

Financial Services Guide

This Financial Services Guide is dated: November 2018

What is a Financial Services Guide?

This Financial Services Guide ('FSG') is an important document which we are required to give to you under the requirements of our Australian Financial Services Licence. It provides you with information about CPS Capital Group Pty Ltd (called 'CPS', 'we', 'us', 'our' in this document) to help you decide whether to use the services we provide.

This FSG explains the products and services we can offer to you and explains how we (and other related persons) are remunerated for these services.

It includes details of our complaint handling procedures and how you can access them.

If you choose to use our services you may also receive a Product Disclosure Statement (PDS), Offer Document or a Statement of Advice (SOA) from us.

Who are we and who will be responsible for the advice given to you?

Our Australian Financial Services Licence (AFSL) is #294848. CPS is a Stockbroker and Corporate Advisory firm based in Perth, Western Australia, established in 2001. We have built a strong reputation for performance and services relating to Australian Equities and Corporate Advisory. CPS is also a member of the National Stock Exchange of Australia. (NSX)

Any financial services will be provided by your client advisor, who acts on behalf of CPS when providing authorised services. CPS is licensed under the Corporations Act 2001 (Cth) to provide these services to you.

We do not act as a representative of any other licensee in relation to the services we provide you.

You can contact us by:

Phone + 61 (08) 9223 2222
Fax + 61 (08) 9223 2211
Email info@cpscapital.com.au
Mail PO Box Z5467
Perth WA 6831

You can also visit our website at
<http://www.cpscapital.com.au>

What financial products do we offer?

Our AFSL authorises us to:

- A. Provide financial product advice for the following classes of financial products:
 - (i) deposit and payment products - basic deposit products;
 - (ii) derivatives;
 - (iii) interests in managed investment schemes, including Investor Directed Portfolio Services (IDPS);
 - (iv) securities;
 - (v) standard margin lending facility;
 - (vi) Superannuation
- B. Deal in a financial product by:
 - (i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - (A) derivatives;
 - (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another for:
 - a) deposit and payment products - basic deposit products;
 - b) derivatives;
 - c) interests in managed investment schemes, including IDPS;
 - d) securities;
 - e) standard margin lending facility; and
 - (iii) underwriting
 - a) interests in a managed investment scheme; and
 - b) an issue of securities.

to retail and wholesale clients.

Your advisor is authorised by us to give you advice and deal for you on each of the financial products once they have completed their industry training.

You should ask your advisor which specific financial products they are authorised to advise on.

Our Services

Scaled Advice

CPS advisors generally do not provide advice on financial planning, financial structuring, taxation government entitlements, other personal finance issues or superannuation.

We recommend that you, separately and in addition to the services we provide, obtain financial planning and financial structuring advice from an appropriately qualified financial planner or accountant in respect of your overall financial circumstances.

Financial Planning - Superannuation

CPS has a specialist advisor who can provide you with Financial Planning advice, including Superannuation. If you require advice in relation to Superannuation or Holistic Financial Planning advice, you should ask your existing advisor to refer you to our Financial Planner.

Share trading

Our Advisors can offer you the service level you require from full service portfolio management to execution only, no advice services.

We offer advice that focuses on providing private and corporate clients with ethical and quality advice. We provide advice on primary market issues, capital raisings and emerging companies, which by nature are speculative investments.

Services offered:

- Australian securities trading;
- International securities trading;
- Derivatives trading
- Public company capital raisings;
- IPO's, underwritings and placements;
- Venture capital;
- Seed capital;
- Margin lending;
- Options trading;
- Portfolio construction and management;
- Financial Planning
- Superannuation
- Trading strategies; and

Corporate Advisory

CPS also provides advice to listed and unlisted companies in relation to:

- Mergers, acquisitions and divestments;
- Financial structuring
- Project advisory;
- Valuation; and
- Capital raisings.

Outsourcing of Financial Services

CPS has engaged the services of Pershing Securities Australia Pty Ltd (AFSL No. 338264) ('Pershing') to provide the following financial services functions to our clients:

- execution and clearing services for transactions in securities executed through ASX for our clients;
- execution and clearing services for transactions in all derivatives (such as Exchange Traded Options)
- settlement services for transactions executed by, or on behalf of, our clients; and
- sponsorship services.

CPS will be responsible for the advice provided to you in relation to these products and our appointed execution and settlement agent will arrange for the execution and settlement of those transactions.

You will also need to become a client of our Execution and Settlement Agent. We will arrange for you to be provided with a separate FSG and any other disclosures which contain further information about their services.

Is the advice we provide suitable and personalised to your investment needs and financial circumstances?

Yes, but only if you provide us all the mandatory information requested in the Client Profile Form.

Your Advisor needs to make enquiries as to your individual investment objectives, financial situation and needs before they can recommend any investment to you. We will therefore ask you for information at the time you open an account with us, in the form of a Client Profile form, which you will need to complete, sign and return to us.

Where you provide all the mandatory information requested we will be able to provide you with "personal financial product advice", which is advice that considers one or more of your objectives, financial situation and needs.

Where your circumstances have changed in a way that is likely to impact on the advice you receive, you must inform your advisor of the changes to ensure you continue to receive appropriate tailored advice.

You have the right not to divulge the requested information to us, if you do not wish to do so, however your Advisor will then be limited in their ability to make recommendations specific to your requirements. If you decline to provide sufficient information, then you are required to at least sign the investment profile and tick the limited response option. Following this any advice given to you will be "Limited Advice" and will be provided with the below warning.

Warning:

Please be advised that in cases where you have provided us with inaccurate or incomplete information about your relevant personal and financial circumstances (as outlined in your client profile form), you should, before acting on the advice, consider the appropriateness of the advice, having regard to your personal circumstances.

When will you receive a Statement of Advice?

The first time we provide you with Personal Financial Product Advice we may provide you with a Statement of Advice (SoA).

Your initial SoA will include:

- confirmation of the information provided by you in the client profile form;
- any investment strategy, or recommendations as agreed between yourself and your Advisor;
- the basis on which the advice is given: and
- information about fees, commissions and any associations which may have influenced the advice.

A subsequent SoA may be issued where you notify us of a material change to your circumstances that is likely to affect the advice you will receive.

Advice posted on our website or sent to you via bulk email is not Personal Financial Product Advice.

Records of Advice

Unless there has been a material change in your personal circumstance you will not receive a further SOA. Any advice provided to you will be recorded by your advisor as a Record of Advice (RoA).

You may request a copy of any Record of Advice by contacting us at any time. Records of Advice are retained for 7 years after the date on which the advice was initially provided.

What should you know about any risk of the investments or investment strategies we recommend to you?

We will explain any significant risks of investments to you at the time of giving advice. If we do not do so, you should ask us to explain those risks to you prior to accepting a recommendation.

Risks relating to Capital Raisings or other Corporate Activity are detailed in the issuers Product Disclosure Statement, Prospectus or other disclosure document or Letter of Offer.

What are the alternative investment strategies available to you?

- Review Investment Profile;
- Income yield;
- Capital Stable;
- Blue Chip Profile;
- Growth Oriented;
- Balanced Income Growth; and
- Speculative Risk Trading.

Advisors make their recommendations based on the information available to them at the time of advising you. Markets can move extremely quickly, therefore you should satisfy yourself that the investment you are considering is suitable for your time frame and your risk profile.

When assessing your tolerance to risk, you need to ask yourself “how much of my capital am I prepared to lose?” as well as deciding whether your strategy will employ an aggressive growth strategy (with high risk) but with the potential to achieve a higher return; or whether you are more interested in modest returns and capital preservation (with less potential for loss). As has been evidenced by past share market events, it is possible to lose money on “blue chip” shares.

How can you transact with us?

You can give us instructions by telephone, mail, fax, email or in person.

Your order will be executed and settled through one of our nominated Execution and Settlement Agents, as appointed by us from time to time. You will receive a copy of our Execution and Settlement agents FSG and their terms and conditions at the time of opening an account.

The method by which the Execution and Settlement Agents will accept your or CPS Instructions, will be subject to the terms and conditions of trading between you, the Execution and Settlement Agents and us.

How we will communicate with you

We may provide correspondence and important disclosures electronically. We will use the email address provided by you for electronic delivery and notifications, including availability of items via a link on our website.

You may contact us at any time to request correspondence by another method, such as by post.

What commissions, fees or other benefits are received?

Brokerage

CPS and its advisors are paid brokerage on the transaction you enter into.

The commission you will be charged by CPS for Securities and Exchange traded Equity options transactions will be in the range of 0.2% to 2.5% with a minimum charge of \$110.00 (GST Inclusive), whichever is greater.

This rate will be agreed in writing at the time you open an account with us. Your Advisor is required to set out the remuneration and commissions they receive in the SoA. The charges for each on market transaction will be detailed in each trade confirmation.

Our Advisors are remunerated on a wholly commission basis. Advisors receive 67.5% of the brokerage, fee or commission charged on your trade confirmation. CPS does not receive or pay conflicted remuneration to its representatives.

When you open an account with us you will also open an account with one of our Execution and Settlement agents. The respective fees are detailed below.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by us, our service providers and or our representatives.

Fees and charges imposed by our Execution and Settlement Agents are detailed in their Financial Services Guide's.

Fees where Pershing is the Execution and Settlement Agent

Brokerage

CPS receives part of the brokerage you are charged on your contract note by Pershing.

Pershing collects the execution and administration fee (if applicable) and pays the balance to CPS.

Example

If you buy \$10,000 worth of shares, the brokerage is charged at 2.5%, the brokerage cost to you will be \$275 (GST inclusive), (if the transaction is not via straight through processing a \$11 (GST inclusive) administration fee will also apply) resulting in a total cost of \$286 (GST inclusive).

CPS will receive \$250 ex GST less the contract note cost of \$15.00, giving a net amount received by CPS of \$235. Your advisor will receive 67.5% of the ex GST amount, that equalling \$158.62.

Fail Fees

Where you fail to deliver sufficient stock to settle a sell transaction on settlement date the resulting ASX imposed fail fees will be passed on to you in full.

Where you fail to settle a buy transaction executed by Pershing on the settlement date, you may be charged an administration fee plus 0.1% + GST of the trade value, accumulated daily, until settlement occurs. CPS may invoice you directly for any fees incurred.

Other Fees

Pershing impose the following fees on CPS for administration services. Where incurred, CPS may on charge these fees to you:

Service	Fee (GST inc)
Overseas payment	\$33
Priority (RTGS) payment	\$13.20
Stop cheque	\$13.20
Direct debit dishonour	\$55

Pershing may also charge a commission or other fees on a contract for the transfer of underlying securities following the exercise of a derivative (such as an Exchange Traded Option) at the rates determined by them and notified to us from time to time. These fees may be passed onto our clients.

Other Fees CPS may receive

Initial Public Offerings and Capital Raisings

Where you participate in an Initial Public Offering, placement or other form of capital raising through CPS, there will be no brokerage charged on the transaction. CPS may however receive handling fees, or underwriting fees from the issuer. Fees received may be in the form of cash or shares. The fees paid by the issuer will be disclosed in the documentation relating to the issue. If CPS receives any incentive, then it will be disclosed to you at the time of making the offer.

Example

If you subscribe for \$20,000 worth of shares in an initial public offering and the issuer is paying a 5% handling fee to CPS, CPS will receive \$1,000 ex GST. Your advisor will receive 67.5% of the ex GST fee, that equalling \$675.

Other Commissions

In addition to disclosing the basis and range of remuneration rates, referred to above, CPS will disclose the actual remuneration at the time the advice is provided to you. It will be disclosed in the relevant Statement of Advice, Record of Advice or transactional documents.

Financial Planning - Superannuation

Preparation of Initial Statement of Advice (minimum 10 hours of work): \$3,750 (GST inclusive).

General Financial Planning Advice: \$375 per hour (GST inclusive).

Any fees paid by you for Financial Planning services will be shared between CPS and your Financial Planner. CPS will receive 32.5% of the fee and your Financial Planner will receive 67.5%.

Example:

Preparation of Statement of Advice, cost \$3,750 (GST inclusive), CPS will receive \$1,096.87 ex GST. Your Financial Planner will receive 67.5% of the ex GST fee, that equalling \$2,109.37.

Additional commissions may be paid by product providers where we invest your funds as directed. We will disclose any such fees in the Statement of Advice.

Ongoing Fee Arrangements

If we have an ongoing fee arrangement with you which exceeds 12 months, then you will receive from us a Fee Disclosure Statement annually setting out the fees you have paid to us, the services that we are contracted to provide and what we did provide to you over that period.

Every two years we will send you a renewal notice requesting your consent for us to continue to provide services to you. We must have your consent within 30 days of that notice, for us by law to continue to provide services to you.

Portfolio Administration Service (PAS)

CPS may recommend that you utilise a Portfolio Administration Service to help manage your investments. There are several providers who offer comprehensive portfolio management and administration services. These services are generally suited to investors with a substantial investment portfolio. If you subscribe to a PAS, fees will generally be charged monthly, calculated on a percentage of the value of investments in your account (including cash and term deposits) or as a fixed fee amount. The fees vary between providers. If you elect to utilise a PAS Service, the applicable fees will be disclosed to you at the time of applying for the service.

Other Administration Services

CPS may impose administration fees on the following services as indicated below:

Service	Fee (GST inc)
Estate administration	\$220
Off market transfer	\$55
SRN search	\$55

Interest earned on Client Monies held on Trust

Where funds are held in our Trust Account on your behalf, CPS is entitled to the interest earned on this account.

Payment for Referrals

Where you have been referred to us by a third party such as other Financial Services Representatives, accountants, lawyers, we may pay a referral fee to that third party. The referral fee varies depending on the arrangement we have with that third party.

We will separately disclose any referral fee we pay to a third party who refers you to us.

Other Commissions

We may receive trail commissions on Cash Management facilities paid by the provider. These trails range from .25% to .66% per annum.

We may receive a trail commission for investments from Fund Managers these are generally 1.5% per annum of the amount invested, dependent on the product.

Your adviser will receive 67.5% of any such payments received.

Margin Lending

Margin lenders may pay a trailing commission to us. This amount is not charged to you. All details will be included in your SoA or in the Product Disclosure documentation of the Margin Lending provider.

Example

If your loan balance was \$50,000 the margin lender would pay us 0.50 basis points, resulting in a total commission of \$275 (GST Inclusive) per annum, your advisor will receive 67.5% of the fee, equalling \$168.75. The balance is retained by CPS.

Small Benefits Register

CPS and its Representatives may from time to time receive non-cash benefits with a cash value less than \$300. Details of benefits between \$100 and \$300 will be maintained on a register. These benefits will normally be one off and will not be received from a product provider on a regular basis.

Associations or Relationships

CPS and its advisors may also be required to disclose information about associations or relationships between CPS or any related body corporate, the issuers of any financial products, being associations or relationships that might reasonably be expected to be capable of influencing the advice. Where conflicts or associations of this nature exist, we will disclose them to you when we provide you advice.

What information do we maintain in your client file and can you examine your file?

We are committed to implementing and promoting a privacy policy which will ensure the privacy and security of your personal information. A copy of our privacy policy will be provided upon your request.

We maintain a record of your personal profile which includes details of your investment objectives, financial situation and needs. Personal information collected from you to compile your personal profile may include information such as your financial circumstances, your interests, investment objectives, investment experience, annual income, net worth, existing investments, age, occupation and the level of risk you are prepared to accept.

We will not disclose your information to any other person except where such disclosure is authorised by the Australian Privacy Principles or required by law (for example to our regulators).

From time to time we would like to be able to use your personal information to tell you about seminars, services and new offers. If you do not wish to receive this information, please contact us as set out below.

Anti-Money Laundering and Counter Terrorism Finance

As a financial service provider, we have an obligation under

the Anti-Money Laundering and Counter Terrorism Finance Act 2006 (Cth) to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and a driver's licence. We will also retain copies of this information. We assure you that this information will be held securely. We cannot provide you with services if you are unwilling to provide this information.

Our Professional Indemnity Insurance

CPS confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity Insurance in accordance with s912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity Insurance subject to its terms and conditions provides indemnity to CPS and our representatives, employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any representative/employee who has ceased work with CPS for work done whilst engaged with us.

Should you wish to obtain further information in relation to our insurance, please contact us.

Who do I speak to if I have a complaint about the Financial Services provided by CPS or my Adviser?

Please read the below Client Compliant Handling Guide.

If you have a complaint about the service provided to you, you should take the following steps:

1. Contact us via the details below and tell us about your complaint and give us an opportunity to investigate and resolve the complaint.
2. We will acknowledge your complaint as soon as practicable but not later than 48 hours after receipt.
3. If your complaint is not complex, we will aim to resolve it within 5 days and advise you of the outcome.
4. If your complaint is complex and requires detailed investigation, we will investigate and provide you with our final response within 21 – 45 days depending on the nature of your complaint.

Contact details:

By Email: Contact our compliance team at compliance@cpscapital.com.au and provide details of your complaint or phone us on (08)9223 2222.

Online:

Alternatively, you can lodge a complaint through our online system at: <https://advice.cpscapital.com.au/Complaint.asp>

By Post:

CPS Capital Group Pty Ltd
Attention: Compliance
PO Box Z5467
Perth WA 6831.

If you are not satisfied with our handling of your complaint

you may lodge a written complaint with:

The Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

You can call AFCA on 1800 931 678

Email: info@afca.org.au

For information about AFCA you can go to www.afca.org.au

The AFCA Process

If you lodge a dispute with AFCA, we will explain what happens next;

Before AFCA commence their investigation, AFCA will register your dispute and check whether you have already complained directly to us.

If you have not already complained directly to us, AFCA will refer your dispute to us. From the date of referral, we will have 45 days to resolve the dispute with you. This 45 day period is known as Internal Dispute Resolution (IDR). The period for disputes involving financial difficulty is 21 days. If the matter is not resolved by us in this period, AFCA will commence their investigation.

If you have already gone through the IDR process with us and your dispute has not been resolved, AFCA will register your dispute, let us know that you have lodged it with them and give us a further 21 days to try and resolve the matter directly with you. At the end of this period, if the matter remains unresolved, AFCA will commence their investigation.

Throughout this registration and referral stage AFCA will continue to track the progress of your dispute while we are working with you to resolve your dispute.

In most cases you will deal directly with a single AFCA staff member, who will update you regularly about the progress of your dispute (Case Management), unless a decision is needed by an Ombudsman, Adjudicator or Panel.

The Australian Securities and Investments 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.

Privacy

CPS ensures that the personal information collected about you is private. If you wish to complain about any breach or potential breach of our Privacy Policy or the Australian Privacy Principles, you should contact us.

Your complaint will be responded to within seven days. We will use our best endeavours to resolve any complaint to your satisfaction. However, if you are unhappy with our response, you may contact the Office of the Australian Information Commissioner (OAIC) on 1300 363 992 for further assistance.