

This is the Financial Services Guide (FSG) referred to in ROC's Second Supplementary Bidder's Statement dated 8 September 2008.

ROC accepts no responsibility for the content of this FSG.

FINANCIAL SERVICES GUIDE

**Merrill Lynch Equities (Australia) Limited
ABN 65 006 276 795
AFSL No. 235132
Level 38, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia**

Contents

Contents	1
Glossary of terms	1
Purpose and content of this Financial Services Guide	2
Statements of Advice	2
Product Disclosure Statement	2
Who is MLEA?	2
The services we provide	3
How you may provide instructions to us	4
Your rights as an investor	4
Reasonable basis for recommendations for personal advice	4
How do we charge for our services?.....	4
Commissions and other benefits from third parties	5
How are our representatives remunerated?	5
Will anyone be paid for referring you to us?.....	6
In what capacity do we act?	6
Do we have any relationships or associations with financial product providers?.....	6
Trade errors and cancellations	6
Complaints resolution.....	6
Compensation arrangements.....	7
Privacy.....	7

Glossary of terms

ACH	Australian Clearing House Pty Limited
AFS Licence	means an Australian financial services licence issued under the Corporations Act
ASTC	ASX Settlement and Transfer Corporation
ASX	ASX Limited
Australian ETO	an ETO that is traded on ASX
Corporations Act	<i>Corporations Act 2001</i> (Cth)
ETO	an exchange trade option or derivative
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
MLEA	Merrill Lynch Equities (Australia) Limited ABN 65 006 276 795, AFSL No. 235132
MLPFS	Merrill Lynch, Pierce, Fenner & Smith, Incorporated
PDS	Product Disclosure Statement

Purpose and content of this Financial Services Guide

This Financial Services Guide (FSG) is an important document. You should read it carefully and make sure you understand it.

This FSG is provided by Merrill Lynch Equities (Australia) Limited (**MLEA**).

This FSG was prepared on 9 September 2008 and is made up of a number of equally important parts. Each of these parts are listed on the contents page and are intended to inform you of certain basic matters before we provide you with a financial service.

This FSG was prepared to provide information to clients of MLEA who are retail clients about the financial services provided by MLEA.

The information set out in this FSG includes information about:

- who we are
- what services we provide
- the remuneration that may be paid to us and other relevant persons in relation to the services we offer
- what relationships and associations we have
- how complaints against us are dealt with

This FSG is designed to assist you in deciding whether to use the services we provide which are described below.

Statements of Advice

In addition to the FSG, you might also receive a Statement of Advice (**SoA**) if MLEA provides you with advice that takes into account your personal objectives, financial situation and needs. The SoA will set out the advice and the basis on which it is given, and will include information regarding remuneration, commissions and associations with product issuers or other parties which may have influenced the provision of the advice.

MLEA will not provide you with an SoA if we have previously issued you with an SoA, and if your relevant personal circumstances, having regard to your objectives, financial situation, and needs as currently known to us, are not significantly

different from the previous SoA, and provided that the basis on which the advice is given to you is not significantly different from the basis on which the previous SoA was given.

It is important that you notify MLEA of any changes to your personal objectives, financial situation and needs so that we know when to give you an SoA. If we do not provide you with an SoA, we will keep a record of brief particulars of the recommendations made to you and the basis on which those recommendations were made. On request, your Merrill Lynch financial adviser will provide you with a copy of this record up to 90 days after the advice was given.

By using one of the financial services described in this FSG, we encourage you to provide us with all information regarding your financial situation, investment objectives and particular needs sufficient and necessary for us to provide informed advice about financial products. We also encourage you to notify MLEA of any relevant new information or material changes in your financial situation, investment objectives and particular needs promptly as such changes occur.

Product Disclosure Statement

If our advice includes a recommendation to acquire a financial product, or if we offer to issue or arrange the issue of a financial product (excluding securities defined as shares and debentures and, debentures, stocks and bonds issued or proposed to be issued by a government), you will be provided with a PDS. The PDS will contain all information that might reasonably be expected to have a material influence on your decision whether or not to acquire the financial product. This will include information regarding the benefits and risks associated with the product and other significant features of the terms and conditions attaching to the product.

Who is MLEA?

MLEA is a Participant of ASX Group. MLEA provides advisory, trading, clearing, settlement and custody services to retail and wholesale clients.

MLEA's contact details are as follows:

Merrill Lynch Equities (Australia) Limited
ABN 65 006 276 795 AFSL No. 235132
Level 38, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000 Australia
Phone: (02) 9225 6500

The services we provide

We provide the following services:

- **Advisory and dealing services for retail and wholesale clients**

MLEA provides advisory and dealing services to retail and wholesale clients in a number of financial products, including: derivatives; securities (such as shares and debentures); interests in managed investment schemes (other than investor directed portfolio services); government debentures, stocks and bonds issued or proposed to be issued by a government; foreign exchange contracts; and deposit and payment products.

- **Advisory and dealing services in relation to ASX quoted financial products**

In particular, MLEA provides advisory and dealing services in relation to financial products quoted on ASX.

If the financial product is a warrant quoted on ASX, you will be required to enter into a warrant client agreement with MLEA before MLEA is able to purchase a warrant on ASX for you.

If the financial products are Australian ETOs, you will be required to enter into a derivatives client agreement with MLEA before MLEA is able to purchase a derivative on ASX for you.

MLEA may be required to give you a PDS in relation to the Australian ETOs that you may trade. The PDS will contain information concerning Australian ETOs to assist you in deciding whether those products are appropriate for your needs.

- **Advisory and dealing services in relation to financial products quoted on certain overseas exchanges and other foreign products**

MLEA provides advisory services, and arranges for MLPFS (or other entities) to provide dealing services, to retail and wholesale clients in relation to financial products quoted on certain overseas exchanges or other financial markets, and certain unlisted foreign financial products if permitted to do so under Australian law.

MLEA may be required to give you a PDS in relation to certain financial products that you

may trade on an overseas exchange (such as exchange traded options or derivatives) or other foreign financial products. The PDS will contain certain information concerning those financial products to assist you in deciding whether those products are appropriate for your needs.

- **Clearing services**

MLEA provides clearing services in respect of transactions in financial products quoted on ASX. If the financial product is an Australian ETO, you will be required to enter into a derivatives client agreement with MLEA in relation to the clearing of that transaction.

MLEA may also provide clearing services in respect of Australian ETOs executed by another Participant of ASX Group if the transaction is "given up" to MLEA.

If MLEA is to clear a transaction in financial products quoted on ASX which is executed for you, you will owe the settlement obligations in respect to that transaction to MLEA and not to the Participant of ASX group that executed that transaction if it was not MLEA that executed the transaction.

- **Custodial Services**

MLEA provides custodial services (or arranges for the provision of custodial services) to retail and wholesale clients in respect of a range of financial products (including financial products quoted on an overseas exchange, securities, interests in managed investment schemes, derivatives and debentures), other than investor directed portfolio services.

In particular, MLEA provides custodial services to clients in connection with the services of arranging for those clients to deal in financial products quoted on certain overseas exchanges.

As part of the custodial services provided to clients, MLEA may engage a sub-custodian to provide sub-custodial or nominee services to the client.

- **Settlement Services**

MLEA provides settlement services to retail and wholesale clients in respect of transactions in a range of financial products (including financial products quoted on ASX,

securities, interests in managed investment schemes, derivatives and debentures).

- **Foreign exchange services**

MLEA provides (or arranges for another entity to provide) foreign exchange services to retail and wholesale clients.

MLEA may be required to give you a PDS in relation to the foreign exchange services. The PDS will contain information concerning foreign exchange trading to assist you in deciding whether the services and foreign exchange products are appropriate for your needs.

- **Market making**

MLEA provides market-making services in the following kinds of financial products: derivatives; securities (such as shares and debentures); and interests in managed investment schemes (other than investor directed portfolio services).

- **Other services**

MLEA is also authorised under its AFS Licence to provide additional services to retail and wholesale clients. However, it will not provide any services to you except as outlined above.

- **MLEA not responsible for any other financial product advice**

MLEA has no responsibility for any financial product advice provided by any other person to you.

How you may provide instructions to us

If you wish to give us instructions in relation to any other service we provide, you should contact your Merrill Lynch financial adviser. Subject to the terms of your agreement with us, you may give instructions to us by telephone, mail, fax or e-mail, subject to the terms of any applicable agreement with you relating to the subject matter of your instructions.

Your rights as an investor

The law gives you specific rights where recommendations are made to you in relation to financial products. In particular:

- your Merrill Lynch financial adviser must ensure that any recommendation made to you has a reasonable basis; and
- your Merrill Lynch financial adviser must disclose to you material interests that MLEA and other relevant parties may have in connection with the relevant recommendation.

Reasonable basis for recommendations for personal advice

When a financial product recommendation is made to you, your Merrill Lynch financial adviser is obliged to have a reasonable basis for that recommendation.

To ensure that all recommendations by your Merrill Lynch financial adviser are reasonably based, he/she will seek information from you about your investment objectives, financial situation and particular needs. Your Merrill Lynch financial adviser will provide advice which is appropriate to you, having regard to this information and after conducting investigations in relation to the subject of the advice.

You have the right not to divulge this personal information to your Merrill Lynch financial adviser, however, this will affect the ability of your Merrill Lynch financial adviser to make recommendations which are appropriate to your personal circumstances. If you receive advice based on incomplete or inaccurate information regarding your personal circumstances, you should consider the suitability of the advice before acting on it.

How do we charge for our services?

- **New issues**

MLEA may receive cash fees and commissions from the issuers of financial products including where MLEA secures applications from its clients for financial products in respect of new issues. The commissions may range from 0% to 5% (GST inclusive) of your investment amount.

- **Purchases and sales of securities and derivatives for retail clients**

Unless MLEA otherwise agrees, MLEA will charge you brokerage on purchases and sales of securities and derivatives executed for you. The brokerage rate may range from 0% to 5% (GST inclusive), charged as a percentage of the total consideration.

Alternatively, you can elect to pay annual asset based fees, based on the value of the eligible assets in your account. These can range up to 2.75% p.a. for equities, derivatives and mutual funds; and 0.7% p.a. for fixed interest and cash, charged quarterly payable in advance.

Brokerage rates and annual asset based fees may be negotiated between you and your Merrill Lynch financial adviser, and are subject to change. A minimum charge may apply to both brokerage and annual asset based fees.

Annual fees are payable on the accounts that you open with MLEA. The annual fees are set out below.

Fee Description	US Dollar Value
International Cash Management Account (ICMA) – Annual Account Fee	Up to \$275.00 p.a.
Delaware Cash Account – Annual Account Fee	\$75.00 p.a.
– Additional Annual Custodial Fee*	\$75.00 p.a.

* Charged if account produces < US\$100.00 in commission and < US\$40.00 in margin interest. Therefore an inactive Delaware account costs US\$150.00 p.a.

Additional fees may be charged for transactions and services including but not limited to International Telegraphic Transfers, Bank Cheques and Administration Fees and Charges for the alteration of investments prior to maturity or early withdrawal.

- **Purchases and sales of managed investment schemes and similar financial products for retail clients**

If you invest in a managed investment scheme or a similar financial product using MLEA as your broker, MLEA may receive fees from the promoters of that scheme or product. These fees may be received when you invest in the scheme or product (upfront commissions) and may also be received during the period in which you participate in

the scheme or maintain your investment in the products (trailing commissions). Such fees may be calculated by reference to the amount of money invested in the scheme or product from time to time.

The actual commissions and fees that you pay to MLEA for services rendered will be set out in detail in the MLEA trade confirmations that you will receive for each transaction.

- **Transactions in underlying securities on the exercise of an Australian ETO**

MLEA may charge a client commission or other fees on a contract for the transfer of underlying securities following the exercise of an Australian ETO at the rates determined by it and notified to clients from time to time.

- **Other services**

MLEA does not charge clients any fees for providing settlement services, other than fail fees if the client fails to comply with its settlement obligations in respect of the transaction. Those fail fees may include an administration fee and a default charge on the amount outstanding from time to time.

Commissions and other benefits from third parties

MLEA may earn and retain interest on moneys held for clients in its trust accounts from time to time.

MLEA may receive trail commissions from third parties as a result of your investments.

Otherwise, MLEA does not receive commission or other benefits from other third parties.

How are our representatives remunerated?

Certain representatives of MLEA who provide financial product advice to private clients are remunerated by salary and also receive commissions and fees directly related to your investments. These representatives may receive other employment benefits which are discretionary and based on the achievement of business objectives.

Other representatives are remunerated by salary and do not directly receive any commission or fees. They may be eligible to receive a bonus or other employment benefit which is discretionary

and based on the achievement of business objectives.

Will anyone be paid for referring you to us?

MLEA may pay a fee to a third party for referring you to us. This fee is calculated on the amount of assets in respect of which MLEA provides advisory and dealing services to you (as at the date such services commence).

In what capacity do we act?

In providing the services described in this FSG, MLEA is acting as principal, except in the following circumstances:

- When MLEA executes a transaction for a client, it acts as agent for the client.
- When MLEA clears a transaction executed through ASX for a client, it acts as agent for the client, although it will owe the settlement obligations in respect of that transaction to ACH as principal.
- When MLEA arranges for MLPFS or other entities to provide dealing services in relation to financial products quoted on an overseas exchange or other foreign financial products, MLEA acts as agent for MLPFS or that other entity.
- When MLEA arranges for another entity to provide foreign exchange services to a client, it acts as agent for that other entity.

Do we have any relationships or associations with financial product providers?

MLEA is a member of the Merrill Lynch Group. We may deal in financial products issued by another member of the Merrill Lynch Group.

However, we will not receive any commission or other benefit as a result of your investing or dealing in any such product, other than the fees described under "How do we charge for our services?".

Trade errors and cancellations

The ASX Market Rules contains provisions which deal with market transactions entered into on the basis of errors. It permits the cancellation of such errors, subject to agreement from all parties.

The rules also deal with disputes arising out of such Market Transactions. Such disputes may be referred to a Dispute Governors' Committee which can make recommendations to the ASX on how to deal with the dispute. Upon receiving the Dispute Governing Committee's recommendation, ASX may take such action as it considers appropriate so as to ensure the maintenance of an orderly market.

In particular, ASX has the power under the rules to cancel, amend or require the cancellation or amendment of Market Transactions or Crossings.

Under the terms of your agreement with MLEA, you agree to comply with the ASX Market Rules, the ACH Clearing Rules and the ASX Settlement and Transfer Corporation (**ASTC**) Settlement Rules, and the directions, decisions and requirements of ASX and the customs and usages of the market. Accordingly, you will be bound by any decision relating to the cancellation or amendment of a Market Transaction or Crossing.

Complaints resolution

Our commitment

We are committed to providing quality service and accurate information. As part of that commitment, we are focussed upon improving client satisfaction levels by providing an efficient and accessible system for resolving client complaints.

You have the right to have any complaint about the services received from MLEA (or any other aspects of its dealings) investigated and dealt with quickly and effectively in accordance with our complaints resolution procedures.

Client input

To assist us in responding appropriately to complaints, you are requested to prepare any complaint in writing, addressed to MLEA as follows:

**Merrill Lynch Equities (Australia) Limited
Compliance Manager
Office of General Counsel**
Level 38, Governor Philip Tower
1 Farrer Place
Sydney NSW 2000
Switchboard (02) 9225 6500
Facsimile (02) 9225 6953

You should include as much detail about the circumstances of the complaint as possible,

including the name(s) of any of MLEA's staff involved. If available, copies of any background documentation should be provided to us along with the complaint.

Our response

Following receipt of your complaint, the Compliance Manager will acknowledge receipt of it in writing and provide an estimate of the time it will take to investigate the circumstances. The Compliance Manager will fully investigate the complaint and contact you if further information is required from you. The Compliance Manager will then prepare a detailed written response to you after consideration of all relevant documents and following interviews with the involved employees and their manager(s), if required. The written response will be mailed or delivered to you.

External complaints resolution – FOS, ASX and ASIC

As MLEA is a member of the Financial Ombudsman Service (**FOS**), we will advise you, if you continue to have a complaint with us, that you have the option to pursue your complaint with FOS. The contact details for FOS are:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Telephone 1300 780 808
Facsimile (03) 9613 6399

If you remain unsatisfied with our response to a complaint, you are at all times free to pursue the matter with ASX. The Australian Securities and Investments Commission also has an Info line on 1300 300 630 which you may use to make a complaint and obtain information about investor rights.

Compensation arrangements

MLEA has professional indemnity insurance which MLEA considers is adequate having regard to:

- The volume and types of business carried on by it; the number and types of its clients; the number of its representatives; and
- Any particular or potential claims that may arise pursuant to our participation in external dispute resolution schemes, including the FOS scheme.

MLEA considers that these compensation arrangements satisfy the requirements of s 912B of the Corporations Act and associated regulations.

Privacy

The privacy of your personal information is important to us. If you would like a copy of our privacy policy please contact us on (03) 9659 2555.