

YOUR ONLINE

PROPERTY EXCHANGE

PEXA System Pricing Policy

Version 5.0

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1. Introduction/Purpose

Property Exchange Australia Limited (PEXA) has developed and operates an Electronic Lodgment Network. Registered Subscribers can use the PEXA System (PEXA's platform used to facilitate Conveyancing Transactions across the network) to conduct the Lodgment and where applicable Financial Settlement of a Conveyancing Transaction. PEXA Ltd will charge the Subscriber a "**Transaction Service Fee**" for their use of the PEXA System to conduct Conveyancing Transactions.

PEXA's obligations as an Electronic Lodgment Network Operator (**ELNO**) are outlined in the Model Operating Requirements produced by the ARNECC.

This includes Section 5.3(e) that requires PEXA to "determine its fees according to a publicly available, equitable and transparent pricing policy which is kept current by the ELNO and includes the manner in and frequency of which prices will be reviewed by the ELNO".

2. Scope

This policy ("**Policy**") covers:

1. charging of the Transaction Service Fee for Subscribers' use of the PEXA System to conduct Conveyancing Transactions;
2. considerations taken into account when determining the Transaction Service Fee; and
3. reviews of the Transaction Service Fee.

The current PEXA Transaction Service Fees are set out in the Pricing Schedule, which can be found via www.pexa.com.au/pricingschedule.

Additional fees may be payable by a Subscriber to PEXA for the provision by PEXA of additional bespoke or specific products or services (other than use of the PEXA System to conduct Conveyancing Transactions). The fees for such additional products or services are not covered by this Policy, and will be as agreed between PEXA and the relevant Subscriber.

3. Policy

Charging of the Transaction Service Fee:

- 3.1 The Transaction Service Fee will be charged to the particular Subscriber on successful completion of the Financial Settlement, or successful Lodgment where no Financial Settlement is required, for a Conveyancing Transaction.
- 3.2 The Transaction Service Fee will vary according to the type of Conveyancing Transaction executed, and the role of the particular Subscriber within that Conveyancing Transaction.

Determination of the Transaction Service Fee:

- 3.3 The Transaction Service Fee takes into consideration a number of elements and these include, but are not limited to, the following:
 - (a) PEXA operating costs (including Financial Settlement, Digital Signing certificate management and operations, system development and maintenance); and
 - (b) input costs (including for example, Lodgment Support Services (**LSS**) and insurance).
- 3.4 The cost of LSS varies by state, so a national weighted average LSS cost will be used to determine the Transaction Service Fee.
- 3.5 Multi-title Conveyancing Transactions will attract an additional LSS fee component.
- 3.6 Pricing can be tiered in accordance with PEXA's cost to serve a specific Subscriber type.

Review of the Transaction Service Fee:

3.7 Annual adjustment and LSS pass-through costs

PEXA will automatically review and adjust the Transaction Service Fee (and update the Pricing Schedule accordingly) in the following circumstances:

- (a) annually on the 30th April (with any adjustments for the annual review to be implemented on the 1st July). PEXA agrees that the annual increase of the PEXA operating cost component of the Transaction Service Fee will be limited to CPI; and
- (b) when input costs associated with the weighted average LSS cost vary positively or negatively, the LSS component of the Transaction Service Fee will be adjusted *pari passu*, and the resultant overall change to the Transaction Service Fee will be scheduled for implementation to coincide with the changes to such LSS-related input costs. For the purposes of the foregoing, "LSS" means the lodgment support services supplied by each Land Registry in accordance with the relevant operating agreements between PEXA and each Land Registry.

3.8 Regulatory changes and changes to input costs

In addition, the Transaction Service Fee may also be reviewed and adjusted by PEXA (with the Pricing Schedule updated accordingly) in the following circumstances (subject to any qualification set out in the relevant Participation Agreement between PEXA and each Subscriber):

- (a) where there is either a regulatory or exposure-based change to PEXA's insurance premium requirements which results in an increase to PEXA's cost of providing the Services, the Transaction Service Fee will be adjusted *pari passu* (with PEXA to provide sufficient detail of the regulatory or exposure-based change that has triggered the price review to Subscribers);
- (b) where changes to the regulatory environment in which PEXA operates gives rise to material changes to PEXA's cost of providing the Services, the Transaction Service Fee will be adjusted *pari passu*; and
- (c) where a change to a direct input cost associated with providing the Services materially impacts on PEXA's cost of providing the Services, the Transaction Service Fee will be adjusted *pari passu* (with PEXA to provide sufficient detail of the direct input cost that has triggered the price review to Subscribers)¹.

¹ The purpose of this paragraph is to provide PEXA with protection against direct input costs that may be introduced by other parties which materially impact the cost of providing the Services. Direct input costs are those costs directly attributable to providing the Services including transactional costs charged by third parties for processing transactions through PEXA. Current examples of such costs are LSS costs and fees charged by third parties in the settlement process. Similar costs may be imposed on PEXA in the future and this paragraph enables PEXA to adjust its prices to maintain the commercial viability of providing the Services if such costs were

- 3.9 Subscribers will be notified of price changes at least 20 business days prior to the changes being implemented (subject to any longer notice period as specified in the relevant Participation Agreement between PEXA and each Subscriber).
- 3.10 PEXA is the collection agent for the Land Registry Lodgment Fees and these fees are set and amended by the relevant Land Registry from time to time. PEXA will advise Subscribers of the relevant change as soon as practicable following notification from the relevant Land Registry.

4. Definitions

Terms used in this Policy that are defined in the ECNL, the Participation Rules or the Operating Requirements shall have the meaning given to them in the ECNL, the Participation Rules or the Operating Requirements (as the case may be). In addition, the definitions set out in Attachment B of the Participation Agreement shall apply in this Policy.

introduced. Indirect costs comprising general operating expenses (including occupancy costs, administration expenses, general costs for maintaining the PEXA platform and depreciation and amortisation costs) will not trigger a review under this paragraph.