



UBS Securities Australia Limited

Financial Services Guide (Third party execution, clearing and settlement)

WHAT IS THE PURPOSE AND CONTENT OF THIS GUIDE

This Financial Services Guide ("FSG") dated 1 July 2008 is an important document. You should read it carefully and make sure you understand it. This FSG provides generic information about UBS Securities Australia Limited (ABN 62 008 586 481) (AFSL No. 231098) ("UBS Securities Australia", "us", "we", "our") and the services we offer.

This guide also provides specific information about how you pay for our services and how complaints are dealt with. UBS Securities Australia is providing this FSG to give you key information about the types of financial services we offer. This FSG is intended to assist you in deciding whether to use any of the services offered.

THE FSG CONTAINS, AMONG OTHER THINGS:

- a summary of the financial services which we will be providing to you and the kinds of financial products to which those services relate;
- information about the capacity in which we act when providing services to you;
- information about your rights as an investor;
- details on how you can instruct us in relation to your investment;
- information about the Product Disclosure Statement(s) which you may receive from us;
- information about remuneration that may be paid to us and other relevant persons in relation to the services provided; and
- information about how complaints against us are dealt with.

In addition to this FSG, you may, from time to time, receive from your financial adviser or other financial intermediary a UBS Securities Australia Product Disclosure Statement ("PDS"). The PDS will relate to financial products issued by UBS Securities Australia, for example, if you are transacting in ASX derivatives.

There are a number of exceptions to when UBS Securities Australia must provide a PDS including: where you already have a current PDS; where you hold a financial product of the same kind and you have access to current information about that kind of

financial product; or where the offer is made under a distribution reinvestment plan or switching facility.

The PDS contains details about the particular product and any significant risks associated with holding the product, any amounts that you must pay, and in the case of products which will or may generate a return, information about any commission or other similar payments that will or may impact on the amount of the returns payable to you.

UBS Securities Australia will not provide you with any financial product advice. You should contact your financial adviser for any financial product advice which you require.

IMPORTANT INFORMATION IS PROVIDED BELOW IN ANSWER TO COMMONLY ASKED QUESTIONS

WHO WILL BE RESPONSIBLE FOR THE FINANCIAL SERVICES GIVEN TO YOU?

UBS Securities Australia

The financial services listed below will be provided by UBS Securities Australia. UBS Securities Australia is an Australian Financial Services Licensee under the Corporations Act (AFSL No. 231098). It is a participant of ASX Limited ("ASX"), a participant of Australian Clearing House Pty Limited (the clearing and settlement facility for the derivatives markets operated by ASX) and a participant of CHESS (the clearing and settlement facility operated by ASX Settlement and Transfer Corporation Pty Ltd).

UBS Securities Australia is a wholly owned subsidiary of UBS AG, and is a related company of: UBS

Nominees Pty Ltd (ABN 32 001 450 522) (AFSL No. 231088) and Warbont Nominees Pty Ltd (ABN 19 003 943 799).

UBS Securities Australia uses the nominee services provided by Warbont Nominees Pty Ltd ("Warbont Nominees"), during the transitional T+3 settlement period, in accordance with the ASX Market Rules (the "Rules") on behalf of clients of UBS Securities Australia. The Rules require that all securities being held for a client during this period may only be registered under a nominee company. Warbont Nominees is the company that has been established to hold these securities on your behalf in accordance with the Rules. These services are conducted under the Australian Financial Services Licence of UBS Securities Australia and UBS Securities Australia is responsible for the conduct of Warbont Nominees in respect of those services. Warbont Nominees is a wholly owned subsidiary of UBS Securities Australia.

UBS Securities Australia is not an authorised deposit-taking institution under the Banking Act 1959 (Cth). The obligations of UBS Securities Australia do not represent deposits or other liabilities of UBS AG, and UBS AG does not stand behind, support or guarantee UBS Securities Australia in any way.

WHAT FINANCIAL SERVICES WILL WE PROVIDE TO YOU?

UBS Securities Australia will provide execution, clearing and settlement services to you in relation to products traded on ASX, which may include:

- securities;
- derivatives;
- warrants;
- interests in managed investment schemes (excluding investor directed portfolio services); and
- deposit and payment products.

When providing these services, UBS Securities Australia will be dealing on your behalf.

The provision of settlement services may also involve UBS Securities Australia arranging dealings in deposit and payment products to facilitate settlement. UBS Securities Australia may also provide CHESSE sponsorship services to you.

Note: UBS Securities Australia does not provide financial product advice. Should you require financial product advice, please contact your financial adviser.

HOW WILL YOU PAY FOR THE SERVICES AND HOW ARE ANY COMMISSIONS, FEES OR OTHER BENEFITS CALCULATED?

UBS Securities Australia will be paid fees and commissions by the financial intermediary through which you deal with UBS Securities Australia

depending on the services you choose and the amount you invest.

More detailed information about the remuneration (including fees and commissions) or other benefits that UBS Securities Australia and other relevant persons are to receive in respect of the provision of any of the services to you is disclosed in the section titled "Fees & Charges".

IN WHAT CAPACITY DO WE ACT?

When providing the above financial services to you we act in a principal capacity and not as a representative of any other person.

DO WE HAVE ANY RELATIONSHIPS OR ASSOCIATIONS WITH FINANCIAL PRODUCT PROVIDERS?

UBS Securities Australia may provide financial services in connection with financial products issued by its related companies, for example, UBS Securities Australia will act as broker and market maker in respect of warrants issued by UBS AG, Australia Branch.

HOW CAN YOU GIVE INSTRUCTIONS TO BUY OR SELL YOUR INVESTMENTS AND ASX TRADED PRODUCTS OR CHANGE YOUR SERVICE ARRANGEMENTS WITH US?

You must specify to your financial adviser exactly what you want us to do. All instructions in relation to ASX traded products should be given to your financial adviser who will place orders on your behalf with UBS Securities Australia. You must give instructions to your financial adviser or other financial intermediary by telephone, facsimile, in writing or any other means that your financial adviser or other financial intermediary agrees with you. You may not place orders directly with UBS Securities Australia unless you are given direct market access ("DMA") in which case you will enter your orders online, for transmission to the market through UBS Securities Australia. If you require DMA, you should discuss this with your financial adviser or other financial intermediary.

WHAT INFORMATION DO WE MAINTAIN IN YOUR FILE?

We maintain a record of items of personal information that you have provided to your financial adviser and your financial adviser provides to us, for example, as recorded in your account opening forms, financial product application forms or transaction documents.

All personal information (as defined in the *Privacy Act 1988* (Cth)) collected from you will be used and stored by us in accordance with the Privacy Policy for UBS Securities Australia. A copy of the Privacy Policy can be made available to you on request.

WHAT CAN YOU DO IF YOU HAVE A COMPLAINT?

If you have a complaint about the service provided to you by UBS Securities Australia or any of its representatives, you should take the following steps.

1. Contact your financial adviser or the UBS Securities Australia representative with whom you have been dealing and tell that person about your complaint.
2. If your complaint is not satisfactorily resolved within 3 business days, please contact our Regional Manager in your State or put your complaint in writing and send it to us at the following address:

The Complaints Officer
c/- Legal & Compliance Department
UBS
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

3. If you still do not get a satisfactory outcome, you have the right to complain to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 78 08 08
Email: info@fos.org.au

where your claim is less than \$150,000 or where you and UBS otherwise agree in writing.

The Australian Securities and Investment Commission (ASIC) also has a free call Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

UBS Securities Australia has Professional Indemnity (PI) insurance in place which satisfies the requirements of section D of the ASIC Regulatory Guide 126. These compensation arrangements satisfy the requirements of section 912B of the Corporations Act 2001 (Cth). The PI insurance will not cover work done for us by representatives after they cease to work for us.

If you would like a clarification of any of the matters discussed in this Guide, or require further information including a copy of our internal complaint policy, please contact your adviser.

CONTACT DETAILS

If you have any queries, you can contact us on (612) 9324 2000.

THE FOLLOWING INFORMATION ON FEES AND CHARGES IS APPLICABLE AS AT 1 JULY 2008, HOWEVER 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 A TRANSACTION OR INVESTMENT.

FEES AND CHARGES

Brokerage, commission, fees or a combination will apply depending on the services and products you choose.

To the extent that a PDS is required for a transaction involving a particular financial product, the PDS for the financial product will disclose details of commissions, fees or other benefits received by UBS Securities Australia or its related companies in respect of the transaction in respect of that financial product.

Fees for other services UBS Securities Australia provides are listed below. These fees may be paid to either UBS Securities Australia or to any of its related companies or another intermediary.

- **Commission for sale and purchase of financial products:** You do not pay commissions to UBS Securities Australia. The commissions, which will be recorded on transaction confirmations, are commissions payable by you to your financial adviser. UBS Securities Australia will collect these amounts from you and remit them to your financial adviser. UBS Securities Australia will charge a fee to your financial adviser for providing these services to you. This fee depends on the value and volume of trading, which we do through your financial adviser. You may request particulars of the remuneration, provided the request is made within a reasonable time after you receive this FSG and before we provide the services to you.
- **Fee for securities borrowing and lending arrangements (if available to you):** up to 3% per annum on the value of securities borrowed and/or upfront flat fee up to \$15,000 per parcel of securities borrowed.
- **Fail Fees:** payable by you for failing to provide payment or delivery of stocks for a buy or sell transaction by the settlement time:

When stock is not available to meet our market settlement obligation or if you do not provide us with sufficient funds in time to settle our market obligations in relation to a buy transaction, we will charge you:

- (a) until and including 31 August, 2008, the greater of \$50 and the daily ASX fail fee, which is calculated at 0.1% of settlement consideration, subject to a minimum of \$50 and maximum of \$2,000 (exclusive of GST) for each failed settlement; and
 - (b) from and including 1 September, 2008, the greater of \$100 and the daily ASX fail fee, which is calculated at 0.1% of settlement consideration, subject to a minimum of \$100 and maximum of \$5,000 (exclusive of GST) for each failed settlement.
- **ACH Collateral Fees (applicable only to ASX exchange traded derivatives):** \$5.50 per security lodged.