

Berndale Securities Limited

Financial Services Guide

Berndale Securities Limited
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Glossary of terms

ASX	ASX Limited or Australian Securities Exchange
Berndale, we, us, our	Berndale Securities Limited ABN 63 006 687 467, AFSL No. 235149
Broker	a Trading Participant of ASX which has engaged Berndale to clear transactions executed by the Broker on ASX
FSG	Financial Services Guide
FOS	Financial Ombudsman Service Limited
PDS	Product Disclosure Statement

Purpose and content of this Financial Services Guide

[This Financial Services Guide \(FSG\) is an important document. You should read it carefully and make sure you understand it.](#)

This FSG is provided by Berndale Securities Limited.

This FSG was prepared on [*insert date*] and is made up of a number of equally important parts. Each of these parts are listed on the contents page and are intended to inform you of certain basic matters before we provide you with a financial service.

The information set out in this FSG includes information about:

- who we are
- what services we provide
- the remuneration that may be paid to us and other relevant persons in relation to the services we offer
- what relationships and associations we have
- how complaints against us are dealt with.

This FSG is designed to assist you in deciding whether to use the services we provide which are described below.

Statements of Advice and Product Disclosure Statements

We do not provide financial product advice. Accordingly, you will not receive a Statement of Advice from us.

You may however be provided with a Product Disclosure Statement in relation to Exchange Traded Options which may be traded through ASX in the circumstances described under "The services we offer" below.

Who is Berndale?

Berndale is a Participant of ASX Group. Berndale Securities Limited is the leading provider of third party clearing and custody services to the Australian marketplace.

Our contact details are as follows:

Berndale Securities Limited
ABN 63 006 687 467
AFSL No. 235149

Level 19, 120 Collins Street
Melbourne VIC 3000

Australia
Phone: (03) 9659 2555
www.berndale.com.au

The services we offer

The services which Berndale provides are as follows:

- ***Clearing services for transactions in securities and interests in managed investment schemes executed through ASX***

Berndale has been engaged by a number of ASX Trading Participants (**Brokers**) to clear the transactions in securities and interests in managed investment schemes executed on ASX by the Broker.

If you are a client of one of those Brokers and you effect a transaction in securities or interests in managed investment schemes on ASX through the Broker, Berndale as clearer will carry the settlement obligations in respect of that transaction. For this purpose, you will become a client of Berndale and you will owe your settlement obligations in respect of that transaction directly to Berndale and not to the Broker.

If you are a client of one of those Brokers, you will be provided with a Disclosure Statement which contains more information concerning the clearing services Berndale provides and the terms of those services.

- ***Clearing services for transactions in Exchange Traded Options executed through ASX***

Berndale also has been engaged by a number of Brokers to clear the transactions in Exchange Traded Options executed on ASX by the Broker.

If you are a client of one of those Brokers and you effect a transaction in an Exchange Traded Option on ASX through the Broker, Berndale as clearer will carry the settlement obligations in respect of that transaction. For this purpose, you will become a client of Berndale and you will owe your settlement obligations in respect of that transaction directly to Berndale and not to the Broker.

If you are a client of one of those Brokers, and wish to trade in Exchange Traded Options on ASX through it, you will need to enter into a Derivatives Client Agreement with Berndale.

You may also need to enter into a Derivatives Client Agreement with the Broker and the Broker may be required to give you a Product Disclosure Statement (**PDS**) in relation to the Exchange Traded Options that you may trade. The PDS will contain information concerning Exchange Traded Options to assist you in deciding whether those products are appropriate for your needs.

- ***Clearing services for transactions in Exchange Traded Options "given up" to us through ASX***

Berndale may clear a transaction in Exchange Traded Options executed on ASX by another Participant of ASX Group if the transaction is "given up" to Berndale. If Berndale accepts the "give up" of such a transaction for you, Berndale will carry the settlement obligations in respect of that transaction. For this purpose, you will become a client of Berndale and you will owe your settlement obligations in respect of that transaction directly to Berndale and not to the other Participant.

Before Berndale can accept the "give up" to it of a transaction in Exchange Traded Options executed for you, you will need to enter into a Derivatives Client Agreement with Berndale. Again, you may be provided with a Product Disclosure Statement relating to Exchange Traded Options.

- **Sponsorship services**

Berndale may provide sponsorship services to the clients of the Brokers for whom it provides clearing services and other clients. If you want Berndale to provide sponsorship services to you, you will need to enter into a Sponsorship Agreement with Berndale.

- **Nominee and custody services**

Berndale may arrange for Merrill Lynch (Australia) Nominees Pty Ltd ABN 18 003 925 031 to provide nominee and other custody services for clients of the Brokers for whom it provides clearing services and other clients. If you want Merrill Lynch (Australia) Nominees Pty Ltd to provide nominee or custody services to you, you will need to enter into an agreement for this purpose.

Merrill Lynch (Australia) Nominees Pty Ltd holds an AFS Licence (Licence no. 235152) and has issued a FSG. A copy of that FSG may be obtained by contacting us on (03) 9659 2555.

- **Other services**

Berndale provides settlement services for clients in respect of transactions executed by the client or on behalf of the client by another person.

Berndale also clears transactions executed through ASX as agent for its related bodies corporate.

In order to provide these services, Berndale is authorised under its AFS Licence to provide the following financial services to retail and wholesale clients:

- dealing in the following kinds of financial products:
- securities (such as shares, options and warrants quoted on ASX)
- interests in managed investment schemes (other than investor directed portfolio services) (such as units in ASX listed trusts); and
- derivatives (such as Exchange Traded Options).

We do not provide financial product advice

Berndale is not authorised to provide financial product advice to clients.

Berndale has no responsibility for any financial product advice provided by Brokers or any other person to you.

How you may provide instructions to us

If you wish to give instructions in relation to a transaction executed (or to be executed) by a Broker, you must contact the Broker (and not Berndale directly).

If you wish to give us instructions in relation to any other service, you may do so by telephone, mail, fax or e-mail, subject to the terms of any applicable agreement with you relating to the subject matter of your instructions.

How do we charge for our services?

- ***Clearing services for transactions executed through ASX***

Berndale charges a range of fees to Brokers who engage it to clear transactions executed on ASX by the Broker. Those fees

may comprise a fixed monthly fee, a fee per trade, a fee per service and other fees.

Berndale does not charge any fees to the client for whom the Broker executed the transaction, other than fail fees if the client fails to comply with its settlement obligations in respect of the transaction. Those fail fees may include an administration fee and a default charge on the amount outstanding from time to time.

Berndale may charge a client commission or other fees on a contract for the transfer of underlying securities following the exercise of an Exchange Traded Option at the rates determined by Berndale and notified to clients from time to time. Berndale may pass on part of that commission or fees to the Broker who executed the traded in respect of that option.

The Broker may charge clients fees in respect of the transactions executed by the Broker and cleared by Berndale. However, the Broker (and not Berndale) determines the amount and structure of any such fees. Information concerning the fees which your Broker may charge you may be obtained from your Broker.

- **Sponsorship services**

Berndale does not charge clients any fees for providing sponsorship services. However, the fees which Berndale charges to a Broker may include fees relating to the provisions of sponsorship services to clients of that Broker.

- **Nominee and custody services**

Berndale does not charge clients any fees for providing nominee or custody services. However, the fees which Berndale charges to a Broker may include fees relating to the provision of nominee services to clients of that Broker.

- **Other services**

Berndale does not charge clients any fees for providing settlement services, other than fail fees if the client fails to comply with its settlement obligations in respect of the transaction. Those fail fees may include an administration fee and a default charge on the amount outstanding from time to time.

Berndale charges fees to its related bodies corporate in respect of the agency clearing services it provides. Those fees may comprise a fixed monthly fee, a fee per trade, a fee per service and other fees.

Commissions and other benefits from third parties

As noted above, we receive fees from the Brokers in respect of the services we provide to them. We may earn and retain interest on moneys held in our trust account for clients from time to time. Otherwise, we do not receive commissions or other benefits for other third parties.

How are our representatives remunerated?

Our representatives are remunerated by salary and do not directly receive any commissions or fees. They may be eligible to receive a bonus or other employment benefit which is discretionary and based on the achievement of business objectives.

Will anyone be paid for referring you to us?

No-one is paid any fee as a result of referring you to us.

In what capacity do we act?

The capacity in which Berndale acts, depends on the financial service to be provided as follows.

- ***Clearing services for transactions in securities and interests in managed investment schemes executed through ASX***

Berndale acts as principal for the Brokers for whom its clears such transactions. However, there may be certain activities which Berndale will perform as agent for another person (such as the despatch by Berndale of confirmations to clients as agent for the Broker that executed the transaction).

In clearing the transaction, Berndale acts as agent for the client for whom the transaction was executed. However, Berndale will owe the settlement obligations in respect of that transaction to the ASX Group as principal.

- ***Clearing services for transactions in Exchange Traded Options executed through ASX***

Berndale acts as principal for the Brokers for whom it clears such transactions. Berndale also acts as principal in respect of transactions in Exchange Traded Options for which it accepts the "give up".

However, there may be certain activities which Berndale will perform as agent for another person (such as the despatch by Berndale of confirmations to clients as agent for the Broker that executed the transaction).

The rights of Berndale against the ASX Group in respect of any transaction in Exchange Traded Options executed on ASX for which Berndale has the settlement obligations will be personal to Berndale, and the benefit of those rights will not pass to the client for whom the transaction was executed. Accordingly, in clearing the transaction and being the registered holder of the Exchange Traded Option, Berndale acts as principal and not as an agent or trustee for the client. However, Berndale will owe corresponding obligations to the client as a principal.

- ***Sponsorship services***

Berndale acts as principal in providing sponsorship services to clients.

- ***Nominee and custody services***

Berndale acts as agent for Merrill Lynch (Australia) Nominees Pty Ltd when arranging for it to provide nominee and other custody services for clients. Merrill Lynch (Australia) Nominees Pty Ltd acts as nominee or trustee for the client in providing the service.

- ***Other services***

Berndale acts as agent for the client in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

Berndale acts as agent for its related bodies corporate in providing agency clearing services for them.

Do we have any relationships or associations with financial product providers?

Berndale is a member of the Merrill Lynch Group. Accordingly, Berndale may deal in financial products issued by another

member of the Merrill Lynch Group. However, Berndale does not receive any commission or other benefit as a result of your investing or dealing in any such product other than the fees described under "How do we charge for our services?".

Complaints resolution

Clearing service and complaints about your Broker

If we provide you with clearing services and you have a complaint which relates to any service provided by the Broker who executed the transaction for you (or any other aspect of your dealings with that Broker), you should refer your complaint to the Broker and not to Berndale. Your Broker can provide you with information concerning their complaints resolution procedures.

The following paragraphs relate to complaints concerning the services that we provide.

Our commitment

We are committed to providing quality service and accurate information. As part of that commitment, we are focussed upon improving client satisfaction levels by providing an efficient and accessible system for resolving client complaints.

You have the right to have any complaint about the service received from us (or any other aspects of their dealings) investigated and dealt with quickly and effectively in accordance with our complaints resolution procedures.

Client input

To assist us in responding appropriately to complaints, you are requested to prepare any complaint in writing, addressed to:

**Berndale Securities Limited
Compliance Manager
Office of General Counsel
Level 38, Governor Philip Tower
1 Farrer Place
Sydney NSW 2000
Switchboard (02) 9225 6500
Facsimile (02) 9225 6953**

You should include as much detail about the circumstances of the complaint as possible, including the name(s) of any of our staff involved. If available, copies of any background documentation should be provided to us along with the complaint.

Our response

Following receipt of your complaint, the Compliance Manager will acknowledge receipt of it in writing and provide an estimate of the time it will take to investigate the circumstances. The Compliance Manager will fully investigate the complaint and follow up if further information is required from you. The Compliance Manager will then prepare a detailed written response to you after consideration of all relevant documents and following interviews with the involved employees and their manager(s), if required.

The written response will be mailed or delivered to you.

External complaints resolution – FOS, ASX and ASIC

As we are a member of the Financial Ombudsman Service (FOS), we will advise you if you continue to have a complaint with us that you have the option to pursue your complaint with FOS. FOS's contacts details are:

Financial Ombudsman Service Limited

GPO Box 3
Melbourne VIC 3001
Telephone 1300 780 808
Facsimile (03) 9613 6399

If you remain unsatisfied with our response to a complaint, you are at all times free to pursue the matter with ASX. The Australian Securities and Investments Commission also has an Info line on 1300 300 630 which you may use to make a complaint and obtain information about investor rights.

Compensation arrangements

Berndale has professional indemnity insurance which Berndale considers is adequate having regard to:

- the volume and types of business carried on by it; the number and types of its clients; the number of its representatives; and

- any particular or potential claims that may arise pursuant to our participation in external dispute resolution schemes, including the FOS scheme.

Berndale considers that these compensation arrangements satisfy the requirements of s 912B of the *Corporations Act 2001* (Cth) and associated regulations.

Privacy

The privacy of your personal information is important to us. If you would like a copy of our privacy policy please contact us on (03) 9659 2555.