

BBY Limited

Financial Services Guide



BBY Limited
ABN 80 006 707 777
Participant of Australian Stock Exchange
Group

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1. FINANCIAL SERVICES GUIDE – ITS PURPOSE AND CONTENT

Your attention is drawn to the following important matters:

This FSG is designed to assist you in deciding whether to use any of the services offered by BBY as described in the Guide

The FSG contains information about remuneration that may be paid to BBY and other relevant persons in relation to the services we offer

The FSG contains information on how complaints against BBY are dealt with

The FSG also contains information about the following:

- Who we are and how to contact us
- What services we are licensed to offer you
- Any associations or relationships we may have with Issuers of financial products that may influence the advice or other services we offer you, and
- Because we offer stockbroking services, the Guide also contains particular information about Statement of Advice and further advice

2. STATEMENTS OF ADVICE AND PRODUCT DISCLOSURE

2.1. Statements of Advice

If we provide you with financial services, you may from time to time also receive a Statement of Advice and/or a Product Disclosure Statement.

A Statement of Advice is a disclosure document provided to retail clients when personal advice is given which sets out the advice, the basis for the advice and certain matters (including any conflicts of interest) of which you should be aware for the purpose of assisting you to act on the advice. If advice we give you is further advice, we will not provide a Statement of Advice, but you may request a record of the advice within 7 years of it being given. (Further details on further advice are contained in the FSG at Item 7.)

2.2. Product Disclosure Statements

If we recommend that you acquire a particular financial product (other than securities such as listed shares) or offer to issue, or arrange for the issue of a financial product, we will also provide you with a Product Disclosure

Statement ('PDS'). The PDS contains information such as the features, fees, benefits and risks in respect of the particular product. This information is necessary to assist you in making an informed decision about the relevant financial product.

3. NAME AND CONTACT DETAILS

This Financial Services Guide (FSG) is provided to you by BBY Ltd (BBY), a Market Participant of the Australia Stock Exchange group (ASX Group) and holder of **Australian Financial Services Licence No. 238095**

You can contact BBY at the following addresses:

Sydney

Level 17, MetCentre
60 Margaret Street
Sydney NSW 2000

Tel: (612) 9226 0000 // Fax: (612) 9226 0222

Melbourne

Level 38 Rialto South Tower
525 Collins Street
Melbourne VIC 3000

Tel: (613) 9226 0000 // Fax: (613) 9251 2981

LONDON

27 Knightsbridge
London SW1X 7YB
United Kingdom

Tel: (44) 207 201 2182 // Fax: (44) 207 201 2181

BBY Internet Site at: <http://www.bby.com.au>

4. SPECIAL INSTRUCTIONS ABOUT HOW YOU MAY PROVIDE INSTRUCTIONS TO BBY

You may provide instructions to BBY by:

- telephone,
- writing to
- faxing;
- or emailing your Adviser at one of the above addresses

5. FINANCIAL SERVICES THAT BBY IS AUTHORISED TO PROVIDE

BBY is authorised to provide the following financial services to both retail and wholesale clients:

- Advise & deal in securities, managed investments & certain derivatives (including ASX listed Exchange Traded Options (ETO's),
- underwrite managed investments and securities

6. WHO BBY ACTS FOR WHEN PROVIDING THE AUTHORISED SERVICES?

BBY acts in its own capacity as an adviser and dealer in financial products. BBY is not owned or controlled by any product Issuer, nor is it bound to recommend any product over any other to you.

Apart from certain Corporate finance or advisory transactions and certain rebate arrangements, we do not have direct associations or relationships with Issuers. (For further information, please see Item 14. below)

7. REMUNERATION

Remuneration (including commission) or other benefits that any of the following is to receive in respect of, or that is attributable to, the provision of any of the authorised services:

- BBY;
- a related body corporate of BBY;
- a director or employee of BBY or a related body corporate;
- an associate of any of the above

8. BROKERAGE FEES

8.1. Brokerage fees - Using BBY Retail/Wholesale Desk

BBY earns the following fees for its services:

- BBY charges clients a brokerage fee on all transactions, apart from those transactions which are classified as "principal transactions" (ie. transactions where BBY buys securities from you or sells securities to you from its own holdings rather than finding a buyer or seller for those securities).
- The brokerage fee is based on the dollar value of your transaction. Generally a minimum brokerage fee of \$110.00 (ie. \$100+10% Goods and Services Tax) or 1.1% (ie 1% + 0.1% Goods and Services Tax) whichever is the larger per transaction applies, with rates for larger transactions negotiable. Please contact your adviser for further explanation if required.

8.2. Brokerage fees - online trading facility smartrader

Value of Shares	Brokerage Fee or Rate
\$0.00 to \$20,000.00	\$18.00 + GST
\$20,001.00 and above	0.09% + GST on total

8.3. Brokerage fees - Telephone trading - Smartrader

Value of Shares	Brokerage Fee or Rate
\$0.00 to \$45,500.00	\$50.00 + GST
\$45,501.00 and above	0.11% + GST on total

9. PORTFOLIO MANAGEMENT AND SPECIALIST ADVISORY SERVICES

Portfolio management & Administration services are available on a fee for service basis. Once again, please contact your adviser for the relevant details. You may require specialist adviser (eg. Portfolio reviews that includes foreign securities). Following consideration and the scope of the services required your adviser would negotiate and agree in writing with you the applicable fees.

10. OPTIONS AND WARRANTS

BBY may, in addition to charging you any other brokerage fees, be entitled to receive a commission payable by the Issuer of warrants where you transact in those instruments. The amount of commission receivable is dependent on the identity of the Issuer, the nature of the instrument and the total volume of warrants traded.

11. SECURITIES OFFERINGS/CORPORATE ADVISORY FEES

BBY receives remuneration for its advisory, underwriting and/or transactional services for Issuers outlined in Item 6 below. Typically, this remuneration is based on a monthly retainer plus commission based on a percentage of the value of the transaction, for example \$10,000 per month plus 0.5% of all money raised in a new issue of securities for acting as Manager of a new issue. If you participate in a securities offering by applying for securities through BBY, BBY may receive fees from the Issuer of the securities in relation to your application. In addition, where BBY acts as an underwriter, sub-underwriter or manager of such offerings, BBY will receive fees for acting in that capacity.

For example, if you purchase \$5000 worth of shares in a new issue in which BBY is manager upon which the Issuer has agreed to pay commission to BBY of 0.5% of all money raised, the Issuer will pay us \$25. (Please note that this amount is paid by the Issuer, not by you, and is not deducted from the amount you pay, so you will still receive \$5000 worth of shares.)

12. CASH MANAGEMENT TRUSTS

BBY may receive a commission from cash management trustees and operators of managed investment schemes for any funds lodged with them on your behalf.

Commissions received by BBY should be described in the PDS or other terms of offer for those products that we recommend. Your Adviser will explain to you how those commissions are calculated at the time of making the recommendation. We may or may not be paid an up front commission by the product issuer. That up front commission is generally in the range of 0% to 5% per annum calculated on the amount you invest. We may also receive an ongoing trail commission. This amount may vary and is typically 0.1% to 0.4% per annum of the value of your holdings in the product for as long as you continue to hold the product.

13. ADVISER'S REMUNERATION

BBY remunerates your adviser on a commission basis which is dependent on the amount of brokerage and fees he/she generates.

Your adviser will receive commission based on a sliding scale but up to a maximum of 50% of all brokerage paid by you or earned by BBY (and related parties), and paid to the adviser monthly in arrears.

For example, if you pay us \$100 brokerage on a share transaction, your adviser may receive up to \$50 of that amount.

13.1. How are the commissions or fees calculated and deducted?

BBY will send you a confirmation (previously known as a contract note) for your purchase or sale of securities. For a purchase, the brokerage together with applicable Goods and Services Tax (GST) is added to the transaction value to form the total consideration payable to BBY. For a sale, the brokerage together with applicable GST is deducted from your sale proceeds. These amounts are set out in your purchase or sale confirmation advice. The confirmation advice is also a tax invoice.

14. OTHER SERVICES AND FEES

14.1. Fail Fees (Sells)

You will be charged "fail fees" and/or "late payment fees" plus applicable GST if you fail to settle a transaction by the time and date specified on the confirmation (previously known as a contract note). Fail fees on sales are based on rates set by ASX Group from time to time. At the date of this FSG, the rate is \$100.00 min or 0.10% on total +GST per trade, per day, it may change without notice.

BBY will levy an administration fee for your failure to settle on the due date your purchase of shares.

14.2. Late Payments Fees (Buys)

You will be charged \$50.00 min or 0.10% on total +GST per trade per day

14.3. Off-Market Fees

You will be charged \$55.00 per stock inclusive of GST

14.4. SRN Query (12A)

You will be charged \$16.50 inclusive of GST

15. ASSOCIATIONS

Associations or relationships between BBY, or any related body corporate, and the Issuers of any financial products, that might reasonably be expected to be capable of influencing BBY in providing any of the authorised services

BBY acts in its own capacity as an adviser and dealer in financial products. BBY is not owned or controlled by any product Issuer, nor is it bound to recommend any product over any other to you. Apart from certain corporate finance or advisory transactions and rebate arrangements (see below), we do not have direct on-going associations or relationships with Issuers

15.1. Corporate finance or advisory transactions

On occasion, in relation to particular transactions – for example new issues, initial public offerings or takeovers - BBY or its related entity will act for Issuers in an advisory, underwriting or transactional capacity.

To facilitate this activity, BBY has effective Chinese Walls in place between the relevant departments to ensure that confidential information is not improperly passed to your advisor and that both the Issuer's and your interests are protected. Where BBY's role in such a transaction is publicly known, this will be disclosed to you at the time any advice is given.

From time to time, our role in such a corporate transaction will preclude us from offering you advice. On such occasions we will inform you.

15.2. Rebate arrangements

See Item 14 above regarding arrangements BBY has with certain Issuers of warrants and managed funds.

16. STATEMENT OF ADVICE

When we provide you with personal advice, unless the advice is further advice you will receive a Statement of Advice ("SOA"). Personal advice is advice that takes into account one or more of your objectives, financial situation and needs. Personal advice is different from general advice.

The SOA will contain the personal advice, the basis on which the advice is given and information about fees (including a fee for a preparation of a SOA which may range between \$0.00 - \$500.00) and commissions and any associations with product issuers or other parties that have influenced the advice. You should read the warnings contained in the SOA carefully before making any decision based on the financial product advice.

In general when we provide further advice, we are not required to provide you with a further SOA. Further advice is, broadly, advice in respect of the purchase sale or holding of specific financial products subsequent to the original SOA being given but which is consistent with the original SOA. You are however entitled to request a record of any advice provided to you within 7 years after the advice was provided. The record of advice can be obtained by contacting your adviser.

In order for your adviser to provide you with personal advice, you will need to give them details of your personal objectives, current financial situation, needs and other relevant information so that they can provide you with the most appropriate advice. The ability of your adviser to provide appropriate advice for your circumstances will be greatly assisted by you completing the 'Client Profile Form'. This information will be kept strictly confidential, other than as required to be disclosed by law or ASX Group regulations. You should ensure that your adviser becomes aware of any significant changes to your relevant personal circumstances to ensure that the advice you receive remains appropriate in the future. **We strongly recommend that you provide "update" information.** If you do not, your adviser will be limited in his or her ability to make recommendations appropriate to your needs. You should consider the appropriateness of any advice that is given by your adviser based on incomplete or inaccurate personal information.

IMPORTANT

Where we give you further advice, a Statement of Advice (SOA) **will not** be given to you, but **please note** the following

- a. **interests, fees or benefits** which BBY, its employees or associates may receive which may influence the advice will still be disclosed to you at the time the advice is given
- b. **a record of advice** will be made by us, which sets out the advice given or brief particulars of the recommendations made including the basis on which the recommendations were made, which we must keep for at least 7 years,
- c. you have the right to request your adviser to provide a copy of the record of advice at the time of the FMRA or within 7 years thereafter, a fee in the range of \$0.00 - \$250.00 excluding GST may apply
- d. If ever we are obliged to issue a SOA a fee in the range of \$0 - \$500.00 may apply.
- e. unless you inform us otherwise, we will assume
 - i. **that our record of your** personal circumstances **is up to date, and**
 - ii. **that you require the advice** promptly.

17. DISPUTE RESOLUTION & COMPLAINTS

If you have any complaints about the service provided to you, you should take the following steps:

- ❖ Contact your adviser and tell your adviser about your complaint.
- ❖ If your complaint is not satisfactorily resolved within 3 days, please contact BBY's Complaints Officer on 9226 0000 or put your complaint in writing and send it to us at:

Attention: Complaints Officer

BBY Limited
Level 17, 60 Margaret Street
Sydney NSW 2000

We will try to resolve your complaint quickly and fairly.

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

Financial Ombudsman Service
Mail: GPO Box 3, Melbourne Vic 3001

- (i) Tel: 1300 78 08 08 (Australia wide)
- (ii) Website: www.fos.org
- (iii) Email: info@fos.org.au

We are a member of this scheme.

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

18. PARTICIPANT PROFESSIONAL INDEMNITY INSURANCE

BBY has in place Professional Indemnity (PI) Insurance in accordance with section 912B of the Corporations Act 2001(Cth) and ASIC requirements (RG 126). Our PI Insurance covers claims in relation to the conduct of our representatives/employees who no longer work for BBY (but who did at the time of the relevant conduct).

19. PARTICIPATION IN LICENSED MARKET

BBY is a Market Participant of the ASX Group. ASX Group operates markets licensed by ASIC. Members of ASX Group are licensed to provide clearing and settlement facilities.

BBY has two comprehensive third party clearing agreements with both Berndale Securities Limited (Retail and Wholesale clients) and Fortis Clearing Limited (Wholesale clients only) who are both Clearing and Settlement Participants of ASX Group to provide clearing and settlement in respect of all ASX transactions executed by BBY.

20. REFERRALS

Where you have been referred to us by a third party (such as a financial planning group or accountant), we may pay an introductory fee or commission rebate in relation to the referral. All introductory fees or commission rebates are negotiated with the third party on a case by case basis and may be up to 75% of our charges. Please refer to the FSG or SOA provided by the relevant third party for more detailed information on payments (if any) payable.

21. OTHER MATTERS

21.1. General Risk Disclosure Statement and Guidance

Market traded products such as equity securities in common with all the other asset classes (eg. real property and government bonds) can decline in value as well as appreciate. The measure of this change in value is often referred to as volatility, ie. the more the value varies over time, the more volatile the asset is and therefore the more risk involved in investing in it. On the other hand, in general, the less volatile an

Asset is, the less likelihood there is for any significant capital gain or loss from investing in that asset. Equity securities are generally more volatile than other asset classes. However, the markets for

Other asset classes are not as efficient or transparent as the stock market in terms of the information available to investors and the process for continuously determining and making public the real market value of the particular asset. For this reason the real volatility of those assets is often not fully appreciated.

21.2. What are the Risks?

In general, the risks of investing in equities can be categorised in the following manner. Please note that the lists below do not purport to be complete as it would not be feasible to list all the possible risks in each category.

21.3. Overall Market Risks

The risk of loss by reason of movements in the share market generally. These can be caused by any number of factors including political, economic, taxation or legislative factors. Specific examples are changes in interest rates, political changes, changes in taxation or superannuation laws, international crises or natural disasters.

21.4. Domestic versus International Factors

The vulnerability of the company to international events, or market factors. These would include movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets.

21.5. Sector Specific Factors

These would include demand for the product the company produces, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes and changes in technology.

21.6. Stock Specific Factors

These would include the company's directors, the strength of the company's management and the significance of any key personnel, the company's profit history, the company's tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, drill results, competition from within the sector and whether the company already has a profitable business or whether it is exploring for recoverable resources or is developing a new product.

22. LIMITATIONS OF RESEARCH

The research undertaken by stockbrokers is basically the opinion of specialist analysts. It can never be guaranteed, is only valid for a limited time and is often subject to market movements. For example, for short term investors, a buy recommendation could turn into a sell recommendation where the market price of a stock appreciated by a small amount. For a prospective longer term investor, this market movement may not be significant, although a larger movement might be. The mere fact that a stock is recommended by an analyst as a "BUY" does not necessarily mean that the stock is a suitable investment for you and you should consult with your adviser before acting on any research report.

23. OTHER MATTERS: PERSONAL INFORMATION, PROFILING & PRIVACY

Opening an account and using our dealing and advisory services will involve you providing us with personal information. Profiling is something we take seriously. In order to provide you with suitable advice, we need to obtain details of your objectives, financial situation and needs.

We handle personal information in accordance with the Privacy Act 1988 and BBY's Privacy Policy which can be accessed via our website www.bby.com.au .