

## AUSTRALIA ANNEX

### 1. Application

This Annex applies to a Client which uses the Electronic Services to place Transactions traded on any relevant Markets including ASX Limited, Chi-X Australia Pty Ltd, IR Plus Securities Exchange Limited, National Stock Exchange Australia Limited and Sydney Stock Exchange Limited (together, the **Australian Markets**).

### 2. Wholesale client status and license

Where the Client is conducting a business in Australia:

- (a) The Client represents and warrants to the Bank that it is a wholesale client within the meaning of Chapter 7 of the Corporations Act. To the extent that the Client submits Orders on behalf of another person, the Client also represents and warrants to the Bank that other person is a wholesale client within the meaning of Chapter 7 of the Corporations Act.
- (b) The Client represents and warrants to the Bank that, to the extent that the Client requires an Australian financial services license ("AFSL") to submit relevant Orders, it holds an AFSL with the required authorizations to do so.

### 3. Short selling restrictions

The following applies to any person who "sells" Securities in Australia. For the purposes of this Annex, "**sell**" includes purporting to sell, offering to sell, holding oneself out as entitled to sell and instructing an Australian financial services licensee to sell.

The following is a high level summary of the Australian short selling restrictions with which the Client agrees to comply. The Client further agrees to keep itself informed of any updates to these restrictions during the term of its access to and/or use of the Electronic Services, to comply with such updates and to seek all necessary independent advice.

A person must only "sell" "section 1020B products" in Australia if, at the time of sale, the person has (or believes on reasonable grounds that the person has) a "presently exercisable and unconditional right to vest the financial products in the buyer". Where a person sells section 1020B products without having a "presently exercisable and unconditional right to vest the financial products in the buyer", this is referred to as a "naked short sale" and is generally prohibited. "**Section 1020B products**" include securities, managed investment products (for example, interests in registered managed investment schemes (often unit trusts)), government debentures, stocks or bonds, warrants and certain other "transferable" derivatives.

The exceptions to the naked short selling prohibition are limited.

There are two types of short selling reporting requirements that apply to what is known as "covered short selling" (that is, where a securities lending arrangement is involved):

- (a) short sale transaction reporting (transactional reporting) – if the seller engages an Australian financial services licensee to make the sale on the person's behalf, the seller must report to the Australian financial services ("AFS") licensee and the AFS licensee must then report this information to the market operator (for example, the Australian Securities Exchange); and
- (b) short position reporting (positional reporting) – each seller must assess their own short position and separately report it to the Australian Securities and Investments Commission if it exceeds the reporting threshold.

Further information on short selling can be found in the Australian Securities and Investments Commission's Regulatory Guide 196: <https://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rq-196-short-selling/>