

# **DISCLOSURE STATEMENT**

## **ETRADE AUSTRALIA SECURITIES LIMITED**

**This disclosure statement is prepared as at 17 April 2008**

**ETRADE Australia Securities Limited** (trading as E\*TRADE Australia) Level 7, 10 Bridge Street, Sydney, Australia, telephone (+ 612) 9253 5400, makes the following investment broker disclosure to you in respect of itself and its principal officers as required by section 41G of the Securities Markets Act 1988.

### **Procedures for dealing with investment money or investment property:**

Clients that deal with E\*TRADE Australia through Direct Broking Limited may make payments of investment money to E\*TRADE Australia through Direct Broking Limited. Direct Broking Limited will debit your nominated account and deliver funds required for the settlement of securities purchases to E\*TRADE Australia. Investment money and investment property received by E\*TRADE Australia will be held on trust and, subject to the E\*TRADE Australia Terms & Conditions, will be disbursed or distributed in accordance with your instructions or instructions from Direct Broking Limited (acting on your behalf).

Any security documents or other valuable property requiring physical delivery to E\*TRADE Australia should be sent or delivered to E\*TRADE Australia's office at Level 1, 10 Bridge Street, Sydney, New South Wales, Australia.

If you wish to trade securities on the Australian Securities Exchange through E\*TRADE Australia, you are required to have your securities registered on the Clearing House Electronic Subregister System (CHES) operated by ASX Settlement & Transfer Corporation, with E\*TRADE Australia as the "sponsor" of your securities. CHES provides an electronic register of title for securities listed on the ASX. As "CHES Sponsor" of your securities, E\*TRADE Australia is authorised to control the transfer or movement of securities to and from your CHES sponsored holdings in accordance with your specific instructions. In order to have your securities sponsored by E\*TRADE Australia, you must enter into a CHES Sponsorship Agreement with E\*TRADE Australia. The Sponsorship Agreement sets out the terms and conditions under which E\*TRADE Australia can deal with your securities on the CHES Subregister on your behalf. Please note that this in no way affects your legal ownership of the securities.

### **Record Keeping:**

Investment money received by E\*TRADE Australia is held in a trust account which is reconciled daily, with all movements in and out of the trust account recorded. You may request details of your own records at any time. Records of all investment property held are also kept and you may request details of your own records at any time. Details of your securities holdings will be recorded on CHES and you will receive CHES statements that set out your holdings.

**Audit and monitoring:**

E\*TRADE Australia's systems and operations are internally checked and verified on a regular basis. The financial statements of E\*TRADE Australia are audited annually by KPMG. The receipt, holding and disbursement of investment money and investment property are not audited by KPMG.

**Use of Money and Property:**

Investment money received and investment property received from you will be held on trust for you, subject to the E\*TRADE Australia Terms & Conditions, until such time as they are required for settlement of securities transactions on your account or are otherwise disbursed in accordance with your instructions or instructions from Direct Broking Limited (acting on your behalf). This means that at no time are investment money or investment property used for the benefit of E\*TRADE Australia, Direct Broking Limited or any other person except you.

**Criminal Convictions and related matters**

During the previous 5 years none of E\*TRADE Australia or any principal officer of E\*TRADE Australia has been:

- a) convicted of an offence under the Securities Markets Act 1988, the Securities Act 1978, or of a crime involving dishonesty (as defined in section 2(1) of the Crimes Act 1961 (NZ));
- b) a principal officer of a body corporate that committed an offence referred to in paragraph a) above when the body corporate committed the offence;
- c) adjudicated bankrupt;
- d) prohibited by an Act or by a court from taking part in the management of a company or business;
- e) the subject of an adverse finding by a court in any proceeding that has been taken against E\*TRADE Australia or the principal officer (as the case may be) in their professional capacity;
- f) expelled from, or prohibited from being a member of a professional body; or
- g) in the case of E\*TRADE Australia, placed in statutory management or receivership.