

19 February 2021

Dear Shareholder

### Clime Capital Limited – Share Purchase Plan

On Tuesday, 16 February 2021, Clime Capital Limited ACN 106 282 777 (**CAM** or the **Company**) announced to the Australian Securities Exchange (**ASX**) that it had successfully raised A\$3.1 million from an institutional placement of new fully paid ordinary shares in CAM (**Shares**) to investors at an issue price of A\$0.87 per Share (**Placement Price**) (**Placement**), representing a discount of 2.2% to CAM's closing Share price on ASX on Thursday, 11 February 2021, being A\$0.89.

The board of directors of CAM (**Board**) recognises that a number of CAM's loyal shareholders did not have an opportunity to participate in the Placement. The Board is therefore pleased to offer Eligible Shareholders (as defined below) an opportunity to participate in CAM's share purchase plan (**SPP** or **Offer**). The SPP will give all Eligible Shareholders an opportunity to apply for up to A\$30,000 worth of new Shares at the Placement Price, being \$A0.87 (**Purchase Price**).

The additional capital raised under the SPP will be used to invest in securities listed on the ASX and selected unlisted entities or funds, in accordance with CAM's previously disclosed investment strategy. The SPP is open to all shareholders of the Company recorded as holding Shares on CAM's register of members as at 7.00pm (Sydney, Australia time) on Monday, 15 February 2021 and who have a registered address in Australia or New Zealand (and who otherwise meet the eligibility criteria set out in the attached SPP Terms and Conditions) (**Eligible Shareholders**).

The Company's current intention is to cap the SPP at A\$15 million. However, in the event of over subscriptions the Company reserves the right to accept applications for more than A\$15 million. In any event, the maximum number of new Shares that can be issued is limited by the ASX Listing Rules to a maximum of 35,234,320 Shares being 30% of the Company's issued Shares.

The SPP is being partially underwritten by Sanlam Private Wealth Pty Ltd ACN 136 960 775 (**Underwriter**) up to A\$3.1 million (**Underwritten Amount**). The Underwriter may appoint sub-underwriters. An underwriting fee of 2% of the Underwritten Amount is payable to the Underwriter by the Company (from which the Underwriter will pay any fees or commissions due to any sub-underwriters appointed) (exclusive of GST). Shareholder approval will not be sought for the issue of any shortfall shares to the Underwriter as underwriter of the SPP (or to any sub-underwriters), as Shares issued to these parties will be issued under the Company's existing ASX Listing Rule 7.1 capacity.

The Underwriter also acted as lead manager to the Placement.

Other conditions of the SPP include:

- (a) Eligible Shareholders may apply for a parcel of Shares with a dollar value of A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500, A\$15,000, A\$17,500, A\$20,000, A\$22,500, A\$25,000, A\$27,500 or A\$30,000;
- (b) applications, certificates (in the case of 'custodians') and full payment for Shares subscribed for under the SPP must be received by 5.00pm (Sydney, Australia time) on Thursday, 11 March 2021, unless the Offer is extended, in accordance with the instructions set out in the enclosed Application Form and the SPP Terms and Conditions;
- (c) the Offer attracts no brokerage or other transaction costs; and
- (d) the SPP will be initially capped at A\$15 million (**Cap**), and is only underwritten by the Underwriter to the Underwritten Amount. However, the Board reserves the right in its absolute discretion to accept applications from Eligible Shareholders in excess of the Cap. Alternatively, if the total value of

#### Clime Capital Limited

Level 12, 20 Hunter Street Sydney, NSW 2000, Australia | PO Box H90, Australia Square, NSW 1215  
ABN 99 106 282 777 P 02 8917 2100 F 02 8917 2155 W www.clime.com.au T @climeinvest  
ME\_180579707\_5

applications for Shares under the SPP exceeds the Cap, CAM may scale back applications under the SPP in its absolute discretion. In the event of a scale back occurring, you may not receive the full number of Shares applied for under the SPP and the difference in any application monies will be refunded to you (without interest) following the issue of Shares under the SPP.

Participation in the SPP is completely optional. However, an Eligible Shareholder's entitlement to participate in the SPP is non-renounceable. This means that an Eligible Shareholder's right to participate in the SPP cannot be transferred to anyone else.

The full Terms and Conditions of the SPP are enclosed and, if you are eligible and wish to participate in the SPP, you should complete and return the enclosed Application Form together with a cheque, bank draft or money order for the relevant amount of application monies, or submit a BPAY® payment, in accordance with the instructions on the Application Form. If you are a 'custodian', you may be required to submit a custodian certificate to CAM in order to participate on behalf of any beneficiaries. Please see the attached Terms and Conditions for further details. Your application and payment must be received by no later than 5.00pm (Sydney, Australia time) on Thursday, 11 March 2021, unless the Offer is extended.

**You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.** It is your responsibility to ensure that funds submitted through BPAY are received by 5.00pm (Sydney, Australia time) on Thursday, 11 March 2021, unless the Offer is extended.

### **Important information**

The offer of new Shares under the SPP is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* issued by the Australian Securities and Investments Commission which grants relief from the requirement in the *Corporations Act 2001 (Cth)* to issue a disclosure document for the SPP.

The Board recommends that you read the attached SPP Terms and Conditions carefully and in their entirety before you decide whether to participate in the SPP.

In particular, you should note the future market price of Shares is uncertain and may rise or fall. This means the price you pay for Shares under the SPP may be either higher or lower than the Share price as traded on ASX at the time the Shares are issued to you under the SPP, with the effect that the value of your investment in the Shares could rise or fall.

This letter does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. If you are in any doubt about the course of action you should follow, you should seek advice from your financial, taxation or other professional adviser in relation to the SPP before participating in the SPP.

Yours sincerely



John Abernethy  
Chairman

This announcement has been authorised for release to ASX by the Board.

### **Disclaimer**

The information in this announcement does not constitute investment or financial product advice or any recommendation to acquire Shares. It does not take into account any individual's investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information from their individual perspective and, if in doubt, seek professional financial, legal or taxation advice. This announcement is not an offer or an invitation to acquire Shares or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only.

**Not for release or distribution in the United States**

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the U.S. Securities Act and applicable U.S. state securities laws.

# Share Purchase Plan Terms and Conditions February 2021

## Part 1 – The Offer

Clime Capital Limited ACN 106 282 777 (**CAM** or the **Company**) invites eligible shareholders to apply for up to A\$30,000 worth of new fully paid ordinary shares in CAM (**Shares**) under a share purchase plan (**SPP** or **Offer**) at an issue price per Share of A\$0.87, being the price per Share paid by institutional investors under the institutional placement announced by CAM on Tuesday, 16 February 2021 (**Placement Price**) (**Placement**). The issue price per Share under the SPP of A\$0.87 represents a discount of 2.2% to CAM's closing Share price on ASX on Thursday, 11 February 2021, being A\$0.89.

If you are eligible to purchase Shares under the SPP and you decide to participate, you must purchase a minimum parcel of Shares with a dollar value of A\$2,500 or a maximum parcel of Shares with a dollar value of A\$30,000 (**Maximum**) or any of the other increments set out in the application form included with these SPP Terms and Conditions (**Application Form**), namely parcels of Shares having a dollar value of A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500, A\$15,000, A\$17,500, A\$20,000, A\$22,500, A\$25,000, A\$27,500 or A\$30,000.

The SPP is being partially underwritten by Sanlam Private Wealth Pty Ltd ACN 136 960 775 (**Underwriter**) up to A\$3.1 million (**Underwritten Amount**). The Underwriter may appoint sub-underwriters. An underwriting fee of 2% of the Underwritten Amount is payable to the Underwriter by the Company (from which the Underwriter will pay any fees or commissions due to any sub-underwriters appointed) (exclusive of GST). Shareholder approval will not be sought for the issue of any shortfall shares to the Underwriter as underwriter of the SPP (or to any sub-underwriters), as such Shares will be issued to these parties in reliance on the Company's available ASX Listing Rule 7.1 capacity.

The SPP will be initially capped at A\$15 million (**Cap**) and is only underwritten by the Underwriter to the Underwritten Amount. However, the Board reserves the right in its absolute discretion to accept applications from Eligible Shareholders in excess of the Cap. Alternatively, if the total value of applications for Shares under the SPP exceeds the Cap, CAM may scale back applications under the SPP in its absolute discretion (please see Sections 13 and 14 of the SPP Terms and Conditions for further information).

**Please carefully read these SPP Terms and Conditions relating to the Offer, as you will be bound by them.**

## Key dates\*

Event	Date
Record Date	7.00pm (Sydney, Australia time), Monday, 15 February 2021
Announcement of SPP	Before market open on Tuesday, 16 February 2021
SPP opens	9.00am (Sydney, Australia time), Friday, 19 February 2021
SPP closes	5.00pm (Sydney, Australia time), Thursday, 11 March 2021
Shortfall applications received from the Underwriter in the event of a shortfall in subscriptions under the SPP	5.00pm (Sydney, Australia time), Friday, 12 March 2021
Issue of Shares under the SPP	Wednesday, 17 March 2021

Expected date for quotation of Shares issued under the SPP on ASX	Thursday, 18 March 2021
Dispatch of holding statements / confirmation advice	Friday, 19 March 2021

\* The timetable is indicative only and subject to change. CAM retains the discretion, subject to the listing rules of ASX and the *Corporations Act 2001* (Cth) (**Corporations Act**), to alter any or all of these key dates at its discretion (generally or in particular cases), without prior notice, including extending the closing date or to withdraw the SPP without prior notice. Applicants are encouraged to submit their Application Forms as soon as possible.

## Part 2 – The terms and conditions of the Offer

### 1. Important notices

This document has been prepared by CAM.

The Offer of new Shares under the SPP is not a recommendation by CAM to purchase Shares. Nothing in these SPP Terms and Conditions, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP. The SPP documentation does not constitute a prospectus or a product disclosure statement and does not (and nor is it required under the Corporations Act to) contain all the information that a prospectus or a product disclosure statement is required to contain under the Corporations Act. Rather, the Corporations Act and Australian Securities and Investments Commission (**ASIC**) Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**Instrument**) allow an offer under share purchase plans to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the SPP, when read with these SPP Terms and Conditions and the accompanying information, is publicly available. Accordingly, you must rely on your own knowledge of CAM, previous disclosures made by CAM to the ASX and, if necessary, consult with your professional adviser when making your decision whether or not, and the extent to which, you wish to apply for Shares under the SPP (taking into account your own financial situation, needs and objectives).

This document and the accompanying materials do not constitute an offer of securities for sale in the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**)) (**U.S. Person**) and may not, directly or indirectly, be sent or disseminated in the United States or to any U.S. Person in any place. The new Shares to be issued under this Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, any U.S. Person except in compliance with the registration requirements of the U.S. Securities Act and any other applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you apply to participate in the SPP, you are accepting the risk that the market price of CAM Shares may change between the date on which you receive this document or send in an Application Form and the date on which Shares are issued to you under the SPP (**Issue Date**). This means that it is possible, that up to or after the Issue Date, you may be able to buy CAM Shares at a lower price than the price you pay under the SPP. CAM encourages you to consider seeking professional, financial and taxation advice before participating in the SPP.

### 2. Opening and closing date of the Offer

The Offer opens on 9.00am (Sydney, Australia time) on Friday, 19 February 2021. The Offer closes at 5.00pm (Sydney, Australia time) on Thursday, 11 March 2021, unless the Offer is extended, and is being made to each Eligible Shareholder on the SPP Terms and Conditions. **No late applications will be accepted** (subject to Section 13).

### 3. Who is an Eligible Shareholder?

You are eligible to apply for Shares in the SPP if you are a shareholder of CAM and:

- (a) your registered address as recorded in CAM's register of members is in Australia or New Zealand;
- (b) you were registered as a holder of Shares in CAM as at 7.00pm (Sydney, Australia time) on Monday, 15 February 2021;
- (c) you are not a U.S. Person or acting for the account or benefit of a U.S. Person; and
- (d) you do not hold Shares on behalf of another person who resides outside Australia or New Zealand (unless you also hold Shares in another eligible capacity),

(an **Eligible Shareholder**).

CAM has determined that it is not practical for holders of Shares with addresses on CAM's register of members in jurisdictions outside Australia and New Zealand to participate in the SPP (see Section 22 for further information).

In applying for Shares, each Eligible Shareholder must comply with the terms of the Instrument to the extent that it applies to them. What is required in order to comply with the Instrument is set out in the section titled 'ASIC Instrument 2019/547' below.

The Offer to each Eligible Shareholder is made on the same terms and conditions. The Offer is non-renounceable (ie you may not transfer your right to apply for Shares under the SPP to anyone else).

To the extent that an Eligible Shareholder holds Shares on behalf of another person resident outside Australia or New Zealand, it is their responsibility to ensure that any acceptance complies with all applicable foreign laws.

In order to comply with relevant securities laws, the Shares to be issued under this SPP may not be offered to CAM shareholders located in the United States or to CAM shareholders who are, or who are acting for the account or benefit of, U.S. Persons. As used herein, the term United States is as defined in Regulation S under the U.S. Securities Act.

Because of these legal restrictions, you must not send copies of the SPP Terms and Conditions or any other material relating to the SPP to any person resident in the United States or who is, or is acting for the account or benefit of, U.S. Persons.

#### **ASIC Instrument 2019/547**

This invitation to apply for Shares under the SPP is made in accordance with the requirements of the Instrument. The Instrument grants relief from the requirement to prepare a prospectus or other disclosure document for the invitation to apply for Shares under the SPP.

As set out above, in applying for Shares, Eligible Shareholders must comply with the Instrument to the extent it applies to them.

If you are a custodian, trustee or nominee within the definition of 'custodian' in the Instrument (**Custodian**) you must do those things set out in the section titled 'Custodians, Trustees and Nominees' below as well as make an application in accordance with these SPP Terms and Conditions, in order to comply with the Instrument.

If you are not a Custodian, by making an application in accordance with these SPP Terms and Conditions, you will have complied with the requirements of the Instrument.

For the purposes of the Instrument you are a 'custodian' if you are an Eligible Shareholder that:

- (a) holds an Australian financial services licence covering the provision of a 'custodial or depository service' (as defined in section 766E of the Corporations Act, disregarding subsection (3) of that section);



- (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of Shares and is noted on the register of members of CAM as holding the Shares on account of another person.

### **Single holders**

If you are the only registered holder of a holding of Shares, but you receive more than one Offer under the SPP (eg because you have multiple registered holdings), you may only apply for one parcel of Shares up to the Maximum.

### **Joint holders**

If you are registered with one or more other persons as the joint holders of a holding of Shares, that joint holding is taken to be a single registered holding for the purposes of the SPP and the certifications, representations and warranties given by a joint holder when applying to participate in the SPP will be taken to have been given by all joint holders. If the same joint holders receive more than one offer under the SPP (eg if the joint holders have multiple joint holdings), the joint holders may only apply for a parcel of Shares up to the Maximum.

### **Custodians, trustees and nominees**

If you are a Custodian and hold Shares on behalf of one or more Beneficiaries (defined below) (each a **Participating Beneficiary**), you may only apply for a parcel of Shares up to the Maximum for each Participating Beneficiary. However, CAM will not allocate Shares under the SPP unless the Custodian certifies the matters set out in paragraph 8(3) of the Instrument in a certificate (**Custodian Certificate**).

A **Beneficiary** is a person who resides in Australia or New Zealand for whom a Custodian (being an Eligible Shareholder) held CAM Shares on behalf of the Beneficiary on the record date for the SPP and who is not, or is not acting for the account or benefit of a U.S. person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Where a Custodian holds Shares jointly on behalf of two or more Participating Beneficiaries, the Custodian:

- (a) may participate jointly in respect of those Participating Beneficiaries up to the Maximum as if the Custodian held Shares on behalf of a single Participating Beneficiary; and
- (b) is taken to have been instructed to apply for Shares under the SPP on behalf of those Participating Beneficiaries if the Custodian has received such an instruction in accordance with the terms on which the Shares are held or where the terms on which the Shares are held do not cover the giving of such instructions, the Custodian has received such instructions from any of those Participating Beneficiaries.

A Custodian holding Shares for the benefit of a U.S. Person may not apply for Shares under this Offer for that U.S. Person.

Custodians should have received a Custodian Certificate with these SPP Terms and Conditions. If you did not receive a Custodian Certificate or would like further information on how to apply under the SPP, you should contact Biju Vikraman on 1300 766 568 between 8.30am and 5.30pm (Sydney, Australia time) Monday to Friday. Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.

Custodians will not be entitled to participate in the SPP if their participation would be in breach of the Instrument.

#### 4. Purchase Price

The purchase price for each Share under the Offer is A\$0.87, being the Placement Price paid by institutional investors under the Placement announced by CAM on Tuesday, 16 February 2021 (**Purchase Price**).

#### 5. Rights attaching to Shares

The Shares issued under the SPP will rank equally with all other Shares on issue in CAM (including in respect of dividend and voting rights) with effect from their date of issue. CAM will apply for the Shares issued under the SPP to be quoted on ASX immediately following their issue.

#### 6. Application for Shares

If you are an Eligible Shareholder, you can only apply for Shares under this Offer by electing, and making payment under, one of the following options:

Offer	Amount Payable
Offer A	A\$2,500
Offer B	A\$5,000
Offer C	A\$7,500
Offer D	A\$10,000
Offer E	A\$12,500
Offer F	A\$15,000
Offer G	A\$17,500
Offer H	A\$20,000
Offer I	A\$22,500
Offer J	A\$25,000
Offer K	A\$27,500
Offer L	A\$30,000

The number of Shares that will be allocated to Eligible Shareholders under the SPP will be based on the Purchase Price subject to the scale-back described in Section 14 of these SPP Terms and Conditions.

Applications may be made by either:

- (a) completing the enclosed Application Form and making payment by one of the methods described in paragraph 10 below; or
- (b) submitting a BPAY® payment,

for the amount payable in respect of the number of Shares which you have applied for. Custodians must also complete the Custodian Certificate and provide a copy of such certificate to CAM.



## 7. Participation costs

The only cost to you in relation to your participation in the Offer will be the Purchase Price payable for the number of Shares you wish to acquire. Under the Offer, you do not have to pay for brokerage, commission or other transaction costs.

## 8. Participation is optional

Participation in the SPP is entirely optional (subject to the eligibility criteria set out in these SPP Terms and Conditions). The invitation to apply for Shares under the SPP is not a recommendation. If you are in any doubt about the SPP, whether you should participate in the SPP or how participation will affect you, you should consider seeking financial, taxation or other professional advice before making a decision as to whether or not to participate in the SPP.

## 9. Issue of Shares

The Shares to be issued under this Offer are expected to be issued on Wednesday, 17 March 2021 or as soon as possible after that date and CAM expects new Shares issued under the SPP to be quoted on ASX on Thursday, 18 March 2021. CAM expects that Boardroom Pty Limited will dispatch a holding statement or confirmation advice in respect of Shares allocated to you under the SPP on Friday, 19 March 2021. You should confirm your holding before trading in any Shares you believe have been allocated to you under the SPP.

The Company intends to issue Shares not taken up by Eligible Shareholders to the Underwriter and/or sub-underwriters up to the Underwritten Amount in accordance with the terms of the underwriting agreement entered into between the Company and the Underwriter dated 16 February 2021.

The Directors reserve the right to accept oversubscriptions as they deem appropriate but not exceeding the threshold of A\$30,000.00 per holder under the Instrument and not exceeding the threshold of 30% of the Shares on issue imposed under ASX Listing Rule 7.2 Exception 15.

## 10. Payment for Shares

All amounts in this Offer are expressed in Australian dollars. If you would like to participate in the SPP, you must pay for the Shares by:

- (a) making a payment through BPAY®; or
- (b) providing a cheque, bank draft or money order payable to 'Clime Capital Limited' and marked not negotiable,

in accordance with the instructions on the Application Form. Payments must be in Australian dollars.

For Eligible Shareholders with an Australian bank account, you may apply for Shares under the SPP by making a BPAY® payment on the internet by using the personalised customer reference number shown on your enclosed Application Form which is required to identify your holding. If you make a payment using BPAY® you do not need to return your Application Form, but are taken to make the certifications, representations and warranties described in these SPP Terms and Conditions. However, Custodians applying for Participating Beneficiaries must still complete and return a Custodian Certificate. Please note that your financial institution may apply limits on the use of your BPAY® and that you should make enquiries about the limits that apply in your personal circumstances.

## 11. Important information on price risk to consider

The Purchase Price for each Share under the Offer is the price per Share paid by institutional investors under the Placement announced by CAM on Tuesday, 16 February 2021, being A\$0.87.

Before deciding whether or not to apply for Shares under this Offer, you should refer to the current market price of the Shares which can be obtained from the financial pages of major metropolitan and national newspapers, your stockbroker, or the ASX ([www.asx.com.au](http://www.asx.com.au)) (ASX code: CAM). However, it is important to remember that the current market price of the Shares may rise or fall between the date of this Offer and the date on which Shares are issued to you under this Offer. This means that it is possible that, up to or after the Issue Date, you may be able to buy existing Shares at a lower price than the Purchase Price for Shares under the SPP.

## 12. Effect of making an application

If you apply to participate in this Offer by submitting a BPAY® payment or completing and returning the Application Form (with a cheque, bank draft or money order):

- (a) you confirm that you are an Eligible Shareholder;
- (b) you declare that all details and statements in your Application Form are true, complete and not misleading;
- (c) unless you are applying as Custodian for one or more Participating Beneficiaries, you represent and warrant to CAM, and irrevocably and unconditionally appoint CAM as your agent to certify in writing (or otherwise) on your behalf, that the aggregate of the application price paid by you for:
  - (i) the Shares the subject of such Application Form or BPAY® payment for this SPP; and
  - (ii) any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the SPP,does not exceed the Maximum;
- (d) you agree that your application is made on the terms and conditions of the SPP set out in this document, the Application Form and CAM's constitution;
- (e) you accept that you will not be able to withdraw or revoke your application or BPAY® payment once you have sent it in (or paid it, as the case may be);
- (f) you authorise CAM (and its officers and agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- (g) you acknowledge that CAM may at any time determine that your Application Form is valid, in accordance with these SPP Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (h) you accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on CAM's register of members;
- (i) you are responsible for any dishonour fees or other costs CAM may incur in presenting a cheque for payment which is dishonoured;
- (j) you acknowledge that CAM is not liable for any exercise of its discretions referred to in these SPP Terms and Conditions;
- (k) you irrevocably and unconditionally agree to the terms and conditions set out in this document;
- (l) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act and laws and regulations designed to restrict terrorism financing and/or money laundering);
- (m) you acknowledge that the market price of the Shares may rise or fall between the date the SPP opens and the Issue Date and that the price you pay per Share under the SPP may

exceed the market price of the Shares at the time the Shares are issued to you under the SPP;

- (n) you acknowledge that the Shares to be issued under the SPP have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws; and
- (o) you have not and will not send any materials relating to the SPP to any person in the United States or that is, or acting for the accounting or benefit of, a U.S. Person.

### 13. CAM's discretion regarding applications

CAM may accept or reject applications to purchase Shares under this Offer, including (but not limited to) cases where:

- (a) an Application Form (or Custodian Certificate, in the case of Custodians) is incorrectly completed, incomplete or otherwise determined by CAM to be invalid;
- (b) a cheque, bank draft or money order is dishonoured or has not been completed correctly;
- (c) a cheque, bank draft or money order is not made out for the exact amount of the parcel of Shares selected on the Application Form;
- (d) a BPAY® payment is not received, or is incomplete or invalid;
- (e) an applicant appears to be applying for more than A\$30,000 of Shares (in aggregate) at the Purchase Price;
- (f) CAM considers that any person holding Shares directly as a registered holder and/or directly through one or more Custodians as beneficial owner will otherwise receive in aggregate, Shares, having a total subscription price of more than the Maximum;
- (g) an Application Form (and Custodian Certificate, in the case of Custodians) is received after the closing date. While CAM has a discretion to accept late BPAY® payments, Application Forms, Custodian Certificates and cheques, bank drafts or money orders, there is no assurance that it will do so. Late BPAY® payments, Application Forms, Custodian Certificates and cheques, bank drafts or money orders, if not processed, will be returned to you at your registered address or refunded;
- (h) CAM considers, or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with the requirements of the Instrument; or
- (i) CAM believes an applicant is not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).

CAM also reserves the right to issue fewer Shares than an Eligible Shareholder applies for under the SPP, or no Shares at all, if CAM believes the issue of those Shares to the Applicant would contravene any law or the ASX Listing Rules or result in non-compliance with the Instrument, or if CAM undertakes a scale-back of applications received under the SPP as set out in Section 14 below.

No interest will be paid on any application money returned to you.

### 14. Applications may be scaled back

The SPP will initially be capped at A\$15 million (**Cap**) and is only underwritten by the Underwriter to the Underwritten Amount. However, the Board reserves the right in its absolute discretion to accept applications from Eligible Shareholders in excess of the Cap. Alternatively, if applications under the

SPP exceed the Cap, CAM reserves the right to give priority to Eligible Shareholders in any manner it sees fit, including taking into account the size of your shareholding as at the record date for the SPP. Any decisions made by CAM will be final.

If there is a scale back you may receive less than the parcel of Shares you have applied for under the SPP. If a scale-back produces a fractional number of Shares when applied to your application, the number of Shares you will be allocated will be rounded down to the nearest whole number of Shares.

If applications are scaled back, the difference between the application monies received and the number of Shares allocated to you multiplied by the Purchase Price, being the amount of any difference in Purchase Price, will be refunded by CAM, without interest, as soon as practicable following issue of the Shares under the SPP.

## 15. Calculation of the number of Shares to be allocated to you under the SPP

If you apply for Shares under the SPP, you will apply for a certain value, rather than a certain number, of Shares. Subject to these SPP Terms and Conditions, the number of Shares allocated to you under the SPP will be determined by:

- (a) if there is no scale-back, dividing the aggregate application money that you pay in applying for Shares under the SPP by the Purchase Price; or
- (b) if there is a scale-back, dividing the value of the parcel of Shares allocated to you under the SPP by the Purchase Price.

If the Purchase Price cannot be divided into the aggregate application money to give a whole number of Shares, there will be a rounding down of the number of Shares issued. Any remaining balance of your payment will not be refunded.

## 16. Change of Offer

CAM may withdraw the Offer, or change, suspend or terminate the SPP, at any time. If CAM does this, it will advise ASX. The omission to give notice of changes to, or suspension or termination of, the SPP or the non-receipt of notice will not invalidate the change, suspension or termination.

Where there is any uncertainty as to the operation of the SPP or the Terms and Conditions of this Offer, CAM may make determinations about the operation of the SPP, and may do so in each case generally or in relation to any participant or application. Any change or determination that is made by CAM will be conclusive and binding on all Eligible Shareholders and other persons to whom the change or determination relates. If the SPP is cancelled, all application money will be refunded without interest.

## 17. Dispute resolution

CAM may settle any dispute in relation to the SPP in any manner it thinks fit, whether generally or in relation to any participant, application or Share. CAM's decision will be conclusive and binding.

## 18. Underwriting

The Offer is underwritten by Sanlam Private Wealth Pty Ltd ACN 136 960 775 (**Underwriter**) up to the Underwritten Amount. In the event that Eligible Shareholders do not subscribe for Shares under the SPP up to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will, subject to the terms of the underwriting agreement entered into between the Company and the Underwriter (**Underwriting Agreement**), be placed to the Underwriter (its nominee or sub-underwriters nominated by it) in accordance with the Underwriting Agreement. Neither the Underwriter (or its nominee nor any sub-underwriter) will be a related party of CAM and no person's voting power will increase from below 20% to more than 20% or from a starting point above 20% in breach of section 606 of the Corporations Act as a result of the underwriting of the SPP by the Underwriter.

The Underwriting Agreement contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by either party. A summary of the significant events that could lead to the underwriting being terminated is contained in the Company's ASX announcement dated Tuesday, 16 February 2021

The Underwriter may appoint sub-underwriters. An underwriting fee of 2% of the Underwritten Amount is payable to the Underwriter by the Company (from which the Underwriter will pay any fees or commissions due to any sub-underwriters appointed) (exclusive of GST). Shareholder approval will not be sought for the issue of any shortfall shares to the Underwriter as underwriter of the SPP (or to any sub-underwriters), as such Shares will be issued to these parties in reliance on the Company's available ASX Listing Rule 7.1 capacity.

## 19. Authorised intermediary

As the Company does not hold an Australian financial services licence (AFSL) under the Corporations Act, offers of Shares under the SPP will be made under an arrangement between the Company and Sanlam Private Wealth Pty Ltd (**Authorised Intermediary**) pursuant to which the Authorised Intermediary has agreed to act as the Company's authorised intermediary for the SPP under section 911A(2)(b) of the Corporations Act. The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue Shares under the SPP and the Company will only issue Shares in accordance with such offers if they are accepted. No fees are payable by the Company with respect to the arrangement with the Authorised Intermediary.

A copy of the Authorised Intermediary's Financial Services Guide is included at the end of this document.

## 20. Instrument compliance

The invitation to apply for Shares under the SPP is being made in accordance with the requirements of the Instrument.

## 21. Privacy

The Application Form requires you to provide personal information.

CAM and its service providers such as the registrar may collect, hold and use your personal information to assess your application, service you as an investor and for other permitted purposes under the *Privacy Act 1988* (Cth).

Tax, company and anti-money laundering law also requires the collection of certain information in connection with your application. If you do not provide the information requested or provide us with incomplete or inaccurate information, your application may not be able to be processed efficiently, or at all. Your information may be disclosed to your financial adviser and to CAM's agents and service providers on the basis that they deal with such information in accordance with the privacy policy of CAM which can be accessed at <https://clime.com.au/privacy-policy/>.

## 22. Binding terms

By accepting the offer to purchase new Shares under the SPP, you agree to be bound by these Terms and Conditions and CAM's constitution.

## 23. Foreign securities restrictions

**This document does not constitute an offer to sell, or solicitation of an offer to buy, securities in the United States. The Shares to be issued under the SPP have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state or jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, in, or to persons in, the United States, except in accordance with an available exemption from registration.**

This document has been prepared for publication in Australia and New Zealand only and may not be released elsewhere. Failure to comply with these restrictions may result in violations of applicable securities laws.

## 24. Governing law

These Terms and Conditions are governed by the laws in force in New South Wales. If you have any questions regarding the SPP, please contact Biju Vikraman on 1300 766 568 between 8.30am and 5.30pm (Sydney, Australia time) Monday to Friday.





ABN 99 106 282 777

# Share Purchase Plan (SPP) Application Form

Record Date: 7.00pm (Sydney, Australia time) Monday,  
15 February 2021

Open Date: Friday, 19 February 2021

Closing Date: 5.00pm (Sydney, Australia time)  
Thursday, 11 March 2021

SPP issue price A\$0.87 per Share

## NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This is an important document which requires your immediate attention. It can only be used in relation to the shareholding represented by the details above. If you are in doubt as to how to deal with this Application Form, please contact your financial or other professional adviser. Capitalised words used and not defined in this Application Form have the meaning given in the Share Purchase Plan Terms and Conditions Booklet dated Friday, 19 February 2021 ('SPP Booklet') accompanying this Application Form.

### A Offer Details

Eligible Shareholders may apply for Shares under the Company's SPP (**SPP Shares**) in parcels valued at A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500, A\$15,000, A\$17,500, A\$20,000, A\$22,500, A\$25,000, A\$27,500, or A\$30,000.

Before applying for SPP Shares you should read the SPP Booklet accompanying this Application Form and the 'Applicant's Certification and Acknowledgments' on the back of this Application Form carefully.

This SPP is non-renounceable meaning that you cannot transfer your right to purchase SPP Shares to another person. Applications can only be accepted in the name printed on the Application Form.

If you are a custodian, trustee or nominee within the definition of "custodian" (as defined in paragraph 4 of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**Custodian**)), you must complete and return this Application Form together with the Custodian Certificate referred to in Section F of this Application Form.

If you do not wish to subscribe for SPP Shares under the SPP, there is no need to take any action.

### B Offer Choice

Indicate the parcel of SPP Shares you wish to apply for by marking one box only below:

#### Choice 1

Apply to purchase the minimum application amount of A\$2,500.00

OR

#### Choice 2

If you wish to select choice 2 please specify the dollar amount (up to a maximum of A\$30,000.00) applied for below in increments of A\$2,500.00

Amount applied for A\$

### C Payment Options

Payment may only be made by BPAY® or cheque and in Australian dollars. Cash will not be accepted. Custodians cannot make payment by BPAY®

**If you pay by BPAY you do not need to return this Application Form.**

#### Payment Option 1 - BPAY



Biller Code:

Customer Reference Number (CRN)

Telephone and Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

- To pay via BPAY® please contact your participating financial institution. **If paying by BPAY® you will be deemed to have completed an Application Form for the value of SPP Shares the subject of your payment. You do not need to return this Application Form.**
- Your payment must be received by the Registry by 5.00pm (Sydney, Australia time) on Thursday, 11 March 2021.
- Please ensure you pay the correct amount for the parcel size you wish to apply for. The number of SPP Shares issued to you will be rounded down to the nearest whole number after dividing the application monies by the A\$0.87 price per SPP Share.
- You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount to wish to pay via BPAY® does not exceed your limit



## Payment Option 2 - Cheque

Record your cheque details below:

Drawer	Cheque No.	BSB No.	Account No.	Amount A\$

- If paying by cheque you must complete this Application Form and submit it together with your cheque.
- Only cheques in Australian dollars and drawn on an Australian branch of a financial institution will be accepted.
- Your cheque must be made payable to "**Clime Capital Limited**" and crossed "**Not Negotiable**".
- Please ensure that you submit the correct amount for the parcel size of SPP Shares you wish to apply for. If you provide a cheque for an amount that is not equal to any of the parcels, the Company may round down the dollar amount of SPP Shares that you are applying for to the next lowest parcel at its discretion.
- Make sure you send your completed Application Form and cheque allowing enough time for mail delivery so the Registry receives them no later than 5.00pm (Sydney, Australia time) on Thursday, 11 March 2021.
- Please ensure sufficient cleared funds are held in your account as your cheque will be banked as soon as it is received.
- The Company reserves the right not to process any Application Forms that are incomplete or where payment is received after 5.00pm (Sydney, Australia time) Thursday, 11 March 2021.

## D Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Telephone No.	Email address	Contact name

## E Applicant's Certification and Acknowledgements

By completing and returning this Application Form with your cheque to the Registry or by making a BPAY® payment, you:

- represent and warrant that you have read and understood the SPP Booklet (including the terms and conditions of the SPP) and this Application Form in their entirety and that you acknowledge the matters, and make the representations, warranties and certifications, in the SPP Booklet and this Application Form, including as to your eligibility to participate in the SPP;
- represent and warrant that by making payment, you agree to be bound by the constitution of the Company and that the submission of the payment constitutes an irrevocable offer by you to subscribe for SPP Shares on the terms and conditions of the SPP Booklet and this Application Form and you will be deemed to have accepted and be bound by the terms and conditions of the SPP;
- represent and warrant that the aggregate of the application price paid for by you or on your behalf for:
  - the SPP Shares the subject of this Application Form;
  - any other Shares applied for by you under a share purchase plan or any similar arrangement offered by the Company in the 12 months before the date of submission of this Application Form;
  - any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP; or
  - any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to a Custodian to apply for Shares on your behalf under an arrangement similar to the SPP,does not exceed A\$30,000;
- acknowledge that this Application Form does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. This Application Form may not be distributed or released in the United States. None of the SPP Shares offered under this SPP have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the SPP Shares to be offered and sold in this SPP may only be offered and sold to investors that are not in the United States and are not acting for the account or benefit of a person in the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;
- represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of SPP Shares under the SPP and under any applicable laws and regulations;
- acknowledge that you may receive a lesser number of SPP Shares than the number of SPP Shares you apply for as CAM may scale back applications in its discretion, having regard to various factors including, but not limited to, the pro rata shareholding of Eligible Shareholders (as at the Record Date) who apply for SPP Shares; and
- agree that any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. The Company reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where the Company does not notify you of that event.

• **NO SIGNATURE IS REQUIRED ON THIS APPLICATION FORM**

**THE SPP IS NON-RENOUNCEABLE**

Application Forms and accompanying cheques must be received no later than 5.00pm (Sydney, Australia time) on Thursday, 11 March 2021 at:

### MAILING ADDRESS

Clime Capital Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

### HAND DELIVERY ADDRESS

Clime Capital Limited  
C/- Boardroom Pty Limited  
Level 12, 225 George Street  
SYDNEY NSW 2000

If you require information on how to complete this Application Form, please contact the Registry from 8.15am to 5.30pm (Sydney, Australia time) Monday to Friday on 1300 737 760 (callers within Australia) or +61 2 9290 9600 (callers outside Australia) or consult your financial or other professional adviser. For all other questions, please contact your stockbroker, accountant or other professional adviser.

## F Information for Custodians

If you are a Custodian you must complete this Application Form and a Custodian Certificate and submit both documents together with your cheque before your application will be considered. **Custodians cannot make payment by BPAY®.** Please contact the Registry on 1300 737 760 (callers within Australia) and +61 2 9290 9600 (callers outside Australia) to obtain a copy of the Custodian Certificate. Applications received from Custodians that are not accompanied by the Custodian Certificate will be rejected. Please refer to the SPP Booklet for further information in relation to applications by Custodians.

## Financial Services Guide

# Sanlam Private Wealth Pty Ltd

ABN 18 136 960 775

AFSL No. 337927

This Financial Services Guide (FSG) is dated 1<sup>st</sup> April 2019 and is provided to you by Sanlam Private Wealth Pty Ltd (**Sanlam, we, our, us**) to inform you of the financial services provided by us and to comply with our obligations as the holder of an Australian Financial Services Licence (AFS Licence No. 337927).

This FSG is meant to assist you to decide whether to use our services and to explain:

- who we are;
- what financial services we provide and the products to which those services relate;
- what our responsibilities are and what type of advice we give;
- how you can instruct us;
- what you can expect to pay for the financial services;
- what remuneration and other benefits may be paid to us, our employees or others;
- what to do if you have a complaint, and how it will be dealt with;
- for what purpose we use your contact data; and
- how you can contact us.

This FSG contains only general information about the services we offer. If you still have any questions after reading this FSG, please contact us. Our contact details are listed at the end of this document.

### WHAT OTHER DISCLOSURE DOCUMENTS AND STATEMENTS WILL I RECEIVE?

Although it is not our policy to provide personal advice, if we do provide you with personal advice or further assistance in selecting products or services having regard to your personal and financial circumstances, needs or objectives, we will, where we are required to do so under the law, issue you with a **Statement of Advice** (SoA) that will set out the personal advice we have given you, including any recommendations we offer along with our rationale for our recommendations and information about any fees, commissions, associations or relationships which might influence the provision of that advice.

If we provide to you a SoA, we may provide further advice to you after we have given you a SoA. If we have not provided you with a record of the further advice you may request, either verbally or in writing, a record of further advice within 7 years (or as prescribed by law) of us providing the further advice.

Generally, where we arrange for the issue of a financial product to you, you will receive a **Product Disclosure Statement** (PDS) or other relevant disclosure documents that include information about the product so that you can make an informed decision whether to acquire the product. It would include any relevant terms, significant risks and costs associated with the supply of that financial product.

### HOW YOU CAN INSTRUCT US AND YOUR OBLIGATIONS?

We will accept order instructions via telephone, email or facsimile.

You must check and confirm with us that orders sent via fax or email, have in fact been received by us.

You must review any confirmation or statement we send to you immediately upon receipt to ensure its accuracy and report any discrepancies to us.

If you have opened a Managed Discretionary Account with Sanlam you will be able to contact us by telephone, email or facsimile to provide instructions relating to your portfolio assets or any corporate actions.

## WHO ARE WE AND WHAT SERVICES ARE WE AUTHORISED TO PROVIDE?

Sanlam holds a current AFS Licence No. 337927 which authorises us to provide general and personal advice on and deal in the following classes of financial products:

- deposit and payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks and bonds;
- life products including investment life insurance products and life risk insurance products;
- managed investment schemes including IDPS;
- MDA Services;
- securities;
- standard margin lending facilities; and
- superannuation

We are also authorised to:

- issue interests in our own managed investment schemes to wholesale clients and issue MDA Services to retail and wholesale clients; and
- Operate custodial or depository services other than IDPS.

We act on our own behalf and under our own AFS Licence when we provide services to you. We can offer our services to both wholesale and retail clients.

Sanlam is an investment and financial services house with extensive experience in servicing the needs of both private investors and corporate clients. Sanlam has an extensive suite of products to service the needs of private clients and institutional investors.

The mission of Sanlam is to provide honest, timely, objective and accurate advice to help our clients achieve long term financial security and accumulate wealth in an efficient and timely manner. This service is built on personal trust and is based on solid long-term relationships.

Sanlam provides dealing and cash management services, financial planning services, MDA Services and general financial advice to its clients.

## WHAT INFORMATION DO WE OFFER TO YOU, AS OUR CLIENT?

We can offer you factual market data and information, including general advice, regarding those products and services our AFS Licence permits us to provide. The products on which we may provide this information include:

- Securities and Exchange-Traded Options traded on local and international exchanges;
- Futures and Options on Futures traded on local and international exchanges;
- Over-the-counter derivatives such as Contracts for Difference (CFDs);
- Over-the-counter foreign exchange contracts such as Margin FX and FX CFDs;
- Managed Funds;
- Margin Lending Facilities and Cash Management Trusts; and
- Client education seminars (product awareness and trading skills).

## WHAT ARE OUR RESPONSIBILITIES AND WHAT TYPE OF ADVICE DO WE GIVE?

### *Advisory and Dealing Services and MDA Services*

We provide **general advice** and information regarding financial products and services (other than under Sanlam's managed discretionary account service, further details below) that can be dealt through us. This information or advice does not take

into account your personal and financial circumstances, needs and objectives and because of that you should, before acting on the advice, consider the appropriateness of the advice having regard to your personal and financial circumstances, needs and objectives.

It should be noted that if you open an account with us you will also be requested to provide some information relating to your financial circumstances and risk profile. This information is collected so that we can:

- receive some reassurance that you will be able to finance any trading that you enter into and that your attitude to risk is comparable to that of the financial products you intend to trade; and
- identify who you are as required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AMLCTF Act 2006).

### *Financial Planning Services*

Sanlam will provide clients with expertise and professional service in the market. It and its representatives will take all necessary steps to understand your needs and to develop strategies that meet your financial and lifestyle needs.

More specifically, Sanlam will tailor strategies for your situation to help you make informed decisions in relation to your financial future in the following areas:

- Superannuation – Help you plan for a secure and comfortable future.
- Investment – Help you understand the different asset classes by calibrating the right mix of defensive and growth investments and above all, manage the investment risk.
- Insurance – Assist you with understanding the importance of holding the right personal risk cover to help meet basic living expenses should the unforeseeable happen. Further, assist you with understanding the various insurance policies and considerations such as policy ownership to find the appropriate mix of cover to suit your needs.
- Retirement – Assist you in creating strategies that allow you to gradually ease into retirement without compromising how you live.

Sanlam will provide ongoing advisory services, including regular portfolio reviews.

### **WHAT IS A MDA SERVICE?**

A MDA service is a managed investment scheme and a facility for making a financial investment that has the following key features:

- you give to the MDA Provider, i.e. Sanlam, access to money or money's worth (client contributions);
- Sanlam has the discretion to invest in financial products using your contributions without prior reference to you for each transaction;
- you agree with Sanlam that assets derived directly or indirectly from your contributions are managed as a discrete portfolio belonging to you; and
- you have an understanding that you will derive benefits from the MDA service, including benefits from Sanlam's expertise in investment selection and other services offered as part of the MDA service.

Either the Adviser or the MDA Manager appointed by Sanlam (as disclosed in the MDA Contract that you have signed with Sanlam) will be responsible for reviewing the Investment Program once every 13 months.

Where your relevant personal circumstance have changed you will be responsible for informing either Sanlam, the MDA Manager or the Adviser (as the case may be). Either the Adviser or the MDA Manager appointed by Sanlam (as disclosed in the MDA Contract that you have signed with Sanlam) will review the Investment Program and MDA Contract to ensure it remains suitable for you.

### **WHAT IS THE MDA CONTRACT?**

In order to provide you with MDA services you need to open an MDA. To open an MDA you must enter into an "MDA Contract" with Sanlam before the MDA service can be provided.

The MDA Contract will include an Investment Program that is prepared in accordance with the requirements in Division 3 of Part 7.7 of the Corporations Act (ie. provision of personal advice to retail clients and Statement of Advice) and Division 2 of Part 7.7A of the Corporations Act (ie. best interest obligations). The Investment Program will contain the following information:

- the nature and scope of the discretions Sanlam (and any person authorised by Sanlam in the MDA Contract) will be authorised and required to exercise under the MDA Contract and any investment strategy that is to be applied in exercising those discretions;
- any significant risks associated with the MDA Contract;
- the basis on which Sanlam considers the MDA Contract to be suitable for you; and
- warnings about the MDA Contract, such as:
  - it may cease to be suitable for you if your relevant circumstances change; and
  - it may not be suitable for you if you have provided Sanlam with limited or inaccurate personal information about your relevant circumstances.

#### **WHO HOLDS THE LEGAL TITLE TO YOUR PORTFOLIO OF ASSETS?**

You open an MDA in your own name or the name of a company or trust you control and thus, the entity/ person that owns the MDA holds the legal title to the portfolio of assets. The MDA service provided by Sanlam does not include custodial or depository services.

You will be required to open either a cash management account and/or trading account with a Third Party Service Provider and deposit funds in such account or link an existing cash management account or bank account (that you have opened with a third party service provider) to your trading account to facilitate any trading you do on your account. You will retain legal title over any cash management account, bank account or trading account at all times however your funds and assets will be held with the Third Party Service Provider in either a Clients' Segregated Account or a Clients' Trust Account. The Third Party Service Provider which may or may not have been nominated by Sanlam provides dealing services to you (under its own AFS Licence), which includes execution and clearing services and holding client funds.

#### **OUTSOURCED PROVIDERS**

Sanlam has outsourcing arrangements in place with Third Party Service Providers that are responsible for the provision of dealing services which includes execution and clearing services and holding client funds. The Third Party Service Provider that will be responsible for providing these services to you is dependent on the MDA you invest in and is disclosed in the MDA Contract you sign with Sanlam. MDA clients are required to enter into a separate arrangement with Sanlam with respect to these services.

Sanlam may also outsource certain administrative functions on an adhoc basis to reputable service providers. Where relevant the name of your administration service provider will be disclosed in the MDA Contract you sign with Sanlam.

Prior to engaging with any Third Party Service Provider, Sanlam will assess the service provider on their merits and reputation, and will consider matters such as:

1. their size and reputation in the market;
2. their duration of operation and their track record;
3. their financial stability; and
4. any other factors deemed relevant at the time.

Sanlam, generally, only deals with reputable third parties known to deliver professional services to their customers.

When we outsource functions to a third party, we establish a contract, we monitor the performance of that third party closely by observing the performance of their service, and we monitor their services against the agreed contractual services.

## RISK DISCLOSURE

There are significant risks associated with an investment via an MDA, of which not all can be outlined. Investment via the MDA may not be suitable for all investors. There can be no assurance that the MDA will achieve its investment objectives. Each prospective investor should carefully review the MDA Contract and carefully consider the risks before deciding to invest. Accordingly, in evaluating the merits and suitability of an investment in the MDA, careful consideration should be given by prospective investors to the risk factors some of which are summarised below:

- **General Economic Conditions and Market Risks** – The MDA’s operating and financial performance may be influenced by a variety of general domestic and international economic factors and business conditions which are outside the control of the MDA Provider and the MDA Manager. These include changes in the inflation rate, commodities prices, exchange rates, interest rates, the government and government fiscal, monetary and regulatory policy, natural disaster and acts of terrorism.
- **Industry Risk** – There are a number of industry risk factors that may affect the future operational performance of the MDA. These factors are outside the control of the MDA Provider and the MDA Manager. Such factors include increased regulatory and compliance costs and variations in legislation and government policies generally.
- **Financial Market Volatility** – A fall in global or Australian financial markets or the rapid change in the value of the Australian dollar against other major currencies may discourage investors from investing in financial markets. This may have a negative effect or a positive result on the price of the financial products in the MDA, however these factors are taken into account when taking a trade.
- **Liquidity Risk** – The MDA may invest in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts) or expensive for Sanlam to liquidate positions against which the market is moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant financial product).
- **Exchange Rate Risk** – Investment in a MDA must be converted to Australian Dollars. Accordingly, investors other than Australian nationals should be aware that exchange rate fluctuations could cause the value of the investment to diminish or increase. In addition, the price of any financial products traded on international markets and, therefore, the potential profit and loss therein, may be affected by any variance in the foreign exchange rate between the time the order is placed and the time it is liquidated, offset or exercised.
- **Diversification** – the MDA may be less diversified than portfolios operated by other investment managers, as the MDA is likely to be concentrated in a limited number of financial products, to maximize the investment strategy. The fundamental and technical performance of a financial product and its associated factors are taken into consideration when trading and investing.
- **Size of MDA** – The size of the MDA will determine the allowed diversity and risk profile of the MDA. Effective risk management depends on a range of factors, including insurance of these positions with put or call options and other factors, including a defined and successful Investment Program.
- **The MDA Provider and MDA Manager** – The profitability of the MDA is dependent on the MDA Provider’s and MDA Manager’s successful implementation of the investment strategy set out in the Investment Program. There can be no guarantee that the investment strategy will be realised.
- **Tax Considerations for Investors** – There may be tax implications arising from the receipt of profit from the MDA. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.
- **No guarantee can be given in respect of the future earnings of the MDA or the capital appreciation of your investments.** The price of investments that the MDA Manager has purchased in the MDA can fall as well as rise over time. Further, no assurance can be given that the strategies employed by the MDA Provider or the MDA Manager in the past to achieve attractive returns will continue to be successful, or that the return will be similar to that achieved in the past.
- **Sanlam makes no representation as to any return that investors will earn via the MDA and there can be no assurance that the target performance information, set out in the Investment Program, will be in any respect indicative of how the MDA will perform (either in terms of profitability or low correlation with other investments) in the future.**
- **The performance of the MDA will be affected by charges relating to the investments.** Typically, high portfolio turnover may result in correspondingly high transaction costs and the exact amount of brokerage and related transaction costs that will be incurred will depend upon a number of factors, including the nature and frequency of the market opportunities presented, the size of transactions and the transaction rates in effect from time-to-time. Refer to information in the Disclosure of Fees and Commissions outlined in the Statement of Advice – Investment Program.



- As MDA investing is not carried out on a “pooled” basis, but rather is separated as discrete portfolios, individual account balances and portfolio valuations may vary substantially in comparison to other MDAs.
- Inaccurate and incomplete relevant personal information provided by you may result in investments in financial products that are not suitable to your needs.

### **NON-LIMITED RECOURSE PRODUCTS AND FACILITIES**

Non-limited recourse products or facilities can include loans used to acquire financial products (including margin loans), and certain types of derivatives and foreign exchange contracts.

Investing in non-limited recourse products or facilities can significantly increase your investment risk. Specifically, a non-limited recourse product or facility imposes a legal obligation on you to pay an amount to another person or financial institution in the event of the occurrence or non-occurrence of something where the rights of the other person or financial institution are not limited to any property or asset that you have paid or set aside as security for the agreement.

#### *Example 1: Margin Loan*

You use \$50,000 of your own money and borrow \$450,000 via a margin loan to invest in \$500,000 in shares. If your shares suffer a significant decrease in value to \$200,000 and you are required to meet a margin call from the lender immediately to fully repay your margin loan, you may be forced to sell \$250,000 of your other assets and property to make up the shortfall in value due to the decrease in value of your shares which have been held as security for the margin loan.

#### *Example 2: Derivatives and Foreign Exchange (FX) Contracts*

Derivatives contracts and FX contracts are agreements which allow you to make a gain or loss, depending on the movement of underlying asset. By way of example the underlying asset could be stocks, bonds, indices, commodities, interest rates or currencies. The contract derives its value from the underlying asset which may never be delivered to you, and you may not have a legal right to, or ownership of it. Rather, your rights are attached to the contract itself. The money you will receive will depend on whether the underlying asset you choose moves in your favour. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited. The contracts only require a deposit, which is much smaller than the contract size (this is why the contract is “margined” or “leveraged”).

Margin is typically a relatively small proportion of the overall contract value. For example a contract trading on leverage of 100:1 will require margin of just 1% of the contract value.

A small price movement in the underlying asset may result in a large movement in the value of your trade – this can work in your favour, or result in substantial losses.

You may lose your initial deposit and be required to deposit additional "margin" in order to maintain your position. If you fail to meet any margin requirement, your position will be liquidated and you will be responsible for any resulting losses.

Trading in Derivatives contracts and FX contracts is high risk and not suitable for everyone, most importantly do not invest money you can't afford to lose.

This example is based on a USD \$1,000 account. The trader anticipates that the EUR will depreciate against the USD in the near future. After the first day, his position deteriorates and a Margin Call is triggered. The position continues to fall and the trader decides to close the position at a loss.

<b>Initial Deposit</b>	Max Deposits 1,000 USD
<b>Day 1</b>	
Trade: Max sells a contract of EUR/USD at our standard lot size, which is 100,000.	Sell 1 EUR/USD @ 1.24656
Trade Value in USD	1 x 100,000 x 1.24656 = 124,656 USD
Floating P/L: On Day 1 the price of EUR/USD has not changed.	Floating P/L: 0 x 100,000 = 0 USD
Margin (Leverage 1:200 (ie. 0.5%)) = Market Value x leverage	Margin: 124,656 x 0.5% = 623.28 USD



<b>Account Value at end of Day 1</b> Equity = Balance - Floating P/L Free Margin = Equity - Margin	Balance: 1,000 USD Equity: 1,000 USD Free Margin: 376.72 USD
Equity to Margin Ratio	1000/623.28 x 100% = 160%
Was Margin Call Triggered? Trigger Point: Equity/ Margin < 90%	No Margin Call
Was position stopped out? Trigger Point: Equity/ Margin < 20%	No Stop Out
<b>Day 2</b>	
Rollover Interest: Max holds his position overnight. In this example, the swap (short position) for EUR/USD is 2.46 pips. This is charged against the funds that Max has deposited.	1 lot x -2.46pips x 1 day = -24.6 USD
Floating P/L: On Day 2 the price of EUR/USD has moved against Max's position by 23.5 pips to 1.24891 (bid) / 1.24909 (offer).	Floating P/L: -0.00235 x 100,000 = 235 USD
Margin (Leverage 1:200 (ie. 0.5%)) = Market Value x leverage	Margin: 124,421 x 0.5% = 622.11 USD
<b>Account Value at end of Day 2</b> Equity = Balance - Floating P/L Free Margin = Equity - Margin	Balance: 975.40 USD Equity: 740.40 USD Free Margin: 118.30 USD
Equity to Margin Ratio	740.40/622.11 x 100% = 119%
Was Margin Call Triggered? Trigger Point: Equity/ Margin < 90%	No Margin Call
Was position stopped out? Trigger Point: Equity/ Margin < 20%	No Stop Out
<b>Day 3</b>	
Rollover Interest: The position is held open overnight. The swap (short position) for EUR/USD remains 2.46 pips, for which Max is charged.	1 lot x -2.46pips x 1 day = -24.6 USD
Floating P/L: The following day, the price of EUR/USD has moved against Max's position by a further 11.9 points (ie. 35.4 points down from original price) to 1.25010 (bid) / 1.25028 (offer).	Floating P/L: -0.00354 x 100,000 = 354 USD
Margin (Leverage 1:200 (ie. 0.5%)) = Market Value x leverage	Margin: 124,186 x 0.5% = 620.93 USD
As there are insufficient funds to hold the position open, Max decides to close the position at a loss and buys EUR/USD.	Buy 1 EUR/USD @ 1.25028
Trade Value in USD	1 x 100,000 x 1.25028 = 125,028 USD
Trading Loss	124,656-125,028 = -372 USD
Margin (Leverage 1:200 (ie. 0.5%)) = Market Value x leverage	Margin - No open position 0 x 0.5% = 0 USD
<b>Account Value at end of Day 3</b> Equity = Balance - Floating P/L Free Margin = Equity - Margin	Balance: 578.80 USD Equity: 578.80 USD Free Margin: 578.80 USD

In circumstances where non-limited recourse products or facilities are part of the MDA Service offered by Sanlam, you should understand that you can lose an amount greater than the current value of your investment, in which case you can be forced to dispose of the other assets and property you own (including your family home if it is in your name) to repay your loan.

The level of leverage and risk in terms of an MDA that could be offered to you is unknown at this point because the requisite due diligence of your circumstances, needs and objectives has not been conducted and are not known, and hence the underlying product holding of your MDA is also unknown. However, where advice is provided to you in the Statement of Advice, which involves non-limited recourse products and facilities, then the level of leverage and risk related to the non-limited recourse products and facilities will be fully disclosed to you in writing in the Investment Program included in the Statement of Advice, in order for you to be able to make an informed decision as to whether to proceed with the MDA.

If we issue MDA Services to you and as part of the Investment Program you will be using or trading Non-Limited Recourse Products or Facilities, we will provide to you the Product Disclosure Statement (PDS) produced by the Third Party Service

Provider (ie. issuer) that such financial products are acquired through. The PDS contains important information about the financial product, including, but not limited to:

1. Margin requirements;
2. Acceptable collateral (if applicable);
3. Information about leverage;
4. Significant risks

Sanlam will monitor the trading activity and ensure that the risk parameters (ie. where relevant use of stop losses, maximum loss limits, requirement to close positions, etc) defined in the Investment Program included in the Statement of Advice are adhered to and that Margin Calls are sent to clients and met by clients pursuant to the relevant terms and conditions.

**DETAILS OF ASSOCIATIONS OR RELATIONSHIPS**

Sanlam has a relationship with providers of execution, clearing and settlement services and portfolio administration services. These relationships in no way influence the provision of financial services by Sanlam to you.

**THE COSTS, REMUNERATION AND OTHER BENEFITS THAT MAY BE RECEIVED BY US, OUR EMPLOYEES AND OTHERS?**

The information in this section is subject to change and does not include information in relation to taxes or duties that you may be required to pay in relation to an investment. Unless otherwise stated, all fees, charges, commissions and benefits disclosed in this FSG are exclusive of the Goods and Services Tax (GST).

***Advisory and Dealing Services and MDA Services***

Sanlam (through Third Party Service Providers) will arrange, as authorised by you, for brokerage/ commissions/ transaction fees to be debited from your account when a transaction has been completed in consideration for services rendered. The amount of commission can differ greatly depending on the services provided (ie. ranging from execution only services to advisory and dealing services). Generally, the commission may be charged on a per trade basis or on a cash under management basis. The following ranges are an indication of the brokerage/ commissions/ transaction fees that may be charged:

*Per Trade Basis*

<b>Product</b>	<b>Minimum Commission</b>	<b>Maximum Commission</b>
Equities	\$19 per trade.	2% of trade value
Options	\$7.50 per trade	\$100 per trade
Futures	\$7.50 per trade	\$50 per trade
Managed Funds	0.25% of funds invested	2% of funds invested

*Cash under Management Basis*

<b>Product</b>	<b>Minimum Commission</b>	<b>Maximum Commission</b>
Management Fees	0.1% of funds under management	1.25% of funds under management
Performance Fees	0%	20% of profit generated during the reporting period*
Ongoing Advice Fees	\$0 per annum	\$70 per annum

\* The reporting period is defined in the MDA Contract and can be either monthly or quarterly.

The actual brokerage, commissions, transaction fees and charges payable will depend upon the relevant service provided by Sanlam. Sanlam will include full details of commission payable by you in the Client Agreement or MDA Contract (as applicable) entered into between Sanlam and you.

Included within the brokerage, commissions and transaction fees will be any administration or agents' execution fees. In addition to these, Sanlam may require you to reimburse it for any fees levied on Sanlam by a market operator or clearing and settlement facility in respect of transactions entered into by Sanlam for you.

### **Managed Discretionary Account Fees and Other Costs**

**Did you know?** Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features, such as investment performance or use of an MDA Service, justify higher fees and costs.

**To find out more:** If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The following information shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the funds and assets held in your MDA.

Sanlam does not provide tax advice and you should obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

The following table sets out the fees and costs for Sanlam's MDA Service.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the managed investment product</b>		
<i>Establishment fee</i> The fee to open your investment	Nil	N/A
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	N/A
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	N/A
<i>Exit fee</i> The fee to close your investment	Nil	N/A
<b>Management costs</b>		
<i>Management Fee<sup>1</sup></i> The fees and costs for managing your investment	up to 3.3% per annum (incl. GST)	This fee may be charged monthly or quarterly. It is payable in arrears on the last business day of the quarter/ month (as applicable) and will accrue daily between such dates based on the balance of the account at the end of the quarter/ month (as applicable).
<i>MDA Service Fee<sup>1</sup></i>	up to 0.055% per month (inc. GST) or \$5.50 per month (inc. GST)	Deducted from your cash account monthly in arrears by the 15 <sup>th</sup> day of each month.
<b>Service fees</b>		
<i>Switching fee</i> The fee for changing investment options	Nil	N/A
<i>Performance Fee<sup>1</sup></i> The fee on new net profit within a quarter	up to 33% (incl. GST)	This fee may be charged monthly or quarterly. It is payable in arrears on the last business day of the quarter/ month (as applicable) and will accrue daily between such dates based on new net profit within a quarter/ month (as applicable).
<i>Transaction Fees<sup>1</sup></i> The fees charged by the Third Party Service Provider for the provision of dealing services	Refer to section titled 'The costs, remuneration and other benefits that may be received by us, our employees and others'	Per transaction

1. This fee includes an amount payable to an adviser.

The fees that apply to an MDA that you open with Sanlam will be detailed in the MDA Contract signed by you with Sanlam.

#### Example of MDA Fees

The following table provides an example of how the fees and costs in the Sanlam MDA can affect your investment over a one year period. You should use this table to compare this product with other MDA Services.

EXAMPLE		BALANCE OF \$30,000 AND NO CONTRIBUTIONS DURING THE YEAR															
Management fee	3.3% per annum	<p>Sanlam charges the Management Fee on a quarterly basis, based on the Net Portfolio Value at the end of the quarter (ie. cash and market value of all financial products held in the account).</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Account Balance</th> <th>Management Fee</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$31,000</td> <td>\$170.50</td> </tr> <tr> <td>2</td> <td>\$30,000</td> <td>\$165.00</td> </tr> <tr> <td>3</td> <td>\$33,000</td> <td>\$181.50</td> </tr> <tr> <td>4</td> <td>\$34,000</td> <td>\$187.00</td> </tr> </tbody> </table> <p>The Annual Management Fee would be \$704.00</p>	Quarter	Account Balance	Management Fee	1	\$31,000	\$170.50	2	\$30,000	\$165.00	3	\$33,000	\$181.50	4	\$34,000	\$187.00
Quarter	Account Balance	Management Fee															
1	\$31,000	\$170.50															
2	\$30,000	\$165.00															
3	\$33,000	\$181.50															
4	\$34,000	\$187.00															
MDA Service Fee	\$5.50 per month or 0.055%	Total fees payable to Sanlam on a \$50,000 portfolio would be \$300 +GST per year.															
Performance fee	33%	<p>Sanlam charges the Performance Fee on a quarterly basis, based on new net profit within a quarter.</p> <p>If you invested \$30,000 in the MDA and made a new net profit of \$4,000 within the year then you would expect the Annual Performance Fee to be \$880.00. This estimate is inclusive of Goods and Services Tax (GST), and is provided as an example only and is not a forecast. The actual performance fee may be higher, lower or not payable at all.</p>															

#### Additional explanation of fees and costs

##### *Management Fee*

The Management Fee is calculated based on the Net Portfolio Value at the end of the quarter/ month (as applicable) and accrues daily between such dates. It is deducted the following month.

When you close your account, the Management Fee will be calculated on the Net Portfolio Value at the closure date on pro-rata basis and deducted from the account prior to the account closure being processed and finalized.

The fee is quoted inclusive of GST.

##### *Performance Fee*

A Performance Fee is payable in addition to the Management Fee.

Performance Fees are payable in arrears on the last business day of the quarter/ month (as applicable) and will accrue daily between such dates. It is deducted the following month.

A High Water Mark is applied to the Performance fee to ensure that any negative performance is recouped before another Performance Fee is charged.

This means that the Performance Fee will not apply to any quarter/ month (as applicable) in which a trading loss is sustained and such a loss will have to be recovered before the Performance Fee is again applied.

The fee is quoted inclusive of GST.

##### *Transaction fees*

As part of the MDA Service you will be charged Transaction Fees each time the MDA Manager trades on your behalf (ie. buys or sells a financial product for you).

These costs will depend on the frequency of trading within the MDA, which is determined by the investment strategy included in the Investment Program.

Further information about the Transaction fees, can be found on pages 3 – 4 in the section titled ‘The costs, remuneration and other benefits that may be received by us, our employees and others’, sub-section titled ‘Advisory and Dealing Services’.

#### *Other Fees or costs*

Other fees and costs may apply to the ETFs traded as part of some of our Model Portfolios. They are charged or incurred by the ETF issuer as an annual percentage for managing investments. The costs for ETFs range from an estimated 0.07% to 1.77% per year, based on the experience for 2016/17 and may change from time to time because of changes in the ETF issuer’s fees from year to year. To find out more, check the relevant product disclosure statement or other disclosure documents available from the website of each ETF issuer. When you choose a Model Portfolio that includes ETFs as part of its Investment Universe, you should consider any costs that will be charged by the ETF issuer, as these are in addition to the fees and costs shown in this document.

#### ***Financial Planning Services***

A range of fees and other costs may be payable to us for the advice you receive and the financial products used.

Outlined below are the types of payments that you may be charged. Before we provide you with any financial advice, we will discuss these options with you and help you select the best payment method for you.

Where we are aware that you have used borrowed funds (i.e. funds that are either secured or unsecured) to invest through us, we will charge you a flat dollar advice fee.

In all cases, details of payments required for the services provided will be given to you at the time of any personal financial advice or when executing a transaction on your behalf. You will be provided with a tax invoice for any services provided and payment is generally made to Sanlam in accordance with the terms of the invoice and is payable by cheque or money order.

These amounts, where they can be determined, will be documented in your SoA. If at the time you receive your SoA the amounts cannot be determined, the manner in which they are calculated will be disclosed instead.

- **Fee for Service**

Under this method of payment, there are set fees payable for each service provided to you. Those services and fees include:

- You may be charged a fee upon your agreement for your initial consultation with us.
- There is a fee for the preparation of a SoA and this will be disclosed and agreed by you depending on the work involved.

You will be provided with a tax invoice for the service provided and you will need to provide a cheque or money order payable to Sanlam in accordance with the invoice.

- **Hourly Rate Direct Charges**

We may charge an hourly rate for financial services. The current rate is \$450.00 per hour or part thereof. Part or all of the initial commissions received from a product provider may be rebated to you if this charging option is used.

Before going ahead, we will provide you an estimate of the time that we may need.

Sanlam may receive payments from certain product providers whose products we recommend. These payments are based on the level of investments by Sanlam clients in those products or level of insurance premiums applicable.

- **Adviser Service Fee**

The Adviser Service Fee is a fee that we agree on for the ongoing advice and service that we are to provide, and is payable to Sanlam. Sanlam may pass all or part of that fee on to your financial planner/ adviser. Some products offer the option to deduct the Adviser Service Fee from your funds on a periodic basis.

- **Direct Share Investments**

We may charge you a fee over and above the brokerage fee charged for trading shares. A management fee based on the value of your direct share investment may also be charged. These fees are optional and have no minimum or maximum.

- **Commissions**

Sanlam may receive initial or ongoing commission payments when you invest in a product or commence an insurance policy through us. Under this arrangement, Sanlam may receive commission payments directly from product providers.

An initial commission is a one-off payment made upon entry to a financial product and an ongoing commission is paid each year for which a financial product is maintained.

Commission payments are based on a percentage of the funds you invest or the insurance premiums you pay. They are not paid directly by you and are instead deducted from the investment, superannuation, loan or insurance premium by the product provider and paid to Sanlam.

### ***Investment and superannuation products***

The initial commission that Sanlam may receive on an investment or superannuation product can be up to 5.50% of the investment amount.

The ongoing commission that Sanlam may receive can be up to 1.10% per annum of the investment amount.

Sanlam only receives initial or ongoing commission payments on investment or superannuation products, where they are entitled to receive these payments through existing arrangements with product providers.

### ***Insurance policies***

The initial commission that Sanlam may receive on insurance policies can be up to 80% of the first year's premium.

The ongoing commission that Sanlam can receive may be up to 20% per annum of the renewal premium.

We only receive commission payments where we are entitled to receive these payments through existing arrangements with product providers.

Any commission payments that Sanlam receives are not an additional cost to you.

### ***Margin Lending***

Sanlam may receive commission payments on margin loans which are based on a percentage of the loan amount. This commission is paid on an annual basis and Sanlam may pass this on to your financial planner/ adviser. Sanlam will only receive initial or ongoing commission payments on margin loans, or additional drawdowns to these products, where they are entitled to receive these payments through existing arrangements with product providers.

### ***General comments***

Our employees may, if authorised by you, be remunerated on a commission basis for the services provided to you. Their remuneration is included in the fees discussed above.

Where your business has been referred to Sanlam or your trade instructions require the use of a third party, Sanlam may be required to share a percentage of the fees or other charges with other parties, as disclosed and authorised by you in the Client Agreement or MDA Contract (as applicable) entered into between Sanlam and you.

#### **IF YOU HAVE A COMPLAINT, HOW IT WILL BE DEALT WITH?**

If you wish to make a complaint, the Compliance Manager can be contacted on (03) 8640 5508 or by email [compliance@privatewealth.sanlam.com.au](mailto:compliance@privatewealth.sanlam.com.au).

Sanlam has a formalised client complaint resolution procedure. All complaints are reviewed and investigated by our Compliance Manager. If you make a complaint, our first response will be to contact you to discuss the complaint and to register a formal record of such complaint. We will try to resolve your complaint quickly and fairly.

If, despite our best efforts, you believe your complaint has not been satisfactorily dealt with, we offer the use of an independent industry arbiter. Sanlam has agreed not to contest a final resolution from the independent industry arbiter.

You can contact the independent industry arbiter by writing to:

- Australian Financial Complaints Authority **if lodged on or after 1 November 2018**

GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678 (free call)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [www.afca.org.au](http://www.afca.org.au)

In accordance with Regulatory Guide RG126 and Section 912B of the Corporations Act 2001, Sanlam has Professional Indemnity Insurance in place which covers the work done for it by its representatives and employees.

#### **FOR WHAT PURPOSE DO WE USE YOUR CONTACT DATA.**

Privacy is an important issue for us and we are committed to ensuring full compliance with Privacy Act requirements.

The personal data that we collect from you will only be used by us to assist in the planning of marketing proposals, education seminars, provision of general product advice to clients and as permitted under the AMLCTF Act 2006.

#### **HOW YOU CAN CONTACT US?**

**Telephone:** (02) 8245 0500

**Facsimile:** (02) 8245 0599

**Mail:** Level 2, 33 York St, Sydney NSW 2000

**Website:** [www.sanlamprivatewealth.com.au](http://www.sanlamprivatewealth.com.au)

**Email:** [compliance@privatewealth.sanlam.com.au](mailto:compliance@privatewealth.sanlam.com.au)

#### **In person:**

Level 2, 33 York St, Sydney NSW 2000