

# CommSec Exchange-Traded Options

Terms and Conditions



CommSec

Issue Date: 27 June 2025

**Important Information**

Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 (CommSec) is a wholly owned but non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945. CommSec is the issuer of this Exchange Traded Options Product Disclosure Statement (PDS) and a Market Participant of the Australian Securities Exchange Limited (ASX) and CBOE Australia Pty Ltd, a Clearing Participant of ASX Clear Pty Limited (ASX Clear) and a Settlement Participant of ASX Settlement Pty Limited.

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Write to us at: Locked Bag 22  
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# TERMS AND CONDITIONS

**Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 (CommSec) is a wholly owned but non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA). CommSec is a Market Participant of ASX Limited (ASX) and Cboe Australia Pty Limited (Cboe), a Clearing Participant of ASX Clear Pty Limited and a Settlement Participant of ASX Settlement Pty Limited.**

Registered Office: Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, NSW 2000, Australia

This Exchange-Traded Options Terms and Conditions comprise of the following Parts:

- Part 1** – Derivatives Client Agreement
- Part 2** – Direct Debit/Credit Request Service Agreement
- Part 3** – Customer Information and Privacy

## DEFINITIONS

**'We', 'Our', 'Us', 'Broker', 'Commonwealth Securities'** and **'CommSec'** refer to Commonwealth Securities Limited ABN 60 067 254 399.

**'Client', 'You'** and **'Your'** refer to the applicant(s) whose name(s) appear on the CommSec Exchange Traded Options application.

**'ASX Clear'** and **'Clearing House'** mean ASX Clear Pty Ltd.

**'ASX'** refers to the ASX Limited.

**'ASX Group Rules'** and any reference to **'Rule'** means except where the context requires any or all of the rules and procedures of the member entities of the ASX group.

**'ASIC'** refers to the Australian Securities Investments Commission.

**'Proscribed Person'** means a person who appears to us either (a) to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth); (b) to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism; (c) to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or (d) act on behalf, or for the benefit of, a person listed in subclauses (a) – (c).

## INTERPRETATION

Words and expressions defined in the Corporations Act, the ASX Group Rules, procedures, appendices and schedules, where appearing in this agreement, have the same meaning as in the Corporations Act, the ASX Group Rules, procedures, appendices and schedules.

# DERIVATIVES CLIENT AGREEMENT

## 1. APPLICATION OF MARKET RULES

The Client and CommSec are bound by:

- a. the Operating Rules of ASX Limited (ASX), the Corporations Act (including the ASIC Market Integrity Rules) and the Procedures, customs, usages and practices of ASX and its related entities, as amended from time to time, in so far as they apply to Options traded on ASX for the Client.
- b. the Commonwealth Securities Trading Terms and Conditions except to the extent that those conditions and rules are inconsistent with this agreement.

## 2. EXPLANATORY BOOKLET, RISK AND FINANCIAL OBJECTIVES (RETAIL INVESTORS ONLY)

The Client has received and read a copy of the current explanatory booklet published by ASX in respect of Options. The Client acknowledges that dealing in derivatives incurs a risk of loss as well as a potential for profit. The Client acknowledges that it has given consideration to its objectives, financial situation and needs and has formed the opinion that dealing in derivatives is suitable for its purposes.

### 3. AUTHORITY

The Client acknowledges that they are either:

- a. acting as principal; or
- b. acting as an intermediary on another's behalf and are specifically authorised to transact the Options, by the terms of:
  - i. a licence held by the Client;
  - ii. a trust deed (if the Client is a trustee); or
  - iii. an agency contract.

### 4. NATURE OF COMMSEC'S OBLIGATIONS

Notwithstanding that CommSec may act in accordance with the instructions of, or for the benefit of, the Client, the Client acknowledges that any Derivatives Market Contract arising from any order submitted to the Market, is entered into by CommSec as principal.

Upon registration of a Derivatives Market Contract with ASX Clear in the name of CommSec, the Client acknowledges that CommSec incurs obligations to ASX Clear as principal, even though the Derivatives Market Contract may have been entered into on the Client's instructions.

The Client acknowledges that any benefit or right obtained by CommSec upon registration of a Derivatives Market Contract with ASX Clear by novation under the Rules or any other legal result of registration is personal to CommSec and the benefit of that benefit, right or legal result does not pass to the Client. The Client has no rights, whether by way of subrogation or otherwise, against ASX Clear in relation to any dealings by CommSec (or any other Participant or Market Participant) in Derivatives Market Contracts and Derivatives CCP Contracts.

The Client acknowledges that orders placed through the internet may be limited, at

CommSec's discretion, to specified types of dealings as determined by CommSec from time to time and notified to the Client in writing electronically or otherwise.

Unless otherwise agreed, all orders or instructions to buy, sell, take, write, grant or close Derivatives Market Contracts given by the Client to Commonwealth Securities will be on a day only basis, and if unexecuted, will automatically lapse at the close of normal trading on the business day that they are given.

### 5. DEALING AS PRINCIPAL

The Client acknowledges that CommSec may, in certain circumstances permitted under the Corporations Act and the Rules, take the opposite position in a transaction in a Derivatives Market Contract, either acting for another client or on its own account.

### 6. COMMISSIONS AND FEES

The Client must pay to CommSec commissions, fees, taxes and charges in connection with dealings for the Client in derivatives at the rates determined by CommSec from time to time and notified to the Client by postal or electronic ("email") address last notified to us by you, or at our website. We shall give you 30 days' notice of application of increases in fees, charges or commissions other than government fees or charges.

The Client agrees that CommSec commissions generally applicable for orders placed through the internet may not apply to Derivatives Market Contracts, at the discretion of CommSec.

The Client also understands that each individual order instruction incurs its own individual commissions, fees, taxes and charges. Multiple orders in the same series on the same day do not amalgamate to give one net instruction.

### 7. TAPE RECORDING OF CONVERSATIONS

- a. You authorise us to record any telephone conversation(s) between you and us, with or without an audible tone warning device.
- b. You acknowledge that any recording is our property and that we reserve the right to charge you a cost recovery fee for access to a recording.

- c. You agree to record all relevant details of any conversation that you have with us, including the name of the operator and the date and time of the call, and you acknowledge that we will ask you for this information when you seek access to a recording.

## **8. CLIENT TO PROVIDE INFORMATION**

The Client will take all reasonable steps to deliver information or documentation to CommSec, or cause information or documentation to be delivered to CommSec concerning derivatives transactions which are requested by a person having a right to request such information or documentation. CommSec is authorised to produce the information or documentation to the person making the request.

The Client must provide the necessary identification information to CommSec before the Derivatives Market Contract is registered with ASX Clear on behalf of the Client.

As part of Australia's international obligations in relation to combating tax evasion, CommSec may require you to provide additional information.

Until you provide us with this information, CommSec may be unable to complete the opening of your account. For example, if you are the trustee for a trust, you need to tell us if the settlor or any beneficiary of the trust is a tax resident of a country other than Australia. If the settlor or any beneficiary is itself an entity, this requirement applies to all individuals who are an ultimate beneficial owner of that entity. CommSec may then require you to obtain (and/or provide on their behalf) each individual's name, address, date of birth and tax residency details. Where you are a trustee, you do not have to give us this information in relation to the settlor if their identity is not known or, if they have no ongoing involvement with the trust and their tax residency is not known. In this case, you confirm that after reasonable enquiry, you have no reason to believe that the settlor is a tax resident in a country outside Australia.

You must keep this information up to date, and notify us promptly of any change. If you need to get in touch with us:

- From Australia call 1300 077 141 between 9am – 5pm, Monday – Friday (Sydney Time)
- From overseas call +61 2 8055 4001 between 9am – 5pm, Monday – Friday (Sydney Time). Call charges may apply.

## **9. SUSPENSION**

We may, in Our discretion, restrict Your Account or suspend access to Your Account (including through Our website or app) with or without providing You with prior notice where:

- We have been notified or are in receipt of an allegation that, or We think that, Your Account may be being used unlawfully or without proper authority, including fraudulently or as part of a possible scam;
- We suspect on reasonable used in a way that results in or may cause financial abuse;
- Your Account has been operated in a manner that We reasonably consider is unsatisfactory or inconsistent with these terms and conditions;
- You do not provide any information or document that We reasonably request from You;
- We reasonably consider it necessary to comply with Our financial crime policies, any laws in Australia or overseas or to manage any material risk; or
- You are traveling to a sanctioned jurisdiction or are residing outside of Australia. A list of sanctioned jurisdictions may be found on the CommBank website by searching 'international sanctions'.

When We do so, We will act fairly and reasonably towards You.

## **10. RIGHT TO REFUSE TO DEAL**

The Client acknowledges that CommSec may at any time refuse to deal in, or may limit dealings in, derivatives for the Client.

CommSec is not required to act in accordance with the Client's instructions, where to do so

would constitute a breach of the Rules, the Clearing Rules or the Corporations Act or would expose CommSec to unnecessary risk, as judged by CommSec in its absolute discretion. CommSec will notify the Client of any refusal or limitation as soon as practicable.

If you or a signatory appears to be a Proscribed Person, then we may immediately refuse to process or complete any transaction or dealing of yours; suspend the provision of a product or service to you; refuse to allow or to facilitate any of your assets held by us to be used or dealt with; refuse to make any asset available to you or to any other proscribed person or entity; or terminate these arrangements with you. We will be under no liability to you if we do any or all of these things. Our rights under this clause are in addition to all other rights we may have.

If we exercise our rights under Clause 10, you must pay us any damages, losses, costs, or expenses that we incur in relation to any action taken under Clause 10, including without limitation administrative costs and/or costs of sale or purchase of any transaction or deal put in place for the purposes of meeting our obligations under this Agreement.

### **11. TERMINATION OF AGREEMENT**

Either the Client or CommSec may terminate this Agreement by, in the case of the client, giving not less than seven (7) days' notice in writing to CommSec, and in the case of CommSec, giving not less than thirty (30) days' notice in writing to the Client.

CommSec may also, without providing the Client with 30 days' prior notice or any prior notice, terminate this Agreement if the Client does not provide any information or document that CommSec reasonably requests from the Client to comply with any statutory, regulatory or other similar obligation binding on CommSec. When CommSec does so, CommSec will act fairly and reasonably towards the Client.

### **12. EFFECT OF TERMINATION**

Subject to Clause 10, termination does not affect the existing rights and obligations of the Client or

CommSec prior to termination. Upon termination of this Client Agreement, CommSec will close out all Derivatives CCP Contracts held by CommSec for the account of the Client, unless, in accordance with a direction from the Client, those contracts are transferred to another Participant in accordance with the Rules.

### **13. REVISED TERMS PRESCRIBED BY ASX**

If ASX prescribes amended minimum terms for a Client Agreement for Options for the purposes of the Rules (the New Terms), to the extent of any inconsistency between these minimum terms and the New Terms, the New Terms will override the terms of the Client Agreement and apply as if the Client and CommSec had entered into an agreement containing the New Terms.

### **14. COMMSEC TO PROVIDE CLIENT WITH COPY OF CHANGES**

CommSec will provide a copy of the New Terms to the Client as soon as practicable after ASX prescribes the New Terms.

### **15. APPLICATION OF CLEARING RULES**

The Client acknowledges that each Option registered with ASX Clear is subject to operating rules and the practices, directions, decisions and requirements of ASX Clear.

### **16. CLIENT FUNDS AND PROPERTY**

CommSec must deal with any money and property paid or given to CommSec in connection with the Participant/ Client relationship in accordance with the Corporations Act and the Rules.

The Client acknowledges that the Client's monies and the monies of other clients of CommSec may be combined and deposited by CommSec in a trust account or clients' segregated account. The Client acknowledges that all monies credited to the clients' segregated account maintained by CommSec may be used by CommSec to meet the default of any client of CommSec. The Client acknowledges that CommSec may retain interest paid by ASX Clear on money provided by the Client under Clause 25 of this Agreement.

### **17. CHANGE OF PARTICIPANT**

If the Client receives a Participant Change Notice

from CommSec and the Participant Change Notice was received less than 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Participant, the Client is under no obligation to agree to the change of Participant, and may choose to do any of the things set out below.

The Client may choose to terminate this Client Agreement in accordance with Clause 11 or by giving instructions to CommSec, indicating that the Client wishes to transfer their Derivatives CCP Contracts to another Participant.

If the Client does not take any action to terminate this Client Agreement and does not give any other instructions to CommSec which would indicate that the Client does not agree to the change of Participant then, on the Effective Date, this Client Agreement will have been taken to be novated to the new Participant and will be binding on all parties as if, on the Effective Date:

- the new Participant is a party to the Client Agreement in substitution for CommSec;
- any rights of CommSec are transferred to the new Participant; and
- CommSec is released by the Client from any obligations arising on or after the Effective Date.

The novation will not take effect until the Client has received a notice from the new Participant confirming that the new Participant consents to acting as the Participant for the Client. The Effective Date may as a result be later than the date set out in the Participant Change Notice.

The Client will be taken to have consented to the events referred to above by the doing of any act which is consistent with the novation of the Client Agreement to the new Participant (for example by giving an instruction to the new Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.

The Client Agreement continues for the benefit of CommSec 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 not binding or effective on the Effective Date, then the Client Agreement will

continue for the benefit of CommSec until such time as the novation is effective, and CommSec will hold the benefit of the Client Agreement on trust for the new Participant.

Nothing in this Clause 17 will prevent the completion of Derivatives Market Contracts and Derivatives CCP Contracts by CommSec where the obligation to complete those transactions arises before the Effective Date and the Client Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the Client Agreement to the new Participant under this Clause 17.

## **18. APPOINTMENT OF ASX CLEAR AND OTHERS AS AGENT**

The Client irrevocably appoints severally ASX Clear, and every director, manager and assistant manager for the time being of ASX Clear, at the option of ASX Clear (as applicable) to do all acts and execute all documents on the Client's behalf for the purpose of exercising the powers conferred on ASX Clear under Rule 15.

## **19. ETO SETTLEMENT**

The Client understands that settlement of a Derivatives CCP Contract occurs on T+1, and that the Client is required to ensure that sufficient cleared funds are available in their nominated account to meet the debit. The Client also understands that settlements through the Options account do not offset over more than 1 day, or from other CommSec trading accounts.

## **20. PARTIAL TRADE EXECUTION**

The Client acknowledges their understanding that an order may not be completely executed in one single transaction. For orders that are partially executed, the parties agree that any remaining balance will remain in the market at the Client's nominated limit price until it is either executed, or it expires at the end of the day. If an order expires and it has been partially executed, the Client will be charged the minimum applicable brokerage for the executed transaction. Should the Client place a new order for the remaining balance on a subsequent trading day, such renewal is the responsibility of the Client and will be treated as a new instruction and the applicable brokerage will apply.

## 21. DEFAULT

If:

- (1) the Client fails to pay, or provide security for, amounts payable to CommSec or fails to perform any obligation arising pursuant to the exercise or settlement of a Derivatives CCP Contract; or
- (2) fails to meet a demand under Clause 22; or
- (3) a guarantee or other security provided by the Client to CommSec is withdrawn or becomes ineffective and other replacement security not acceptable to CommSec is provided; or
- (4) the client dies or loses legal capacity; or
- (5) any other event occurs which CommSec and the Client have agreed in their Client Agreement entitles CommSec to take action under this Clause 21; or
- (6) the Client or signatory appears to be a Proscribed Person.

CommSec may, in addition to any other rights which they may have against the Client, without giving prior notice to the Client, take any action, or refrain from taking action, which it considers reasonable in the circumstances in connection with Derivatives Market Contracts registered in the Client Account of the Client (including, without limitation, Derivatives CCP Contracts arising from those contracts transacted) and, without limitation, CommSec may:

- a. enter into one or more transactions to effect the close-out of one or more Derivatives CCP Contracts in accordance with the Rules;
- b. exercise one or more Derivatives CCP Contracts in accordance with the Rules;
- c. exercise any other rights conferred by the Rules or the Client Agreement or perform any other obligations arising under the Rules or the Client Agreement in respect of those Derivatives CCP Contracts, and the Client must account to CommSec as if those actions were taken on the instructions of the Client and, without limitation, is liable for any deficiency and is entitled to any surplus which may result.

- d. enter into one or more transactions to effect the close-out of one or more short equities positions.

The Client:

- i. must, on demand, pay or reimburse CommSec for all costs, charges and expenses incurred by CommSec including, without limitation, costs, charges and expenses in connection with the preparation and execution of this Agreement or any payment or other transaction contemplated by this Agreement;
- ii. agrees to indemnify CommSec against all costs, expenses and losses, including brokerage, clearing house fees and administration fees, incurred or suffered by it as a result of the Client's failure to settle or make a required payment or deposit a required margin within the prescribed time; and
- iii. agrees that if the Client fails to pay any amount payable under this Agreement or the Rules, on its due date, then the Client must pay on demand interest on that overdue amount from the due date up to the date of actual payment, calculated on daily balances and compounded monthly, both before and (as an independent obligation) after judgment or order at the 'Reference Rate'. 'Reference Rate' means the rate described as the Commonwealth Bank's Overdraft Index Rate as published from time to time or, if there is no such rate at any time, any substitute or replacement reference rate published by the Commonwealth Bank from time to time.

## 22. COMMSEC MAY DEMAND FUNDS, SECURITY OR EVIDENCE

CommSec may do any one or more of the following which CommSec considers, in its absolute discretion, appropriate in connection with the obligations incurred, or which may be incurred, by the Client or CommSec (or both) in respect of Derivatives CCP Contract entered into for the account of the Client:

- a. demand the payment of money;
- b. demand the provision of other security; or
- c. demand evidence, in a form satisfactory to CommSec, that the Client will, within a time determined by CommSec at its sole discretion, be able to comply with demands or future demands under (a) or (b) above.

The Client must comply with any demand made by CommSec under this clause as soon as possible and in any case must comply before 2pm (Sydney time) on the day on which the demand is made (unless CommSec specifies a different time), and time is of the essence. If the Client fails to comply with the demand or if the Client cannot be contacted despite CommSec's reasonable enquiries, the Client agrees that CommSec, in accordance with Clause 21, may take any action, or refrain from taking action, which it considers reasonable and in accordance with the ASX Group Rules in the circumstances.

### **23. MARKET EVENT**

The Client acknowledges that in the event of an occurrence which might threaten the maintenance of fair and orderly markets, including but not limited to occurrences such as bank failures, payment breakdowns, and/or the failure of a large securities firm, the ASX or ASX Clear may notify the market of its intended actions or seek an immediate election regarding the treatment of open Derivatives CCP Contracts. The Client acknowledges that in such event, there can be no assurance that disclosure will be made in a manner that will permit the Client to learn of the election or intended action in a timely way. The Participant will have no obligation or liability of any kind to the Client in respect of any loss or damage which the Client may suffer or incur, or which may arise in connection with the ASX exercising its discretion in regards to open Derivatives CCP Contracts of the Client.

### **24. LODGING SCRIP AS COLLATERAL**

The Client understands that if the Client needs to or wants to lodge scrip cover through CommSec for any open Derivatives CCP Contract, it is necessary for the Client to become CHES Participant Sponsored by CommSec.

The Client authorises CommSec to lodge scrip cover on the Client's behalf for any open Derivatives CCP Contract. This means that the Client authorises:

- a. (a) CommSec to reserve (or withdraw) Financial Products registered in the Client's name with ASX Clear as scrip cover for obligations in respect of the Client's Derivatives CCP Contracts (Scrip Collateral); and
- b. CommSec to grant a security interest over the Scrip Collateral in favour of ASX Clear to secure the performance by CommSec (or any other Clearing Participant acting on behalf of the Client); and
- c. any subsequent dealing (including, without limitation, any transfer) of the Scrip Collateral in accordance with the ASX Rules.

The Client acknowledges that the Scrip Collateral will remain subject to the security interest until ASX Clear Permits it to be withdrawn.

The Client understands that scrip cover lodged through CommSec for any Derivatives CCP Contract will only be released by CommSec upon request and at CommSec's discretion.

### **25. LODGING CASH AS COLLATERAL**

The Client understands that if the Client lodges cash instead of scrip as collateral, cash collateral may be treated differently from scrip in the event ASX Clear exercises its powers to close the open Derivatives CCP Contract(s) of the Participant in the event of an occurrence which might threaten the maintenance of fair and orderly markets. Unlike scrip, cash collateral may be apportioned by ASX Clear in relation to the dealings of the Participant and all its clients without the authorisation of the Client.

### **26. MARGINS**

The Client agrees that when the Client writes a Derivatives Market Contract to open a position, then margins will be payable throughout the life of the Derivatives CCP Contract entered into for the account of the Client. CommSec may call for payment of margin which CommSec considers, in its absolute discretion, appropriate in connection with the obligations incurred by CommSec in

respect of Derivatives CCP Contracts entered into for the account of the Client, which may be in excess of margin required by ASX Clear. For the avoidance of doubt a call for the Client to pay such margin is a demand for the purposes of Clause 22. It is the Client's responsibility to ensure they meet their margin obligations on a daily basis. The Client must elect to close any open Derivatives CCP Contract entered into for the account of the Client immediately in the event that the Client cannot meet daily margin obligations.

## 27. EXERCISE

CommSec automatically exercises Derivatives CCP Contract entered into for the account of the Client (that is, any Call or Put that has been bought to open) on expiry that are in the money by 1c or more. It is the responsibility of the Client to instruct CommSec on the expiry date (only) if they do not wish to exercise contracts that are in-the-money by 1c or more. The Client also acknowledges that once the instruction is received that they do not wish to exercise their Long Position, that position is deemed to be worthless and therefore cannot be either traded on-market or exercised. Subsequent trades involving selling the same series will be considered to be the opening of a new position.

## 28. ASSIGNMENT

The Client understands that during all times while a written (short) Derivatives CCP Contract entered into for the account of the Client is open, the writer and the Client are exposed to the risks of that Derivatives CCP Contract being assigned. Where a Derivatives CCP Contract is assigned, the Client must take delivery of (for short Put contracts), or supply (for short Call contracts), the required number of underlying shares at the exercise price on T+2. The Client also agrees that upon assignment of a naked Derivatives CCP Contract entered into for the account of the Client:

- a. the Client must purchase additional shares (short Call contract) or sell shares (short Put contract) in order to satisfy delivery/settlement obligations; and
- b. the Client must execute the required trade(s) and notify CommSec on T+1.

## 29. ADJUSTMENTS

The Client understands it is their responsibility to know about adjustments to the Derivatives CCP Contract entered into for the account of the Client. The Derivatives CCP Contract specifications that may be adjusted are: contract size, exercise price, expiry date, number of contracts and underlying securities. an adjustment to a Derivatives CCP Contract is announced by the ASX but the final details of the adjustment have not yet been calculated and announced by the ASX (for example, because the adjustment calculation depends on the closing price on the first day of trading after the adjustment announcement) the Client accepts all responsibility for their trading in respect of that Derivatives CCP Contract, including (without limitation) the calculation of the fair value of the Derivatives CCP Contract.

## 30. CLIENT LEVEL

CommSec may assign the Client a particular Client Level at its sole discretion and may change that Client Level from time to time in its sole discretion based on the following factors:

- a. its assessment of the Client's level of experience in trading in Options;
- b. any application by the Client for an increase in Client Level;
- c. any breach by the Client of this Agreement or the Rules.

The Client agrees that CommSec will not be liable for any claim that its allocation of a particular Client Level caused or contributed to loss to the Client.

CommSec may at its sole discretion specify the types of Option trading permitted by Clients of any particular Client Level and from time to time vary those specifications.

## 31. ACCOUNTS

CommSec may require the Client (or Client Level of which the Client is a member) to open a Commonwealth Direct Investment Account or other account with CommSec or Commonwealth Bank of Australia or both in order to settle trades made pursuant to this Agreement and the Client must comply with any such requirement.

### 32. ORDERS

The Client understands that CommSec does not offer straight through processing of exchange-traded Option orders, and as such all exchange-traded Options orders are placed into the ASX Options market by an accredited Options dealer.

### 33. EMAIL CONFIRMATION

By supplying an email address the Client acknowledges and authorises CommSec to send all relevant statements to the Client's email address only. The Client may at any time notify us in writing that the Client wishes to withdraw their consent and revert to receiving the reports and statements by mail.

It is the Client's obligation to ensure that his, her or its email address is operational and available for receipt of abovementioned electronic confirmation statements. The Client also agrees that at any time CommSec may:

- issue a paper-based confirmation statement in lieu of electronic confirmation statements by email;
- issue a further confirmation statement if the previous one(s) contained any errors or omissions, and in this event, the further confirmation statement shall supersede the previous one(s) in all respects.

### 34. VARIATION

CommSec may from time to time vary these Derivatives Client Agreement terms and conditions, to the extent permitted by the ASX Group Rules to:

- a. add, change or remove any concessions or benefits;
- b. adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman service regulator, or of the ASX;
- c. accommodate changes in the needs or requirements of our clients, such as new product features or services;
- d. correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities;
- e. bring us into line with our competitors, industry or market practice or best practice in Australia or overseas; or

- f. reflect changes in technology or our processes including our computer systems.

Each of the changes in paragraphs (a) to (f) is a separate right and this clause is to be read as if such change was a separately expressed right.

Without limiting our rights under paragraphs (a) to (f), we may from time to time vary any of the terms and conditions for reasons other than the ones mentioned above (e.g. due to unforeseen events). If we vary these terms and conditions the changes shall apply to all dealings between you and us on and from the day on which the variation takes effect. We will give not less than seven (7) days notice to you at the postal or email address last notified to us by you, or at our website or app. However, if the change is unfavourable to you we shall give not less than thirty (30) days' notice to you at the postal or email address last notified to us by you, or at our website or app (and if at our website or app we will draw your attention to the change via a 'pop up' message, on our "site news" or similar prompt or alert).

Note – If we make a change that is not acceptable to you, you can cancel the agreement by closing out all options contracts that are open at the time you wish to cancel the agreement. This may result in a substantial cost to you, and fees and charges may be payable by you.

### 35. COMPLAINT RESOLUTION

We try to get things right the first time but if We do not, We will do what We can to fix it. You can fix most problems simply by talking to Us, so if You need to make a complaint, please call Us on **13 15 19** from 8:00 am to 6pm (Sydney time) Monday to Friday. We will:

- a. Keep a record of Your complaint;
- b. Give You a name, reference number and contact details for You to follow up if You want; and
- c. Give Our final response within 30 days.

If We cannot complete Our investigation within 30 days, We will let You know why and give You the details of the Australian Financial Complaints Authority – a free, independent dispute resolution service that You can contact if You are not happy with how We handled Your complaint – by phone 1800 931 678 or visit [afca.org.au](http://afca.org.au). You give

Us permission to collect, use and share Your information with others as set out in this section and Our privacy policy.

### **36. CLIENT'S OBLIGATIONS TO COMMONWEALTH BANK OF AUSTRALIA**

- a. This clause 36 applies despite anything to the contrary in any other provision of this Client Agreement.
  - b. The Client irrevocably and unconditionally undertakes to CBA to perform, in favour of CBA and for CBA's benefit, each and every obligation owed by the Client to CommSec under or in connection with this Client Agreement. This undertaking is separate and independent to the Client's obligations to CommSec, and CBA will have an independent right to demand performance by the Client of each such obligation. However, any discharge of any such obligation to either CBA or CommSec will discharge the corresponding obligation to the other of them to the same extent.
  - c. Without limiting paragraph (b), the Client irrevocably and unconditionally undertakes to pay to CBA on demand an amount that is equal to each amount that is due and payable by the Client to CommSec under or in connection with this Client Agreement from time to time. This undertaking is separate and independent to the Client's payment obligations to CommSec, and CBA will have an independent right to demand performance by the Client of each such undertaking. However, any discharge of any obligation to either CBA or CommSec will discharge the corresponding obligation to the other of them to the same extent.
  - d. The Client agrees that it is also a default under clause 21 if:
    - i. the Client fails to pay, or provide security for, amounts payable to CBA or fails to perform any obligations arising pursuant to the exercise or settlement of a Derivatives CCP Contract;
    - ii. a guarantee or other security provided by the Client to CBA is withdrawn
- or becomes ineffective and other replacement security not acceptable to CBA is provided; or
- iii. any other event occurs which CommSec and the Client have agreed in will entitle CommSec to take action under clause 21.
- e. Without limiting CBA's or CommSec's rights, powers, remedies or discretions under any other provision of this Client Agreement or otherwise:
    - i. if a default under clause 21 or any other part of this Client Agreement occurs, any one or both of CBA and CommSec, without notice to the Client, may combine any account that the Client holds with it at any branch or office (in Australia or elsewhere) with, or set off any amount in any currency that is or may become owing in any currency by it to the Client against, any amount owing by the Client to it; and
    - ii. any amounts deposited by the Client with any of CBA or CommSec (including amounts deposited by CommSec with CBA on account of the Client) will not fall due for repayment by CBA or CommSec, as the case may be, until the Client's obligations under this Client Agreement (and under any other account between CommSec and the Client) are satisfied in full. Until this time, those amounts will not constitute a debt due from CBA or CommSec to the Client nor will the Client have any right to receive payment of these funds.
  - f. The Client grants each of CBA and CommSec a separate Security Interest in:
    - i. all of the Client's rights and interest in any of its Accounts; and
    - ii. without limiting paragraph (i) above, all of the Client's rights and interest in any ADI account held with CBA or any cash account or other account held with CommSec,

- iii. to secure obligations owing by the Client under or in connection with this Client Agreement to CBA and CommSec.
- g. The Security Interests provided for by this Client Agreement are first ranking Security Interests, and if a default under this Client Agreement occurs, CBA and CommSec, in addition to any other right that either of them may have, may severally enforce its Security Interest provided for by this Client Agreement.
- h. CBA's respective rights, powers, remedies and discretions under:
  - i. clause 36(e)(i);
  - ii. clause 36(e)(ii); and
  - iii. clause 36(f),
 are separate and independent from one another and CBA is not under any obligation to exercise or take any action under or in respect of any one or more of them before doing so under or in respect of any other of them.
- i. CommSec's respective rights, powers, remedies and discretions under this Client Agreement and the General Conditions of Trade (including but not limited to its rights, powers, remedies and discretions under the following provisions) are separate and independent from one another:
  - i. clause 36(e)(i) of the Client Agreement;
  - ii. clause 36(e)(ii) of the Client Agreement;
  - iii. clause 36(f) of the Client Agreement;
  - iv. clause 16 of the Client Agreement;
  - v. clause 21 of the Client Agreement;
  - vi. clause 22 of the Client Agreement;
  - vii. clause 26 of the Client Agreement;
  - viii. clause 31 of the Client Agreement;
  - ix. clause 31 (c) of the General Conditions of Trade, and CommSec is not under any obligation to exercise or take any action under or in respect of any one or more of them before doing so under or in respect of any other of them.

- j. Where the Client is acting in the capacity of trustee of a superannuation fund, this clause only applies to the extent it does not cause the Client to breach any applicable law.

### **37. PERSONAL PROPERTY SECURITIES ACT**

- a. Nothing in this Client Agreement may be taken as an agreement that any Security Interest provided for by this Client Agreement attaches later than the time contemplated by section 19(2) of the PPSA.
- b. The Client acknowledges that neither CBA nor CommSec has agreed to subordinate any Security Interest provided for by this Client Agreement in favour of any third party.
- c. The Client acknowledges that CBA and/ or CommSec may register one or more financing statements in relation to their respective Security Interests. If permitted by the PPSA, the Client waives its right under section 157 of the PPSA to receive notice of any verification statement relating to the registration of any such financing statement or any related financing change statement.
- d. The Client, CBA and CommSec agree not to disclose information of the kind mentioned in section 275(1) of the PPSA, except in the circumstances required by sections 275(7) (b) to (e) of the PPSA. The Client agrees that it will only authorise the disclosure of information under section 275(7)(c) or request information under section 275(7) (d), if either CBA or CommSec approves. Nothing in this clause 37(d) will prevent any disclosure by CBA or CommSec that it believes is necessary to comply with its other obligations under the PPSA.
- e. To the extent that it is not inconsistent with clause 37(d) constituting a 'confidentiality agreement' for the purposes of section 275(6) (a) of the PPSA, the Client agrees that CBA and/or CommSec may disclose information of the kind mentioned in section 275(1) of the PPSA to the extent that CBA or CommSec is not doing so in response to a request by an 'interested person' (as defined in section 275(9) of the PPSA).

- f. To the extent that Chapter 4 of the PPSA would otherwise apply to an enforcement by CommSec or CBA of any Security Interest provided for by this Client Agreement, the parties agree that the following provisions of the PPSA do not apply:
- i. to the extent that section 115(1) of the PPSA allows them to be excluded: sections 95, 118, 121(4), 125, 130, 132(3)(d), 132(4), 135, 138B(4), 142 and 143; and
  - ii. in addition, to the extent that section 115(7) of the PPSA allows them to be excluded: sections 127, 129(2) and (3), 132, 134(2), 135, 136(5) and 137.
- g. The Client must, at its own expense, whenever requested by either CBA or CommSec, promptly do or cause to be done anything which CommSec or CBA considers necessary or desirable to perfect and protect any Security Interest provided for by this Client Agreement.
- h. In clauses 36 and 37, terms that are defined in the PPSA have the same meanings (unless the context requires otherwise) and:
- i. **'Accounts'** means the Client's rights and interest in:
    - A. its Client Account, any client segregated account, trust account, Commonwealth Direct Investment Account, cash account and any other account of the Client with CommSec and/or CBA in connection with the Client Agreement;
    - B. the entire balance of any such accounts from time to time; and
    - C. all amounts payable to the Client in respect of such accounts from time to time.
  - ii. **'CBA'** means Commonwealth Bank of Australia ABN 48 123 123 124;
  - iii. **'PPSA'** means the Personal Property Securities Act 2009 (Cth); and
  - iv. **'Security Interest'** means a security interest under the PPSA.

### 38. APPOINTING AN ADDITIONAL AUTHORITY

- a. You may authorise another person to view, give instructions or transact on your behalf. You must notify us by completing an acceptable "Additional Authority" form. The nominated authorised representative must successfully complete the Options Knowledge Assessment in order to transact on the account. The authorised representative will be provided with their own unique Client ID and password to access the CommSec website. You agree that you and the authorised representative will not share these login details with any other person. You may, at any time, notify us to revoke the appointment of an individual with authority to trade on your account. We will treat any trading related instruction received by the authority to trade as having been given by you. Where, acting reasonably, we consider it necessary or prudent to manage our risk, we may without prior notice to you decline to continue to accept the authorised representative's authority, or we may remove a specific authority level granted to the authorised representative in the Additional Authority form.
- b. You agree that you are solely responsible for all trading activity on your account. You understand that you are liable to all acts and omissions of the authorised representative irrespective of whether the authorised representative acted outside of the scope of their delegation. We are not responsible for the acts or omissions of the authorised representative on your account, including any erroneous, negligent or fraudulent conduct that they may have engaged in whilst appointed in their capacity as an authorised representative and we do not supervise or monitor the prudence or profitability of the authorised representative's trading decisions. You agree that you have diligently considered the appointment of the authorised representative on your account. You agree that we are not liable for any of the losses

incurred on your account which may arise in connection with any act or omission of the authorised representative on your account unless the loss was caused by our fraud, negligence or willful misconduct.

## **DIRECT DEBIT REQUEST SERVICE AGREEMENT**

### **DEBIT ARRANGEMENTS**

1. We will advise you, in writing or electronically, in the form of a Confirmation, the drawing details that include the settlement amount due and the settlement date.
2. Where the settlement date falls on a non-business day, we will draw the amount on the following business day.
3. We reserve the right to charge a dishonour fee if any debit item already debited from your nominated account is returned as unpaid by the financial institution.
4. We will keep your information about your nominated account at the financial institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
5. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.
6. We may change any term of, or add any new term to, the Direct Debit arrangements. We will notify you fourteen (14) days in advance of any changes or additions to the Direct Debit arrangements unless the change or addition is unfavourable to you in which case we will provide you with thirty (30) days' prior notice.
7. If you provide an incorrect bank account number, you may incur a fee if we have processed a transaction to that account.

### **YOUR RIGHTS**

8. You may terminate the Direct Debit arrangement of your trades with us, however, this termination must be in writing.
9. Where you consider the debit is incorrect in either the due date or amount or both, you should raise the matter with CommSec on **13 15 19 between 8am and 6pm (Sydney time) Monday to Friday.**

### **YOUR RESPONSIBILITIES**

#### **10. It is your responsibility:**

- to check with the financial institution where your account is held before completing the Direct Debit Request (DDR) as Direct Debiting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of accounts. You should also complete your account details, including Bank State Branch (BSB) number, directly off a recent account statement from your financial institution;
- to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by CommSec;
- to ensure that the authorisation to debit the nominated account is in the same name as the account signing the instruction held by the financial institution where the account is held;
- to advise us if the account you have nominated to debit is transferred or closed;
- to ensure that suitable arrangements are made if the Direct Debit is cancelled;
  - by yourself;
  - by your nominated financial institution; or
  - for any other reason.

# CUSTOMER INFORMATION AND PRIVACY

## WHAT INFORMATION WE COLLECT

In this clause 'you' includes our customer and any person who holds office in an entity which is a customer. We collect information about you (such as your name, address and contact details), and information about your interactions with us, such as activity on your account. We may also collect publicly available information about you.

## WHY WE COLLECT YOUR INFORMATION AND WHAT WE USE IT FOR

We collect your information because we are required to identify you in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and in order to comply with taxation laws, such as the Taxation Administration Act 1953 and the Income Tax Assessment Act 1936. We also collect it to administer our customer relationships and internal processes including risk management and pricing, under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to). If you don't want to receive marketing information you can opt out on our website.

If you give us your electronic and telephone details, You agree we may use this to communicate with You electronically, by email, phone or SMS, including providing updates, reminders and (unless you tell us not to) marketing information.

You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require. If you change your personal details (e.g. address, name or email address) you must tell us straight away.

## WHO WE MAY EXCHANGE YOUR INFORMATION WITH

We may exchange your information with other members of the Group who may use your information for any of the purposes we can.

We may also exchange your information with others outside the Group, for example:

- your representatives, advisers, brokers and agents, and their service providers;
- our service providers and those who refer business to us;
- market operators, operators of clearing and settlements facilities, share and other registries, regulatory and government authorities;
- platform providers, issuers of financial products, other financial institutions, and other bodies (for example, if you do not perform your obligations under a share trade).

Sometimes it may be necessary to send your information overseas – for example, where we outsource functions overseas, send information to Group members overseas, where we need to complete a transaction on your behalf or where this is required by laws and regulations in Australia or in another country. If you join our community forum we send your email address to our 3rd party service provider's data centre in the US to facilitate the direct sign on to the forum. See our Group Privacy Policy for more information.

The information you provide in completing our "Target Market Questionnaire" is for the purpose of us determining whether you are in the target market as described in our Target Market Determination for ETO trading. We do not use this information for any other purpose. A copy of the Target Market Determination can be found on the CommSec website.

## **OUR GROUP PRIVACY POLICY**

Our Group Privacy Policy is available on our website (follow the Privacy Policy link) and should be read in conjunction with the above. It contains further details about our information collection and handling practices including information about:

- other ways and reasons we may collect, use or exchange your information;
- how you may access and seek correction of the information; and
- how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.

We encourage you to check our website regularly for any updates to the Policy.

## **ADDITIONAL OBLIGATIONS**

We may be subject to laws or regulations in Australia or another country that affect your relationship with us (e.g. laws that address taxation). So that we may comply with our obligations under these laws or regulations, we may:

- require you to provide information about you or your product;
- disclose any information we are required to concerning you (including sending your information overseas);
- withhold an amount from a payment to you if required to do so, and if we do, we will not reimburse you for the amount withheld; and/or
- Take such other action as is reasonably required, including, for example, closing your account, or debiting, or transferring from, Your nominated settlement account or margin lending facility any fees, charges or other costs We or You incur in relation to domestic or foreign tax.

## **SENDING YOU MARKETING AND COMMERCIAL MESSAGES**

This clause relates to the marketing and commercial electronic messages We may send You.

- If You provide Us with Your contact details, such as Your email, telephone number and/ or other personal information, You agree that

We may use them to communicate with You (unless You tell Us not to), including:

- i. to send You commercial electronic messages; and
  - ii. for direct marketing purposes; and
  - iii. to make phone calls to You on an ongoing basis.
- By registering for online services (such as the CommSec website) or accessing CommBank apps (such as the CommSec app), You also agree that (unless You tell Us not to) We may send You commercial electronic messages and/or direct marketing through these online services and apps (including push notifications, in-app messages and notifications, or messages to Your CommSec inbox).
  - If You use a virtual assistant that is available in Our online services or app, You agree that the virtual assistant may send You commercial electronic messages or direct marketing in its responses to the prompts You submit to the assistant.
  - We may use third party service providers such as marketing companies or mail houses to send messages on Our behalf for direct marketing purposes. You agree that (unless You tell Us not to) We may share Your personal information with marketing companies or mail houses so they can send You direct marketing messages on Our behalf.

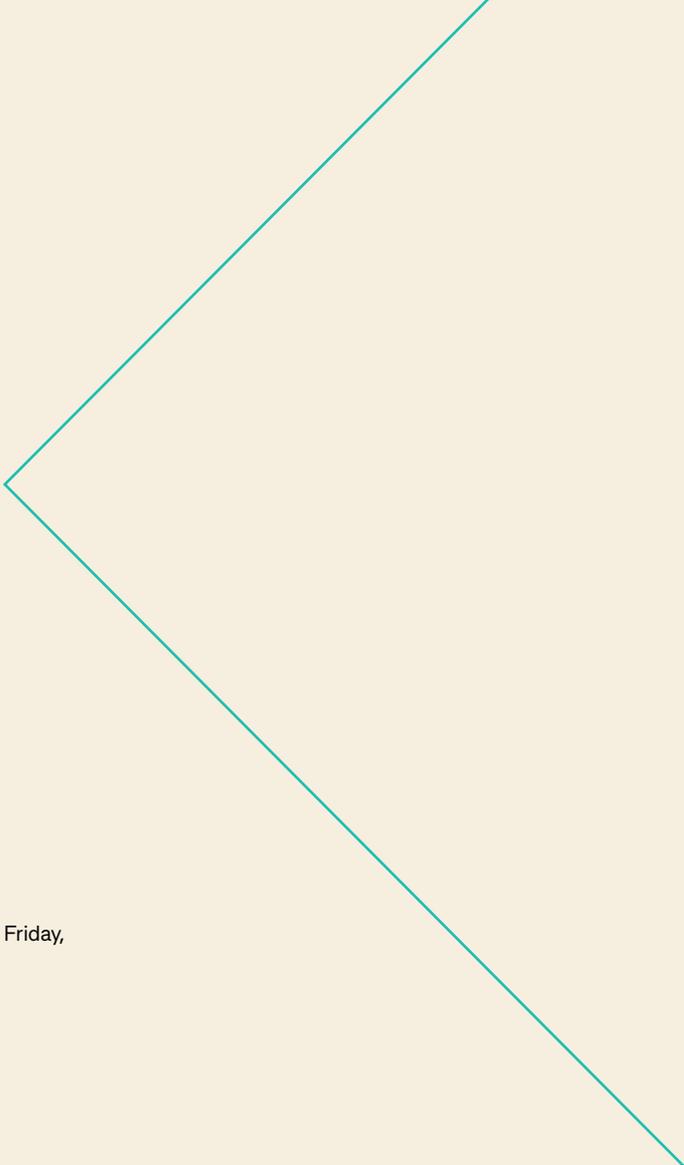
## **CHANGING YOUR PREFERENCES**

- We will provide You with options You may use to opt out of receiving commercial electronic messages We send You and to choose the way We send them to You. While in some cases one of the options may be an unsubscribe facility, You agree We are not required to include an unsubscribe facility in commercial electronic messages We send You.
- Opting out of commercial electronic messages may impact Our ability to provide You with information about all the benefits that are available as Our customer. There are, however,

messages that We must be able to send You and which You will not be able to opt out of receiving.

## **HOW TO CONTACT US**

For privacy related enquiries, please contact us by calling **13 15 19** as we aim to resolve your query or complaint at your first point of contact with us, however if you have tried to resolve your complaint and are not satisfied with the outcome, you may also contact our Customer Relations team directly by calling **1800 805 605**, or writing to the address in our Group Privacy Policy.



# We're here *to help*

To find out more, call us on **13 15 19**,  
8am to 6pm (Sydney time), Monday to Friday,  
or visit our website.

**13 15 19**



**CommSec**