 October 2015.
Clauses 3.3, 7.2, 8.4, 8.5, 8.6, 9.2, 10.4 and 11.1 of the Ts&Cs	As an Australian financial services licensee, the Custodian is required to include certain provisions in the written agreement under which it

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	<p>provides a custodial or depository service to a person as a retail client. A number of changes to the Ts&Cs have been made to address these new regulatory requirements. These changes (some of which will only apply to a Client who is a Post-October 2015 Client) relate to:</p> <ul style="list-style-type: none"> the standard of care with which the Custodian is required to hold the Client's Assets – the Custodian will observe (and ensure that persons engaged by the Custodian to hold Client's Assets observes) reasonable standards generally applied by providers of custodial or depository services for holding the Client's Assets; the circumstances in which the Custodian has a continuing lien over, and right of set off against, the Client's Assets; notice that the Custodian will give to Clients, where practicable, before arranging for any Client's Assets to be held by a Sub-custodian; the exclusion of the Custodian's liability for the solvency of an Agent which is not a Related Entity, provided that the Custodian has not failed to take reasonable care in engaging and monitoring the compliance by that Agent; and verification procedures that the Custodian will apply for the appropriately frequent reconciliation and checking of the Client's Assets.
<p>Clause 3.6a)iv) of the Ts&Cs</p> <p>Clause 1.5c.f. of the Application Form Conditions</p>	<p>This amendment to the Ts&Cs clarifies that the Custodian may retain a margin on deposits, interest on the Trust Account and other amounts, benefits and Advantages set out in the Agreement.</p> <p>The amendment to the Application Form Conditions sets out the Client's consent to FIIG receiving and retaining fees, commissions, profits or other benefits or advantages described in the FIIG Financial Services Guide. In particular, the amendment sets out the Client's acknowledgment of (and consent to) the margin that FIIG makes and may retain on the interest rate offered on the Funding Account.</p>
<p>Clause 3.14b) of the Ts&Cs</p>	<p>This amended clause provides that the Custodian will provide the Client with a Monthly Statement, disclosing the Client's monthly balance and including a tax invoice in respect of applicable Fees.</p>
<p>Clause 12 of the Ts&Cs</p>	<p>As amended, clause 12 sets out the Fees that will be payable:</p> <ul style="list-style-type: none"> with effect on and from 1 July 2015 if the Client is a New Client; and with effect on and from 1 January 2016 if the Client is a Pre-Exiting Client. <p>The Custodian may increase Fees or introduce new Fees in relation to</p>

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	<p>the services provided under the Agreement, but will provide a Notice at least 60 days prior to the time that the Fees will apply.</p> <p>The Custodian may, in its absolute discretion, waive or reduce Fees payable by the Client. Any such waiver or reduction of Fees will cease to apply on 60 days' notice to the Client.</p> <p>The new Fees(which are GST inclusive) will include:</p> <p>(a) a Custody Services Fee, charged monthly and calculated daily on the aggregate value of the Client's Assets on the following basis:</p> <table border="1"> <thead> <tr> <th>Custody Service Fee</th><th>Aggregate value of the Client's Assets</th></tr> </thead> <tbody> <tr> <td>0.20% pa</td><td>For the first \$500,000</td></tr> <tr> <td>0.14% pa</td><td>For the next \$1.5m</td></tr> <tr> <td>0.09% pa</td><td>For the next \$3m</td></tr> <tr> <td>0.06% pa</td><td>For amounts over \$5m</td></tr> </tbody> </table> <p>The Custodian may in its reasonable discretion adopt any valuation policies and procures for the purposes of determining the value of the Client's Assets.</p> <p>The Custodian may, by Notice to the Client, amend the frequency of time at which the Fees are calculated and become payable.</p> <p>The Custody Service Fee is subject to a minimum monthly amount equal to \$20 (if the Client has a Funding Account), otherwise \$30;</p> <p>(b) a Dishonour Fee of \$60 if the Client has insufficient funds in their Bank Account at the time the Custodian seeks payment. This Dishonour Fee will only be payable once per month for a maximum of 3 successive months in which the Custodian has made an unsuccessful attempt to directly debit the Bank Account. In circumstances where the Custodian has made the maximum number of attempts to directly debit the Bank Account, the Client directs the Custodian to recover the Fees from the Distributions received in respect of the Client's Assets; and</p> <p>(c) an In-Specie Transfer Fee for each Acquired Asset that is transferred to an external custodian. The amount of this Fee will be notified to the Client on a case-by-case basis, and will</p>	Custody Service Fee	Aggregate value of the Client's Assets	0.20% pa	For the first \$500,000	0.14% pa	For the next \$1.5m	0.09% pa	For the next \$3m	0.06% pa	For amounts over \$5m
Custody Service Fee	Aggregate value of the Client's Assets										
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	<p>not exceed \$300 per Acquired Asset.</p> <p>The Client acknowledges and agrees that the Fees, expenses, outlays and any other amounts payable by the Client under or in connection with the Agreement may be paid by the Custodian debiting the Bank Account at the time the relevant payment is due.</p>
Clause 20.1 of the Ts&Cs	<p>Clause 20.1 as amended provides that the Custodian may at any time, and without the consent of the Client:</p> <ul style="list-style-type: none"> • assign its rights under the Agreement to; • novate its obligations under the Agreement to; and /or • retire as custodian and appoint as its replacement, <p>a Related Entity of the Custodian.</p>
Clause 20.7a) of the Ts&Cs	<p>The governing law of the Agreement is changed from Queensland to New South Wales under this amended clause.</p>
Clause 1.5c.ii. of the Application Form Conditions	<p>Under this clause, the Client authorises and instructs FIIG to take a charge, mortgage, lien or other encumbrance over, or in relation to, the Client's Assets to the extent necessary for FIIG to satisfy any outstanding payment obligation of the Client in relation to any Fees payable to FIIG under the Ts&Cs or FIIG's Financial Services Guide.</p>

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