



Financial Services Guide

Openmarkets Australia Limited (ABN 38 090 472 012, AFSL 246705)
is a Market Participant of ASX, Cboe Australia and NSX, and an ASX
Clear and Settlement Participant

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General information

1. About this financial services guide

This Financial Services Guide (**FSG**) provides important information about the services offered by Openmarkets Australia Limited (ABN 38 090 472 012, AFSL 246705) (referred to in this FSG as **Openmarkets, we, our or us**). It is to help you decide if you want to use the Openmarkets services.

This FSG provides information about:

- who we are and our contact details
- documents you may receive from your advice professional
- our products, services and their associated costs
- any relationships we have with third parties that might influence us in providing our services
- how we, our staff and other related parties are remunerated and any other benefits we might receive
- how we collect and use your personal information
- other documents you may receive from us and how you may provide us instructions
- details of our complaints-handling process

For the purposes of this FSG:

- **Client** means the person or persons in whose name the account is opened with Openmarkets or named on the account opening or application form as the 'client' or is a client of an Intermediary. If that is more than one person, then Client means each of them separately and every two or more of them jointly and includes their successors and assigns; and
- **Intermediary** means an AFSL holder or an authorised representative of the AFSL holder who the Client instructs to place an order with Openmarkets.

2. Lack of independence

To avoid the potential for any conflict of interest, Openmarkets, although not a subsidiary of, nor controlled by any authorised depository institution or insurer states that is not independent, impartial or unbiased pursuant to section 942B of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

As outlined in this FSG, Openmarkets provides products and services, including execution, clearing and settlement services that an advice professional may utilise if it is placing orders to buy or sell financial products through Openmarkets when that advice professional is acting in the client's best interests.

3. About Openmarkets

Openmarkets is a holder of an Australian Financial Services Licence (AFSL no. 246705) (**AFSL**), issued under the Corporations Act and is located at Level 15, 388 George Street, Sydney NSW 2000.

We are a market participant of ASX Limited (**ASX**), Cboe Australia Pty Ltd (**Cboe**) and National Stock Exchange of Australia Limited (**NSX**). This means we can execute trades in each of these markets directly for you.

We are a clearing participant of ASX Clear Pty Ltd (**ASX Clear**) and a sponsoring broker and participant of CHESS, the clearing and settlement facility operated by ASX Settlement Pty Ltd.

4. About our services

Domestic – execution, clearing and settlement services

Openmarkets operates an execution, clearing and settlement stockbroking service for fintechs, advice professionals (e.g. dealer groups, private wealth advisers and stockbrokers) and traders.

Under our AFSL, we therefore provide dealing, personal and general advice services in relation to:

- Securities
- Managed investment schemes
- Bonds
- Derivatives such as Exchange Traded Options (ETOs)
- Deposit products (e.g. bank accounts)

We may act as a CHESS sponsoring participant of the clients. Clients that are to be CHESS sponsored by us must enter into a sponsorship agreement with Openmarkets.

International – execution, clearing and settlement services

Openmarkets may arrange for execution, clearing and settlement services in securities on international markets for clients with an entity which holds the appropriate authorisation to do so in that market (**international broker**).

When the international broker provides you these services, it will be acting as your agent, as instructed by your Intermediary (who is also your primary agent) on your behalf.

Openmarkets provides the Client the connectivity to the international broker for the provision of services as outlined above. For this purpose, you will not be trading under a trading account of Openmarkets for the purposes of international transactions, but rather a trading account that you have established with the international broker.

International securities traded on your behalf will be traded by the international broker. You must agree to the international broker's terms and conditions, financial services guide and any other disclosure documents required by the international broker and your Intermediary.

Openmarkets has contractually agreed to settle international transactions with the international broker on your behalf and will, where applicable, arrange for the international broker to clear and settle transactions in international securities it has executed on your behalf. We have agreed to contractually carry the settlement obligations in respect of these transactions with the international broker. You will owe your corresponding settlement obligations in respect of those transactions directly to Openmarkets (notwithstanding if you provided instructions to us through an Intermediary as contemplated by the Client Agreement). Openmarkets may also settle your international transactions not executed on a securities exchange (e.g. primary market transactions or off-market transactions).

Openmarkets therefore requires you to also agree to general terms and conditions under its Client Agreement prior to placing orders with the international broker.

Nominee services

Openmarkets may arrange for its wholly owned subsidiary, Openmarkets Nominees Pty Ltd ACN 603 716 089 (**Openmarkets Nominees**) and/or another entity to provide nominee and other custody services for Clients.

Where we provide nominee services, the financial products held by us on your behalf may be held in the same account in which the nominee company holds securities for other persons.

Technology services

Openmarkets may provide cloud-based API infrastructure that provide real-time market access for Clients.

APIs extend to delivery of (without limitation) market data, Order Manager and news. Where we provide services to you or to an Intermediary, we may charge a fee for doing so, such fee will be agreed in writing before the service is provided.

Financial advice services

Openmarkets engages authorised representatives and provides infrastructure services to certain advice professionals to provide financial services as authorised under our AFSL, including the provision of personal advice to retail and wholesale clients to the same financial products outlined above.

For more information on our products and services, visit openmarkets.com.au.

Relationships

5. Capacity in which Openmarkets acts

Openmarkets acts as your agent in relation to the execution of your orders. If your instructions are communicated to us by an Intermediary, we are not acting as agent for the Intermediary in executing the order. In clearing a transaction, we act as agent for the client for whom the transaction was executed, however, we have settlement obligations to ASX Clear as principal.

When we arrange for the provision of international securities trading services to you in accordance with this agreement, we act as agent for you. To provide these services to you, Openmarkets has entered into agreements with an international broker and will owe obligations in relation to any transaction directly to the international broker. It is then your contract with Openmarkets which enables us to ultimately call upon you to satisfy these obligations.

We will notify you of the identity of the international broker or any custodian or assetholder appointed by us for the purpose of holding international securities by posting details of the international broker, custodian or asset holder on its website and any changes or additions to such persons from time to time.

We act as your agent when arranging for Openmarkets Nominees and/or another entity to provide nominee and other custody services to you. Openmarkets Nominees as agent of Openmarkets, or the other entity, will act as nominee or trustee for you in providing the service.

Openmarkets acts as principal in providing CHESS sponsorship services to clients.

There may be certain activities which we will perform as agent for another person (such as the dispatch by us of confirmations to clients as agent for an Intermediary that arranged for the execution of the transaction).

Openmarkets financial advisers are representatives of Openmarkets and as such, Openmarkets is responsible for all financial product advice that each adviser is acting on and providing to their Clients.

6. Associations with product providers

Openmarkets is associated with other providers of products and services and may provide you with such products and services as part of our services. For example, this may include trading technology or software or cash management accounts. Openmarkets does not receive any commissions or other benefits from arranging these services other than as described in this FSG.

7. Other documents we may send you

Execution services

You will receive our Client Agreement which will contain more information relating to the execution and clearing services provided by Openmarkets and the terms and conditions of those services where we are to execute and clear transactions on an exchange for you.

If Openmarkets is to act as your CHESS sponsoring participant, you will need to enter into a sponsorship agreement with Openmarkets as part of the Client Agreement. You will also be provided with a summary of our Best Execution Policy, which explains how we handle and execute your orders.

ETO transactions

If you transact in Options, you will need to enter a Derivatives Client Agreement with Openmarkets and you will be provided with an Options Product Disclosure Statement (**PDS**). The Options PDS contains important information about trading exchange traded options (**ETOs**).

Third party products

If we facilitate the use of a particular financial product from a third-party provider, we will supply that provider's PDS if required. A PDS outlines everything you need to know about that product including benefits, costs, terms and conditions, as well as any risks associated with holding that product.

We may provide other documents or information to you, including electronically, from time to time about our services or which we are required to give you (for example, our Privacy Policy).

All the disclosure documents outlined in this Section 7 can be found at openmarkets.com.au/legals.

8. Personal advice

An authorised representative of Openmarkets may offer you personal advice, taking into account your financial needs, objectives, and situation.

We will ask you to complete a client profile questionnaire if they intend on providing you personal advice.

Personal advice means financial product advice that considers one or more of your objectives, financial situation and needs.

It is not mandatory for you to provide the authorised representative with this information, but please note that if you do not provide complete details of your financial situation, objectives, and particular needs, we may have to limit the advice we provide.

We will furnish you with a Statement of Advice (**SOA**) if we offer personal advice that includes the following:

- the advice provided;
- the basis on which the advice is given;
- information relating to fees, commissions and other benefits and any relationships, associations; or
- interests that may influence the advice you receive.

In case you receive regular personal advice from us and have previously obtained a full SOA, we may not provide you with a new one each time, given that your circumstances and the basis for the advice are not significantly different from when the initial SOA was provided.

However, in such situations, we will maintain a Record of Advice (**ROA**) outlining the advice given.

You can request a copy of the ROA within seven (7) years of receiving the personal advice by writing to us at the address specified in this guide.

We may not always provide personal advice, and in some cases, we may provide general advice that does not consider your personal circumstances or execute transactions according to your directions. We may also provide market updates, research reports, and other general advice, in which situations we will not give you an SOA or ROA.

Using our services

9. How to use our services and transact – direct clients

To access our services, you will need to establish an Openmarkets trading account and enter into a Client Agreement by completing an Openmarkets Account Application Form. You should read the terms of the Client Agreement carefully and seek independent legal advice should you have any questions. To obtain these forms or establish an account, you can contact us:

- online: openmarkets.com.au/contact
- by phone: 1300 769 433
- by email: service@openmarkets.com.au

As a direct client of Openmarkets, you will receive a unique, secure login to access your account on our Openmarkets trading platform where you will be able to place orders and transact on the ASX, Cboe and NSX markets.

You can also give us instructions via phone. The method by which we will accept your instructions will be subject to our terms and conditions as outlined in the Client Agreement, which can be found on our website.

Openmarkets does not accept email, SMS, post or fax orders.

10. Clients of Intermediaries

If you are a Client that is operating under a wholesale agreement with us, such as a financial adviser or planner, then you will need to contact your Intermediary to execute orders using our services (and not Openmarkets directly).

All orders are executed in accordance with our Best Execution Policy which can be found on our website at openmarkets.com.au.

11. Linked cash management account

To trade through Openmarkets, we may require that a linked cash management account (**CMA**) be established and linked to your trading account. This is for the purpose of settling transactions and fees on your trading account. When you open an account with us, you authorise us to either (i) establish this CMA in accordance with the application form and our Client Agreement; or (ii) assist in the provision of your personal information for the CMA provider's AML/KYC procedures.

You should refer to the CMA provider's PDS for detailed information regarding the CMA including on fees and interest rates.

12. Software services

Openmarkets may arrange for you to use trading software products provided by third parties. If you choose to use a third-party trading system, you will incur a licence fee relating to your use of that system and the licence fee will be disclosed to you when you subscribe for the trading system.

13. What you should know about the risks of trading and investing

Before becoming a Client, it is essential to understand that trading or investment in any market has risks. While securities and derivatives may offer the potential for gains, the risk of loss in share market trading can also be substantial.

The value of a security or derivative may rise and fall considerably depending on what other people are prepared to pay for a share at the time of a transaction. Such price volatility will depend on many factors, including information about the company, market sentiment, opinions about the country the security or derivative traded in, the prospects for the industry and many other factors. Sometimes companies go bankrupt, and investors may lose the entire value of their investment in it. This brief statement does not disclose all the risks and other significant aspects involved in trading or investing in financial markets. You

should carefully consider whether share or derivative trading or investment suits your needs, taking into account your own specific circumstances.

When you trade in international securities these may be held by Openmarkets in an omnibus account. This means that securities which Openmarkets holds for you may be held in the same account as securities of other Clients and not separately. If there is an irreconcilable shortfall following the default of Openmarkets or the international broker or custodian, you may share in that shortfall proportionately with others whose assets are held in the omnibus account.

How we're remunerated

14. Transaction-based fees

Openmarkets is remunerated either directly by the transaction-based fees we charge you or, if you are a Client of an Intermediary that is operating under an Intermediary services agreement with us (such as a fintech or advice professional), then we will charge fees to the Intermediary and not to you.

We maintain a trust account for the purposes of holding funds that are used for equities trading, and Openmarkets will retain interest that is earned on this account.

Under a transaction-based fee arrangement, we may charge a commission (or brokerage) per transaction that is a flat dollar amount or is based on the value of the securities bought or sold. A minimum charge may apply.

If you intend to operate directly with Openmarkets and not through an Intermediary, you will be advised of the rate of commission when you open a trading account with us and we will notify you of any changes to our transaction-based fees from time to time. The transaction-based fee will also be disclosed to you in the confirmation of the transaction, which you will receive from Openmarkets or your Intermediary.

15. CHESSE sponsorship fees

Openmarkets may charge you a fee for providing you with CHESSE sponsorship services. You will be advised in writing of the fee (if any) to be charged by us before you agree to receive sponsorship services from Openmarkets.

Openmarkets may also charge the Intermediary fees relating to the provision of sponsorship services to you.

16. Nominee and custody fees

We may charge you (or your Intermediary) a fee for providing nominee or custody services. The fees that we charge the Intermediary may include fees relating to the provision of nominee, custody and/or sponsorship services to you.

17. Software fees

Where Openmarkets arranges for you to use trading software products as outlined in Section 12, Openmarkets will incur the licence costs directly with the provider and pass them onto you. The licence fee charged to you may vary from the amount of the licence Openmarkets pays to the third-party provider of the software. You may request particulars any variance in these fees within a reasonable time after you are given this FSG and before any financial service is provided to you.

18. Advice professional fees

An authorised representative of Openmarkets acting as your advice professional may charge you fees that are paid by Openmarkets to that advice professional in the provision of "financial advice services" under this FSG.

The advice professional may be compensated with a percentage of gross revenues earned by the advice

professional for the provision of financial services to a Client (less infrastructure costs, rental costs and other pass-through costs incurred by the advice professional directly with Openmarkets) (**Net Payment**).

The specific details of your advice professional's compensation will be disclosed to you prior to the provision of financial advice services in this FSG, and the fees will be disclosed in a SOA. By consenting to the advice (via any agreed method), you will be consenting to the payment of this remuneration.

19. Other fees payable for our service

We may also receive commissions, brokerage and other benefits from product issuers with your consent. We may share the fees, commissions, brokerage and other benefits we receive with related entities, directors, employees, authorised representatives and your adviser with your consent.

All fees are subject to change. All fees are exclusive of GST, unless identified otherwise, and, if applicable, an amount equal to the amount of the GST is payable by you at the same time as the fee is due (currently 10%).

See also Appendix A in this FSG, which outlines particular fees that may be charged for using our services, unless such fees are otherwise agreed with you.

20. Representatives' remuneration

Employees and directors of Openmarkets and their subsidiaries and related bodies receive salaries and may also receive bonuses and other benefits. They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the employee and Openmarkets, however they do not directly receive any remuneration calculated by reference to the amount of fees or commissions received by us from you.

21. Referrals

We may generate fees from third party referrals of persons to us for the purpose of providing services. We may pay to the referring third party a commission of revenues generated by Openmarkets for such referrals. Any remuneration received by a third party is not an additional cost to you nor does it affect the fees we charge.

If a component of our remuneration or benefits are not expressly set out in this FSG, you may request particulars of the remuneration or benefits within a reasonable time after you are given this FSG and before any financial service identified in this guide is provided to you.

Safeguards

22. Personal information

The privacy of your personal information is important to us and any information we collect from you will be handled in accordance with our Privacy Policy, available on our website. This policy details how we comply with the requirements of the Privacy Act regarding the handling of your personal information.

23. Professional indemnity insurance

We maintain professional indemnity insurance for compensation which satisfies the requirements of the Corporations Act. Openmarkets has insurance arrangements for compensating a retail client for loss or damage suffered because of breaches by Openmarkets (or by our representatives or employees) of obligations under Chapter 7 of the Corporations Act, including losses caused by negligence, fraud, dishonesty or other misconduct, or for an award of compensation made in favour of that Client by our external dispute resolution service.

24. Dispute resolution process

Our reputation, honesty and high standard of client service are important to us. So that we act with integrity, we have a complaints procedure designed to make sure all concerns are treated seriously and that any complaint is addressed promptly and fairly.

If our level of service should fail to meet with expectations, we'd like to hear about it. Any complaint about your dealings with Openmarkets or associated products or services should be communicated to our Complaints Officer

- online: openmarkets.com.au/contact
- by phone: 1300 769 433
- by email: compliance@openmarkets.com.au
- by mail: Openmarkets Client Services, Level 15, 388 George Street, Sydney NSW 2000

If, after giving Openmarkets Complaints Officer the opportunity to resolve your complaint, you are not satisfied, you can lodge a complaint in writing to the Australian Financial Complaints Authority (AFCA):

- by phone: 1800 931 678
- online: afca.org.au

The Australian Securities and Investments Commission also has an infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

25. Feedback

Our ethos is about being open and receptive to our Clients' needs, concerns, suggestions and ideas. We welcome the opportunity to engage with you directly. Should you wish to provide us with feedback, please contact our Client Services team using the contact details above.

Appendix A: fees and charges

Openmarkets will charge the Intermediary fees for executing and clearing transactions and for providing settlement and related services to Clients. The fees that we charge the Intermediary may be a fixed monthly fee, a fee per trade, a fee per service and/or other fees.

You may be charged the fees set out in the table below. If a fee or charge applies, Openmarkets may charge the fee or charge to the Intermediary who may pass the fee or charge onto you. Openmarkets may facilitate the Intermediary making this charge to you (for example, by debiting your linked cash management account on their behalf) but any fee or charge debited is made by the Intermediary and not Openmarkets.

The Intermediary will also charge you brokerage or commission and/or other fees agreed with you in respect of the services that it provides to you. Information concerning such brokerage, commission and fees, may be obtained from the Intermediary.

All fees and charges are inclusive of GST unless otherwise stated.

Other fees & charges

Other fees and charges will apply for additional services as outlined below.

Fee type	Charge (excluding GST)	When is it payable?
ASX Clear options exercise fee	Variable	For options contracts, ASX charges a registration fee, and if you exercise or are assigned on an equity option position, ASX charges an exercise fee. We pass these costs onto you. These fees are set out on your trade confirmation or statement, and you may request from us particulars of the fee that apply at the time of a transaction.
ASX stock fail fee	\$100 per security (up to \$1m trade value); 0.1% of trade value thereafter	Charged by the ASX when stock has failed to be delivered to the market.
ETC & OMEGO bookings	\$2 per booking	Specialised post-trade services pertaining to settlement to a custodian, where the custodian requires trade information via an ETC or OMEGO booking.
Foreign exchange fee	Variable	The international broker will charge a fee in entering foreign exchange contracts to facilitate settlement of an international securities transaction. We will receive a percentage of this fee. GST will not apply. The fee may vary and will be included in the total foreign exchange fee set out on your trade confirmation. You may request details of the fee from us at the time you enter into the securities transaction, including the component of the fee received by us.
International telegraphic transfer	\$33 per transaction	When you request that we pay funds into an international bank account in your name.
IPO settlement handling fee	\$100 per transaction	Fee charged for each settlement of an IPO transaction.
Manual Bookings	\$35 per booking	Any trade requests that require manual placement, such as Bulk uploads
Off-market transfer	\$50 per transfer	If you wish to transfer securities between other entities and

		your Openmarkets CHESS account. These fees will not apply to security transfers when establishing your trading account
One-off sale	\$200 per trade (up to \$15,000) or 1.5% of trade value	Charged when you request to sell an Issuer Sponsored listed security (and not a broker). Identified by a SRN which begins with "I"
Phone surcharge	\$75 per trade	When you make a phone request for us to place a trade on your behalf.
RTGS (Real Time Gross Settlement) payment	\$55 per transfer	Fee charged when an instantaneous funds transfer of money is made upon request.
Settlement fail	\$110 per day or 0.1% (whichever is greater)	If you do not settle a trade or supply holder information by the required time, fail fees will be charged to your account.
Statement fee	\$20 per statement	Fee to generate a Financial Year Trading Report upon request
Stock loan fee	\$250 per stock	For settlement purposes where you do not hold the stock to facilitate settlement.
SRN or HIN Query	\$27.50 per search	Upon request to look up the details of a sponsoring broker of a HIN or lookup a Securities Reference Number.
Trade rebooking	\$13.95 per transaction	When a trade needs to be re-booked to a different account.
Referral fee	Portion of brokerage paid	If you are referred to Openmarkets as a client under a referral arrangement with a referral partner of Openmarkets (or any related bodies corporate) (Referral Partner), a portion of the brokerage charged on each transaction will be paid to Openmarkets. The portion of the brokerage will be agreed between Openmarkets and the Referral Partner and disclosed to you.
Account opening for foreign residents	\$200 per account	Fee charged to open an account for foreign residents.