

Thank you for requesting this Product Disclosure Statement from Funds Focus.

Fee Reduction

As highlighted within our offers page, most margin loans typically pay an adviser a trail commission of between 0.3%-0.7%pa. Applications lodged through Wealth Focus receive a rebate enhancing the interest rate you pay.

How to Apply

Please have a read through the PDS and if you would like to invest the application pages can generally be found towards the back of the document. You will only need to send the application section back with a cheque payable direct to the investment company (not ourselves). You should take note of any minimum investment amounts that may apply.

Then mail the completed application directly to us.

We will then check to ensure your form is completed correctly before forwarding your document on to the investment provider on your behalf.

Wealth Focus Pty Ltd
Reply Paid 760
Manly
NSW 1655

Please note that we are unable to track applications mailed directly to the product provider and therefore cannot guarantee that your discounts have been applied in these instances.

Should you wish to take advantage of our free annual valuation and tax report for all your investments you should complete our broker nomination form for The Wealth Focus Investment Service.

Regards

Suliaman Ravell
Managing Director

Wealth Focus Pty Ltd
ABN 87 123 556 730
56 The Corso, Manly, NSW 2095
Postal Address: Reply Paid 760, Manly, NSW 1655



Requirements for verifying your identity under the new Anti Money Laundering (AML)/Counter Terrorism Financing (CTF) Act

The new AML/CTF Act came into effect on the 12th December 2007. All financial planning and fund management companies are now required to collect, verify and store specific customer information before arranging certain services such as managed investments for a client. It is designed to prevent, detect and protect Australian business from money laundering and the financing of terrorist activities.

We are currently in a transition phase and as such whilst most companies will not accept any new business without a person identity being verified, there are a number that still do not. To avoid confusion, we request that all new applications are sent with 'certified documentation'.

We've found that the easiest way to provide the required documentation is to have a copy of your driving licence or passport certified by Australia Post or a Justice of the Peace (please see following page for a full list of individuals that can certify documentation).

Once this has been completed, under the current requirements we will not require you to send identification again.

What you need to do

You will need to enclose a certified piece of photographic evidence or one piece of primary non-photographic evidence and one piece of secondary evidence (please refer to the Identification Form for document requirements), with your application form and post to us at the following address

Wealth Focus Pty Ltd

Reply Paid 760

Manly

NSW 1655

Please do not send us original driving licences or passports as these can very easily get lost in the post. Copies of documents can be certified by an authorised individual, they will need to sight and verify that the copy is a 'certified true copy', sign, date, print their name and list their qualification.

ANTI-MONEY LAUNDERING REQUIREMENT FOR NEW APPLICATIONS
IDENTIFICATION FORM
INDIVIDUALS & SOLE TRADERS

GUIDE TO COMPLETING THIS FORM (MUST BE INCLUDED WITH ALL NEW APPLICATIONS)

- Complete one form for each applicant. Complete all applicable sections of this form in **BLOCK LETTERS**.
- Please contact us on 1300 55 98 69 if you have any queries.
- If you wish to apply in the name of a super fund, trust or company, please contact us for an alternative identification form.

SECTION 1A: PERSONAL DETAILS

Surname

Date of Birth dd/mm/yyyy

Full Given Name(s)

Residential Address (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER

Full Business Name (if any)

ABN (if any)

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

Who can verify customer identity documents?

Please find below a list of all the Approved Individuals that can certify documents:

- **A Justice of the Peace**
- **An agent of the Australian Postal Corporation** who is in charge of an office supplying postal services to the public, or a permanent employee with more than two years continuous service (who is employed in an office supplying postal services to the public)
- A notary public (for the purposes of the Statutory Declaration Regulations 1993)
- A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described)
- A judge, magistrate, registrar or deputy registrar of a court
- A chief executive officer of a Commonwealth Court
- A police officer
- An Australian consular or diplomatic officer (within the meaning of the Consular Fees Act 1955)
- An officer or finance company officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993)
- An officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having two or more continuous years of service with one or more licensees, and
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with more than two years continuous membership.

VERIFICATION PROCEDURE

Attach a certified copy of the ID documentation used as proof of identity. ID enclosed should verify the **applicant's** full name; and **EITHER** their date of birth or residential address.

- Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or III.)
- Contact your licensee if the individual is unable to provide the required documents.

PART I – ACCEPTABLE PRIMARY ID DOCUMENTS

Tick ✓	Select ONE valid option from this section only
<input type="checkbox"/>	Australian State / Territory driver's licence containing a photograph of the person
<input type="checkbox"/>	Australian passport (a passport that has expired within the preceding 2 years is acceptable)
<input type="checkbox"/>	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
<input type="checkbox"/>	Foreign passport or similar travel document containing a photograph and the signature of the person*

PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

Tick ✓	Select ONE valid option from this section
<input type="checkbox"/>	Australian birth certificate
<input type="checkbox"/>	Australian citizenship certificate
<input type="checkbox"/>	Pension card issued by Centrelink
<input type="checkbox"/>	Health card issued by Centrelink
Tick ✓	AND ONE valid option from this section
<input type="checkbox"/>	A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
<input type="checkbox"/>	A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. <i>Block out the TFN before scanning, copying or storing this document.</i>
<input type="checkbox"/>	A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
<input type="checkbox"/>	If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

PART III – ACCEPTABLE FOREIGN ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

Tick ✓	BOTH documents from this section must be presented
<input type="checkbox"/>	Foreign driver's licence that contains a photograph of the person in whose name it issued and the individual's date of birth*
<input type="checkbox"/>	National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*

*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

It pays to specialise.



Dealer Group: Wealth Focus Pty Ltd

PO Box 760

Manly

NSW 1655

Tel 1300 55 98 69

Leveraged Equities

**Leveraged Equities
does not provide
financial planning or
stock broking services.**

**It focuses on doing one
thing and doing it better
than anyone else.**

**We believe
it pays to specialise.**

What is the Leveraged Equities Margin Loan?

Leveraged Equities is Adelaide Bank's wholly owned Margin Lending subsidiary and one of Australia's leading margin lending companies. We take great pride in being able to offer one of the most flexible and comprehensive margin lending products in the Australian market.

A Leveraged Equities Margin Loan allows you to borrow to invest in shares, managed funds, cash deposits, master trusts, and assets within wrap accounts. You can also use the borrowed funds for other investment or business purposes.

Using your own portfolio or funds in combination with a Leveraged Equities Margin Loan enables you to increase your investment opportunities more than if you were solely using your own assets. As with any leveraged investment, the objective is that your portfolio will grow in value over a period of time.

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What are the benefits of a Leveraged Equities Margin Loan?

Potential for increased returns

The more money you have invested, the greater your potential for capital gains. You may also increase the amount of income you earn through dividends and distributions (subject to the interest payable on the loan).

Liquidity

Provided that there is adequate security to cover your loan, you can sell part of your portfolio at any time rather than having to sell the entire portfolio as is the case with real estate.

Access more opportunities

You can access any surplus equity in your account without realising any capital gain or loss (until final sale). Increased funding allows you greater flexibility to take up investment opportunities as they arise without having to sell your existing portfolio to fund the new purchase.

Diversification

With more funds to invest, you can spread your potential investment risk across a wider range of shares, Fund Managers and industry sectors.

Flexibility

You can tailor the components of your loan and investment portfolio to suit your needs and to adapt to changes in the investment environment or to your personal circumstances.

You choose:

- which shares and managed funds to invest in from our extensive list of acceptable securities
- your level of gearing and size of your loan
- which Financial Adviser to use
- variable or fixed interest rate
- when to drawdown your loan.

Assist with tax planning

A leveraged investment may also provide you with potential tax benefits and assist you with your tax planning. Potential tax benefits include:

- Tax deductible interest - interest on borrowed funds may be tax deductible, provided that the funds are used for an investment or business purpose.
- Prepaid interest – if you prepay interest for the following tax year, you may be able to receive a tax deduction in the year in which the payment is made.

- Franked dividends – for fully or partly franked dividends, you receive tax credits (a credit for the tax already paid by the company) which may reduce your tax liability.
- Deferred capital gains – tax may not be charged on any capital gain or loss on an investment until it is sold.
- Taking advantage of asset and income splitting using our facility.
- Using one of a variety of Leveraged Equities Margin Loan structures, including third party, company and trust accounts.

You should be aware that the actual tax implications of using a margin loan and investing in shares and managed funds may differ depending on your individual circumstances and may change over time. We strongly recommend you seek professional advice on the tax implications of using a margin loan. Speak to your Financial or Taxation Adviser.

Please note: There are also a number of risks associated with margin lending, some of which have been outlined on page 7 of this brochure.

How does your Leveraged Equities Margin Loan work?

A Leveraged Equities Margin Loan gives you the power to borrow up to 75% of the market value of acceptable securities. We lend against shares, managed funds, cash deposits, master trusts, and assets within wrap accounts. Each security on our acceptable lending list is assigned a Loan to Value Ratio or LVR, which is the maximum percentage of the security's market value that we will lend you.

Your contribution can be in the form of shares, managed funds, cash deposits, master trusts, and assets within wrap accounts.

Example 1

Your contribution is \$30,000 in cash. To purchase securities with an LVR of 70%:

$$\begin{aligned} \text{Maximum Purchasing Power} &= \frac{\text{Contribution}}{(100\% - \text{applicable LVR})} \\ &= \frac{\$30,000}{(100\% - 70\%)} \\ &= \$100,000 \end{aligned}$$

Example 2

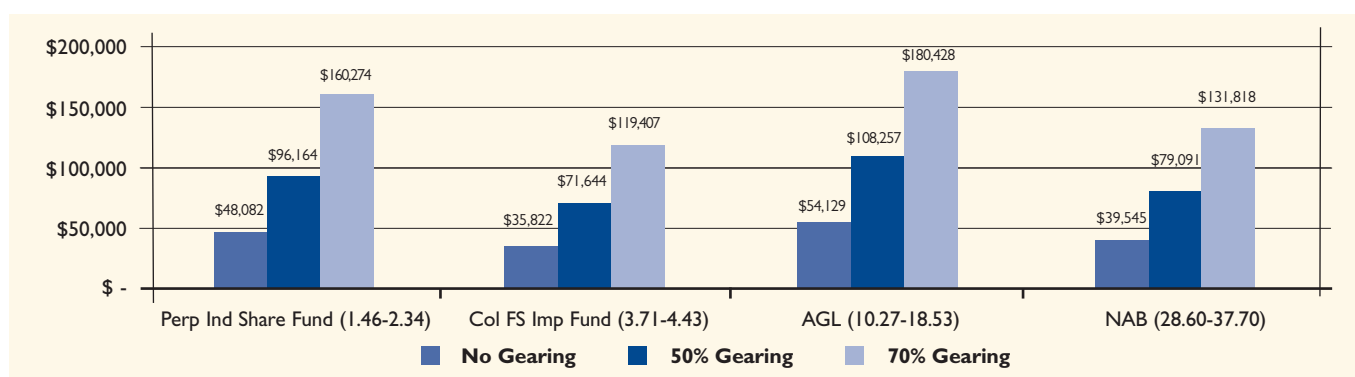
Your contribution is \$30,000 in securities with an LVR of 70%:

$$\begin{aligned} \text{Security value} &= \text{Market value of securities} \times \text{applicable LVR} \\ &= \$30,000 \times 70\% \\ &= \$21,000 \\ &\quad \text{(your contribution)} \end{aligned}$$

Purchasing power (to buy more securities with a 70% LVR)

$$\begin{aligned} &= \frac{\$21,000}{(100\% - 70\%)} \\ &= \$70,000 \end{aligned}$$

Just as the market value of your portfolio can fluctuate daily in line with market movements, so will your borrowing capacity. If your loan balance is less than the margin value of your security, you have available funds to buy more investments if you wish. In addition to an increased return on your investments as your portfolio grows in value, your potential purchasing power is also enhanced. You can monitor your portfolio and margin loan account on a daily basis via our secure internet site - leveraged.com.au



Based on \$30,000 equity. Stock and managed fund prices from 30 March 2001 to 31 March 2006. This refers to capital growth only. Dividends, imputation credits, brokerage, interest and other costs are not included.

The above example is for illustrative purposes only and does not constitute investment advice. The actual result achieved will depend upon the performance of the investments made and historical performance does not necessarily represent future performance. The gearing of an investment increases the potential risk as well as the potential return.

What are the features of a Leveraged Equities Margin Loan?

Type of facility

There is no fixed term for the facility. With a Leveraged Equities Margin Loan Account you can make repayments or draw funds whenever you wish, provided there is adequate security. In most circumstances, there are no requirements for an asset and liability assessment. However, you may not exceed your maximum loan limit at any stage.

Applications may be in an individual name, joint names, company name or in the name of a trustee as trustee for a trust.

Loan limit

A Leveraged Equities Margin Loan starts from \$20,000.

A Leveraged Equities *WealthBuilder* has an initial minimum loan advance of only \$2,000. See page 10 for further details on *WealthBuilder*.

Loan security

Your portfolio, being both your own contributions and the investments you acquire by using borrowed funds from Leveraged Equities, is the security for your margin loan.

Third party security

A Leveraged Equities Margin Loan enables you to lodge securities in the name of an acceptable third party. The third party will need to act as a Guarantor on the margin loan. A Guarantor can be an individual, trust or company. If the third party is a trust, all of the trustees will also be required to be Guarantors.

Listed shares

You remain the beneficial owner of these securities. They are held in your name which means that any investor communications (such as dividends, rights issues and annual reports) will be sent directly to you. Pirie Street Custodian Ltd will be the CHESSE sponsor for your shares. You can sell any part of your portfolio at any time provided there is adequate remaining security to cover your loan.

Managed funds

Managed funds are registered under Pirie Street Nominees Pty Ltd, however, you remain the beneficial owner of these securities. All communication from the Fund Manager will be sent or forwarded directly to you.

Please note that any instructions relating to your managed

funds should be directed to Leveraged Equities and not the Fund Manager to ensure appropriate actioning of your request.

Cash advances

Available funds do not have to be used to purchase shares or managed funds, they can be used for any business or investment purpose. We can arrange to deposit cleared funds to a nominated bank account, post you a cheque or draw third party cheques if required. You can contact Leveraged Equities to assist you with the transfer of funds or request a drawdown online via our internet site - leveraged.com.au

Making repayments

A Leveraged Equities Margin Loan is a line of credit. Although interest is charged, we do not require that you make interest or principal payments on a monthly basis. The interest charged will be automatically capitalised if not repaid and we only require that you maintain the loan within its limits at all times.

Should you wish to make payments on a regular basis, a direct debit facility is available where we can directly debit funds from a nominated bank account. Please refer to page 12 of the *Application Form* for a copy of the Direct Debit Request.

Interest rates

Interest is calculated on your daily outstanding loan balance and is debited monthly in arrears to your loan account. Please note that Leveraged Equities charges interest on a minimum loan balance of \$20,000. A grace period of one month from the first loan drawdown date is granted before interest is charged on the minimum loan balance.

We offer a choice of interest rate structures:

- A variable rate that is advised to you on your statement. This rate may vary within the month.
- A rate that is calculated daily at a specified margin above the 30-day bank bill rate.
- A Leveraged Equities Margin Loan allows you the option of fixing the interest on all or part of your loan balance. Terms are available for between 6 months and 5 years. The minimum amount for a fixed interest facility is \$20,000.

Unless otherwise indicated, interest will be capitalised and added to the loan account.

Prepaid interest

Interest can be prepaid for a 6 or 12 month period based on a fixed interest rate. You can prepay your interest to benefit from a fixed rate and may also be able to claim a tax deduction in the current financial year (please speak to your Financial or Taxation Adviser for further information).

Prepaid interest is not refundable.

Commissions

Leveraged Equities may pay a trailing commission to a referring party on your margin loan account which they should disclose to you. You can also obtain these details from us on request.

Internet site – leveraged.com.au

Leveraged Equities provides 24 hour access to loan and portfolio details through a secure internet site. The site is updated on a daily basis with transaction details and closing prices for your portfolio.

Statements

Leveraged Equities will send you a detailed financial transactions and securities position statement.

POSITION SUMMARY

Total Loan: the total amount you have borrowed, comprising any Prepaid Interest Loan you have established and any Variable Interest Loan.
Outstanding Transactions: this is the NET total of Buys and Sells which Leveraged Equities will settle on your behalf when due. Note that this relates to trades where contract notes have been received but not yet settled. Whilst your loan balance is not adjusted until settlement, your Available Funds figure takes into account the position as though the trade(s) have settled.
Available Funds/Shortfall: this is the difference between the Margin Value of Security you have provided and the total amount you have borrowed from Leveraged Equities. If you have Available Funds, you may use them to draw cash up to the amount available or to fund purchases as per the possible share purchases table. If you have a Shortfall, then additional security or a cash contribution may be required to restore the position.
Loan to Value Ratio: this is the ratio between the total amount borrowed from Leveraged Equities and the total Market Value of your portfolio.
Margin Utilisation: this indicates the level of utilisation of your available margin. If the ratio exceeds 100%, a margin call is imminent. If it exceeds 110%, a margin call payment may be required.
Buffer: this represents a percentage of the market value of most of the securities we lend against that are listed in your security details. A margin payment is required when the shortfall exceeds the amount of the buffer.

Sample Statement

Leveraged Equities

A subsidiary of Adelaide Bank
 ABN 26 051 629 282

The Secretary
 Sample Pty Ltd
 PO Box X345
 SYDNEY NSW 2001

Statement Date 01 February 20XX
Your Account Number 123456
Your Account Manager Your Account Manager
Direct Phone Number (02) 8282 8282
Your Nominated Broker Your Broker
Interest Rate Jan 20XX 8.40%
Interest Rate Feb 20XX 8.40%

ACCOUNT DETAILS

Account Manager: your Account Manager is your personal contact for any statement or general account enquiries.
Nominated Broker: this section displays the Broker you nominated on your application.
Interest Rate: interest is calculated daily and charged monthly. Interest is charged on a minimum loan balance of \$20,000.

POSITION SUMMARY

Prepaid Fixed Interest Loan	50,000.00
Variable Interest Loan	<u>50,000.00</u>
Total Loan	100,000.00
Outstanding Transactions	<u>0.00</u>
Total Amount Due	100,000.00
Margin Value of Security	<u>139,713.88</u>
Available Funds/(Shortfall)	<u>39,713.88</u>
Buffer	<u>18,785.25</u>

Possible share purchases utilising Available Funds

Stock Margin	Value
70%	\$ 128,408
65%	\$ 110,064
60%	\$ 96,306
55%	\$ 85,605
50%	\$ 77,045

This section indicates the possible purchasing power based on your available funds and the relevant margin. An allowance has been made for brokerage or entry fees.

TRANSACTION DETAILS

This section details your monthly loan transactions including interest charged, purchases and sales of securities and cash drawdowns.

Loan to Value Ratio 53.23%
 Margin Utilisation (MU) *71.57%
 *If MU exceeds 110% on any day, a margin payment may be required

Bill Code: 3780
Ref: 1 234567

This section details your BPAY® reference information, allowing transfer of funds direct from your participating financial institution to your LE facility.

TRANSACTION DETAILS

Date	Description	Amount	Balance
01 Jan 20XX	OPENING TOTAL LOAN		62,803.29
05 Jan 20XX	PURCHASE 1000 NAB THROUGH YOUR BROKER	32,996.70	95,799.99
13 Jan 20XX	SALE 1000 AMP THROUGH YOUR BROKER	7,948.70CR	87,851.29
16 Jan 20XX	PAYMENT RECEIVED	1,500.00CR	86,351.29
20 Jan 20XX	DIRECT CREDIT TO BANK	13,000.00	99,351.29
31 Jan 20XX	INTEREST FOR JANUARY 20XX @ 8.40%	648.71	100,000.00
	CLOSING TOTAL LOAN		<u>100,000.00</u>

This is the cumulative balance of your monthly transactions.

This is the current Market Value of your security (Quantity x Price).

SECURITY DETAILS

Code	Name of security	Quantity	Price	Market Value	Margin	Margin Value
AMP	AMP	2,000	8.220	16,440.00	75%	12,330.00
CML	Coles Myer	500	10.450	5,225.00	75%	3,918.75
NAB	National Australia Bank	3,000	33.880	101,640.00	75%	76,230.00
TLS	Telstra Corporation	5,000	3.980	19,900.00	75%	14,925.00
%MLCA	MLC Investment Trust Aust	10,000	2.351	23,510.00	70%	16,457.00
\$PFIS	Perpetual Ind Share Fund	9,500	2.225	21,137.50	75%	15,853.13
				187,852.50		139,713.88

This is the current Margin Value of your securities (Market Value x Margin).

Postal Address: GPO Box 5388 Sydney NSW 2001 Australia Telephone 1300 307 807 Facsimile (02) 8282 8383

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What are Margin Call Payments?

What are the risks?

While leveraging into investments increases the potential return on those investments, it is important to recognise that it can also multiply the investment risk.

Most importantly, you need the right securities and investment structure for your own personal situation. Therefore, Leveraged Equities strongly recommends that you obtain your own independent professional advice on the risks and suitability of this type of product, and the taxation implications as they apply to your individual circumstances. Leveraged Equities **cannot** provide advice on these issues.

Interest and other costs may not be fully offset by dividends and other distributions received. The timing of interest charges is not likely to coincide with these payments.

Interest costs, fees, government charges, taxation liability and early termination costs may change over time. These costs should be taken into account when determining the suitability of any investment strategy.

How to manage the risks.

A margin loan multiplies the effects of gains from rising security values, however, it also multiplies the risk of loss from falling security values.

In putting your margin lending portfolio together, you control the balance between risk and reward. You are legally obliged to pay back the full amount you have borrowed from us, plus all interest charges on the loan as well as any additional fees and charges resulting from a default.

At all times your gearing level must not exceed the maximum allowable limit. This is calculated by multiplying the market value of the securities lodged by the applicable lending margins. This requirement is assessed in relation to the daily loan balance, including the accrued interest.

A Margin Call Payment is required when your borrowing level exceeds the maximum permitted gearing level by more than a buffer. This is generally required by 4.00 pm (Sydney time) the following business day. See Clause 4 of the Margin Lending Facility Agreements in Section 2 for more details.

Leveraged Equities may at any time change the permitted gearing levels of particular securities in your portfolio.

Securities may also be removed from the lending list. If gearing levels are reduced or removed, an obligation to make a Margin Call Payment may automatically arise, which you are required to meet in the same way as any other Margin Call Payment.

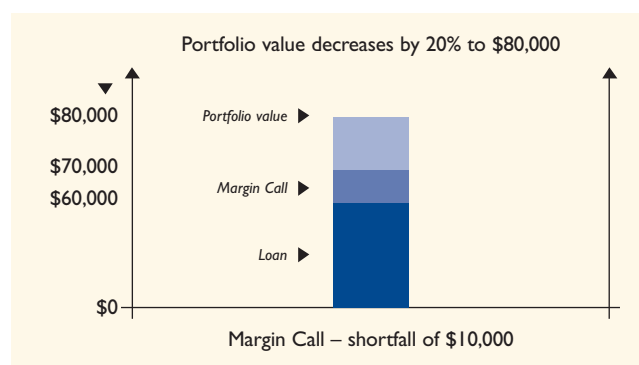
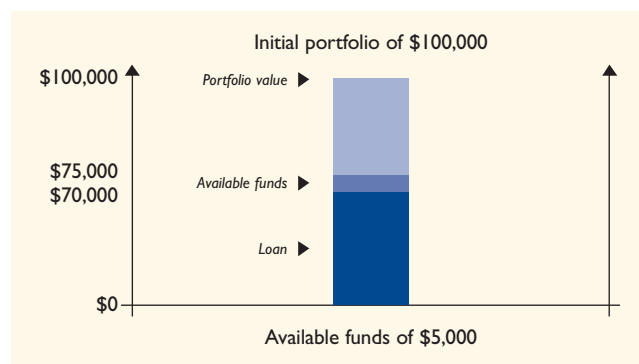
The graph below illustrates how a margin call works:

Assumptions:

- purchase \$20,000 of shares in 5 companies
- each stock has a lending margin of 75%.

Portfolio is paid for by:

- the investor's own funds of \$30,000
- a margin loan of \$70,000
- gearing ratio is 70%.



How do I meet a Margin Call Payment?

If a Margin Call Payment is required you can:

1. **Lodge additional security** from our approved list, and/or
2. **Repay part of the loan** using BPAY®, electronic credit or deposit funds from your nominated bank account via a Direct Debit Request, and/or
3. **Sell part of your portfolio** and apply the net sale proceeds against the loan to bring the account within the maximum allowable limit.

What happens if I fail to meet a Margin Call Payment?

If you fail to meet a Margin Call Payment within the required time period, a sufficient quantity of securities may be sold by Leveraged Equities to bring the loan back within our required gearing levels.

We will attempt to contact you where possible.

How much does a portfolio have to fall before a Margin Call Payment is made?

The table below illustrates the percentage a portfolio has to fall before a Margin Call Payment is required at various borrowing levels.

		Maximum permitted gearing level			
		50%	60%	70%	75%
Your gearing level	50%	16.66%	28.57%	37.50%	41.17%
	60%	-	14.28%	25.00%	29.41%
	70%	-	-	12.50%	17.64%
	75%	-	-	-	11.76%

How could I reduce the likelihood of a Margin Call Payment?

There are a number of ways that may reduce the likelihood of having to make a Margin Call Payment on an account.

1. A conservative gearing level

The likelihood of having to make a Margin Call Payment may be reduced by borrowing less than the maximum amount allowed.

2. Monitor the account

It is your responsibility to monitor the performance of your portfolio to ensure that you comply with the Margin Call Payment requirements.

There are a number of ways that you can keep track of your margin loan account, including:

- reviewing your monthly statement;
- visiting our secure internet site at leveraged.com.au
- contacting Leveraged Equities on 1300 307 807.

3. Diversify your portfolio

Investing across a range of investments and sectors may help minimise the risk that one investment will affect your return by offsetting any decreases against increases within your portfolio. As well as reducing volatility, diversification may also lead to better long-term results.

4. Pay interest regularly

If you repay principal and interest on your loan on a regular basis, this helps to reduce the gearing level and loan balance.

5. Credit/Reinvest dividends and distributions to the margin loan account

By making regular contributions to the margin loan account via dividends and distributions, you can reduce the loan balance or by reinvesting you can increase the equity. You also then have a consolidated account of your trading activities.

6. Have cash or securities set aside

Agree on a strategy to meet any potential Margin Call Payments should the need arise e.g. determine any additional securities you could lodge, have funds on hand to meet a Margin Call Payment, or determine which investments you would sell first in a margin call.

7. Borrow within your capacity

Ensure that you have adequate cash flow to meet your borrowing obligations and are able to accommodate any interest rate rises should they occur. Above all it is strongly recommended that at all times you obtain financial advice on your margin loan account.

Guarantor risk

A Leveraged Equities Margin Loan enables you to lodge securities in the name of an acceptable third party as a guarantor. The guarantor(s) will be required to read this brochure including the terms of the Guarantee, have an understanding of the risks involved and complete the relevant sections of the application form.

The providing of a Guarantee involves serious risks, including the risk of losing any assets that have been given as security for the loan. Should a default occur where a Guarantee of the obligations of a borrower is in place, we may call on the guarantor (either instead of, or in addition to the borrower) to pay the amounts that are owing.

A guarantor is also exposed to the actions of the borrower who may increase a guarantor's risk, for example by borrowing more or entering into new arrangements with us without reference to the guarantor. A guarantor may not terminate his or her obligations to us prior to the borrower repaying all monies owing. Leveraged Equities is not obliged to notify of increases or changed arrangements. We strongly recommend any guarantor to obtain independent legal and financial advice prior to entering into a Guarantee.

In most instances the risk to the guarantor is limited to the market value of the collateral lodged on the margin loan, however in the case of a director of a company, or if otherwise agreed in writing with us, the guarantor may be held responsible to pay the amounts owing. See the Guarantee on page 24 for more details.

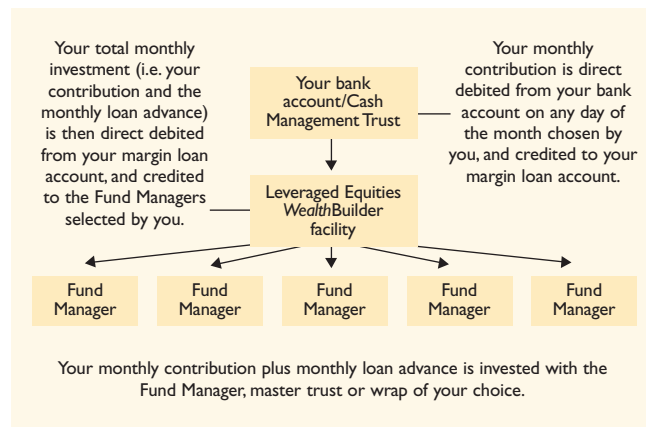
Investment risk and financial advice

Leveraged Equities does not advise, nor make any representation to you, as to the appropriateness or suitability of any securities you purchase. The identification of securities by us for margin calculation purposes is not a recommendation to purchase them. It is not a representation to you of our views as to the financial suitability or projected income level of an investment. We do not guarantee the performance of any securities.

Leveraged Equities strongly recommends that you obtain your own independent professional advice on the risks and suitability of this type of product and the taxation implications as they apply to your individual circumstances.

What is the Leveraged Equities *WealthBuilder*?

The Leveraged Equities *WealthBuilder* is an automated monthly saving plan with borrowings through your Margin Loan Account. You gradually invest in managed funds instead of a lump sum investment.



Features

- Investment requirements:**

Initial investment:

Your minimum contribution	\$1,000
Minimum drawdown on margin loan	<u>\$2,000</u>
	\$3,000

Regular monthly investments:

Your minimum contribution	\$250
Minimum drawdown on margin loan	<u>\$250</u>
	\$500

- Your contributions can be from available funds, both initially and on an ongoing basis.
- The usual \$20,000 minimum loan requirement does not apply when using *Wealthbuilder* (however it will apply if you stop making regular contributions).
- The Leveraged Equities *WealthBuilder* can be used on a stand-alone basis or as part of an overall geared investment strategy.
- You choose which managed funds, master trusts and wrap accounts to invest in.
- Minimum contributions can be channelled into one or more of your choice of managed funds. *Please note that individual Fund Managers may have their own minimum investments.*
- There is no limit as to how many funds you can invest

in from our approved securities list.

- You can make redemptions and switches between funds at your convenience.
- Individual and joint margin loan applications generally approved within 24 hours.
- In most circumstances there is no requirement for an asset and liability test.
- No establishment fee or monthly administration fees.
- Your monthly investments are accrued to give an indication of your position until fund balances are updated.
- Your monthly contribution can be made on any day of the month you choose.

Scenario 1 - ungeared

What are the benefits of the Leveraged Equities *WealthBuilder*?

- Low entry access to the benefits of leveraging to enhance your potential for wealth creation (the usual \$20,000 minimum loan requirement is not applicable for clients using *WealthBuilder*).
- Convenience, as once the *WealthBuilder* facility is established your total monthly investment occurs automatically.
- Encourages a disciplined long term form of investment.
- A high degree of diversification is possible, with the ability to alter your investment mix depending on factors such as risk profile or market outlook.
- Regular monthly investments may allow you to reduce the average entry cost of your investments. This is known as “dollar cost averaging” as you automatically buy more units when prices are low, and less when prices are high.

How can *WealthBuilder* work for you?

Paul has \$10,000 of his own funds and wants to invest into an Australian share managed fund. He can afford to contribute an additional \$500 each month from that point on for five years. He doesn't borrow any funds.

After five years, the total portfolio value would be \$54,099. The total contribution that Paul has made is \$39,500, this is made up of the \$10,000 initial investment and \$500 monthly from that point on for five years.

Scenario 2 - 50% geared

Paul has \$10,000 of his own funds and borrows \$10,000 from a Leveraged Equities Margin Loan Account, giving him a total initial investment of \$20,000. Paul invests an additional \$500 monthly from that point on for five years and Leveraged Equities, through the *WealthBuilder* facility, will match Paul's monthly investment with a loan advance of \$500 each month, giving a total monthly investment of \$1,000.

In this scenario, Paul has adopted a 50% gearing strategy, as he has contributed and borrowed equal amounts. After five years, the total portfolio value would be \$108,197, Paul's total contribution being \$39,500 with total borrowings of \$39,500.

Scenario 3 – 70% geared

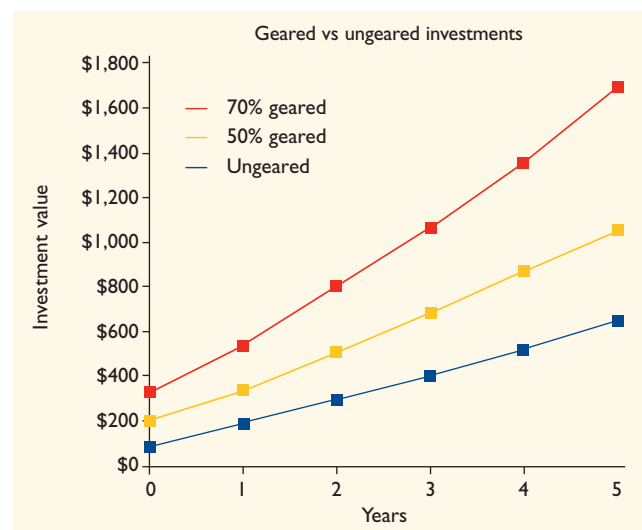
Paul has \$10,000 of his own funds and borrows \$23,333 through his Leveraged Equities Margin Loan Account, giving him a total initial investment of \$33,333. Paul invests an additional \$500 monthly from that point on for five years. Leveraged Equities, through the *WealthBuilder* facility, will supplement Paul's monthly \$500 investment with a loan advance of \$1,000 each month, giving a total monthly investment of \$1,500.

In this scenario, Paul has adopted a 70% gearing strategy, as he has contributed approximately one third of both the initial and monthly investment amounts.

After five years, the total portfolio value would be \$167,692, Paul's contribution being \$39,500 with total borrowings of \$82,333.

The graph below compares the returns for the ungeared, 50%

geared and 70% geared options over a five year period.



Assumptions: Capital growth of 6% p.a., income yield of 4% p.a. 50% franked, distributions are reinvested, marginal tax rate of 48.5% p.a. (incl. Medicare levy). This does not take into account interest rate cost of the margin loan.

The above example is for illustrative purposes only and does not constitute investment advice. The actual result achieved will depend upon the performance of the investments made. This can be influenced by a number of factors including economic conditions, investment management and future taxation legislation.

The gearing of an investment increases the potential risk as well as the potential return. We would refer you to the risks of leveraging as detailed in our brochure.

This is not an investment recommendation. We strongly recommend that you obtain your own independent professional advice on the risks of this type of investment as they apply to your individual circumstances.

What do I need to do?

How do I apply?

- The information contained in this brochure, and the legal documents found in the end of this booklet set out comprehensive details of this facility. Please read these documents carefully.
- Complete the application documents, including the Leveraged Equities *WealthBuilder* if you intend to apply for that product.
- Attach any supporting documentation required as per the application checklist.
- Enclose the application form and any supporting documentation in the envelope provided and either post directly to Leveraged Equities Limited or lodge them through your Adviser.

For a copy of the Solicitors Trust Opinion, please send an email to trustopinion@leveraged.com.au

What are the conditions of approval?

Leveraged Equities has a streamlined approval process for establishing your loan account. There is generally no requirement for an asset and liabilities or income assessment. A satisfactory credit reference check conducted by Leveraged Equities in addition to the provision by the applicants of an acceptable form of identification is all that is normally required.

What happens when I sign up?

Leveraged Equities will review your application and normally open an account in an individual name within 24 hours of receipt of a correctly completed application form. For company and trust applicants, please allow at least three business days.

Company applicants should note that Leveraged Equities will register a fixed charge with the Australian Securities and Investment Commission. Should the company already have a charge to an existing lender, we will require signed documentation from the other lender before approval can be given. This may result in a significant time delay.

What happens when the account is approved?

Leveraged Equities will contact you to ensure that you understand the risks associated with margin lending, and to answer any questions that you may have. You will receive notification from us confirming your details and providing you with your account number.

Please note that although there is no requirement to drawdown funds on activation of the margin loan account,

interest is payable on a minimum loan balance of \$20,000 one month after the first drawdown date.

How do I operate my Leveraged Equities Margin Loan Account?

1. How do I lodge security?

You can lodge security with your application or at a later stage. Accounts can be set up in anticipation of security to follow. The procedures are as follows:

Shares

You will need to send us a copy of your most recent CHESS/Issuer Sponsored holding statement along with an authority for Pirie Street Custodian Ltd to become the sponsor of these shares. If you are lodging your whole portfolio, which is already held with another CHESS sponsor, you can send us a request to transfer across your whole Holder Identification Number (HIN).

Note: A change in the sponsorship of shares may be treated by the share registries as a new share holding. You may be required to re-notify the registries of your tax file number and dividend instructions.

Managed funds

You will need to send us a copy of your most recent holding statement from the Fund Manager along with an authority for Pirie Street Nominees Pty Ltd to take a hold over the fund. We will arrange for the appropriate documentation to be sent to the Fund Manager.

2. How do I buy and sell shares?

You can trade shares with any Stockbroker of your choice. We will require an initial written authority to settle transactions with each of the broking firms that you have chosen to deal with.

Buying shares

You must notify your Adviser that Leveraged Equities will pay for the trade. Your Broker will be required to send us a copy of any contract notes you wish to be settled by Leveraged Equities. On settlement, the funds will be drawn from your Leveraged Equities account and paid to your Broker, increasing your loan.

You are able to purchase shares that are not on our list of securities, however, these will not be assigned a margin value. You will need to have lodged your equity contribution in the form of either securities or cash.

Selling shares

You must notify your Adviser that Leveraged Equities will deliver the shares. Your Broker will need to send us a copy of any contract notes you wish to be settled by Leveraged Equities. On settlement, the sale proceeds will be paid to Leveraged Equities and used to reduce your loan.

3. How do I apply for and redeem managed funds?**Applying for units**

You must send Leveraged Equities a completed, current managed fund application form. Either send a cheque for the initial contribution or we will draw the application money from your account and lodge the application with the Fund Manager. You can lodge managed funds that are not on our list of acceptable securities, however, these will not be assigned an LVR or margin value.

Redeeming units

You must notify us in writing, and then we will contact the Fund Manager to redeem the units.

If you have any questions or difficulties when completing the application, please do not hesitate to contact Leveraged Equities on 1300 307 807.

Acceptable lending list:

A list specifying the collateral that Leveraged Equities will accept as security for your margin loan. It also indicates the LVR or the maximum lending margin for each of those securities.

Acceptable securities:

Collateral that Leveraged Equities will accept as security for your margin loan.

Buffer:

The buffer is a percentage of the market value of the collateral lodged as security on your margin loan account. This percentage may vary according to the type of collateral lodged and in some cases, there may be no buffer applicable. The buffer is used to determine whether the account is in a margin call and helps prevent the occurrence of Margin Call Payments as a result of small market fluctuations.

Capitalised (compound) interest:

Where accumulated loan interest is charged monthly and then added to the principal loan amount. As a result, interest is calculated on the accumulated interest in addition to the original principal amount.

CHESS:

(Clearing House Electronic Subregister System). It is the Australian Stock Exchange's system of registration (on computer) of shareholdings in certain companies.

Dollar cost averaging:

Regular monthly investments may allow you to average the entry cost of your investments. This is known as "dollar cost averaging" as you automatically buy more units when prices are low, and less when prices are high.

Guarantee:

Part C of the Leveraged Equities Margin Lending Agreement that outlines the risks and responsibilities of any guarantor.

HIN:

A Holder Identification Number is the number allocated by the sponsor of your shares and is used to identify a holder of securities on the CHESS Subregister.

It also links the holding details maintained on the CHESS Subregister with the Holder's Registration Details, for example the address details.

Instalment gearing:

A wealth creation strategy which combines a regular savings plan and regular drawdowns from a margin lending facility. The total amount is invested in managed funds as instructed by investors.

Leveraging/Gearing:

The process of increasing funds available for investment through borrowing.

LVR:

Loan to Value Ratio. It refers to the maximum lending ratio that Leveraged Equities applies to an acceptable security.

Managed fund:

A portfolio of investments professionally managed by a Fund Manager.

Margin Call Payment:

A payment that is required to bring back your margin loan balance within the acceptable gearing level. This occurs when the loan balance exceeds the maximum gearing level by more than the buffer.

Margin value:

The maximum value that Leveraged Equities are prepared to lend on a particular security. Equal to the market value of the collateral multiplied by the LVR (lending margin) of your collateral.

Revolving line of credit:

A flexible loan used for business or investment purposes that offers a redraw facility up to the agreed limit.

WealthBuilder:

The Leveraged Equities instalment gearing product.

This part of the booklet consists of several sections, which in turn are made up of the following:

Section 1: Mortgage Terms

These are the terms and conditions which will apply to the *Mortgage* if your *Offer of Mortgage*, contained in the *Application Form*, is accepted by us.

Section 2: Margin Lending Facility Agreements

1. Part A – the terms and conditions on which we make a *Loan* available to you.
2. Part B – you and the *Guarantor* giving us control over the *Secured Property* by:
 - (a) appointing a person or persons (referred to in the *Agreement* as the *Nominee*) as the holder of the legal title to some or all of your or the *Guarantor's Securities*; and
 - (b) appointing a person (referred to in the *Agreement* as the *Sponsor*) as your *CHESS* sponsor in relation to some or all of your or the *Guarantor's Securities*.
3. Part C – a guarantee from another *Person* (referred to in the *Agreement* as the *Guarantor*) that the *Borrower* will pay all of the *Guaranteed Money*; and
4. Part D - general legal provisions (including representations, undertakings, events of default, indemnities and other protections) which apply to each Part of the *Agreement* and to the *Mortgage*.

Where required by law or otherwise necessary or convenient, we may (without giving you any *Notice*) treat one of more parts or sections of the *Agreement* as a separate agreement.

Section 3: Privacy Disclosure and Consent, Risk Disclosure Statement and Interest Options**Section 4: Power of Attorney and Direct Debit Service Agreement**

Section 1: The Mortgage Terms.

The following terms and conditions will apply to the *Borrower* and to each *Guarantor* who makes an *Offer to Mortgage* which is accepted by us.

In the Mortgage Terms:

- "you" and "your" means the *Person* who makes us the *Offer of Mortgage*.
- "we", "us" or "our" means Leveraged Equities Limited (ABN 26 051 629 282), its successors and anyone it assigns its rights to.

The full meaning of the above words and other words printed like *This* are explained in Clause 82 of the *Agreement* (although these *Mortgage Terms* do not form part of the *Agreement*) and the *Mortgage Terms* are to be interpreted according to any other provisions set out in Clause 82 of the *Agreement*.

1. The Mortgage you offer to give us

1.1 What you offer to mortgage

You mortgage to us all of your right title and interest, both present and in the future, to, under or derived from the *Secured Property* in accordance with these *Mortgage Terms*.

1.2 What is the Secured Property

The *Secured Property* will consist of:

- all *Securities* that are transferred into, or registered under, a *Holder Identification Number* with the *Sponsor*;
- all *Securities* that are transferred to the *Nominee* to be held on your behalf;
- all *New Rights* at any time attaching to, or arising out of any *Secured Property* (including those arising out of or attaching to other *New Rights*);
- all rights to repayment or redemption of money in any *Deposit Account*, including rights to interest and rights to distributions of income and property whether or not the interest or distribution is credited to the *Deposit Account*; and
- any *Additional Securities* (being *Securities* or other property including choses in action) we may require you to provide under Clause 8 of these *Mortgage Terms* to be held as part of the *Secured Property* and subject to the *Mortgage Terms*).

1.3 What the Mortgage secures

The *Mortgage* secures:

- in respect of both the *Borrower* and the *Guarantor*, the due and punctual payment of the *Total Amount Owed*; and
- in the case of the *Guarantor*, the due and punctual payment of the *Guaranteed Money*.

1.4 Continuing security

The *Mortgage* is a continuing security, despite any settlement of account, intervening payment or anything else, until we have given you a final discharge of the *Mortgage*.

1.5 Other Securities, judgements, rights or remedies do not effect the Mortgage

No *Power* and nothing in the *Mortgage* merges in, or in any other way prejudicially affects or is prejudicially affected by, any other *Encumbrance* or any judgment, right or remedy against any *Person* that we may have at any time.

1.6 How we identify your Secured Property

Where *Secured Property* is contributed by more than one person whether under this *Mortgage* or under another *Mortgage* taken to secure the *Total Amount Owed* or the *Guaranteed Money*, then we may:

- identify the *Secured Property* as relating to any *Person*, by any method we determine from time to time; and
- enforce the *Mortgage* against the *Secured Property* of any *Person* in such order as we determine from time to time.

2. How the Mortgage affects you and the Secured Property

2.1 Total Amount Owed

- If you are the *Borrower*:
 - you must duly and punctually pay the *Total Amount Owed*; and
 - if an *Event of Default* occurs, we may demand that you pay all or any of the *Total Amount Owed* at any time we request it.

- If you are a *Guarantor*:
 - you must duly and punctually pay the *Guaranteed Money*; and
 - if an *Event of Default* occurs, we may demand that you pay all or any of the *Guaranteed Money* at any time we request.

2.2 Registration of us as holder of your Securities

We may at any time procure the registration of ourselves or any other *Person* on our behalf as the registered holder of any of your *Securities*.

2.3 Possession and exercise of rights

While the *Mortgage* is in effect, you must give us or the *Nominee* possession of all documents of title to interests in (or that evidence) real property or the *Secured Property*.

2.4 Maintaining the Secured Property

You must:

- carry out on time all of the obligations in connection with the *Secured Property* and comply with all directions, requests or requirements of government agencies relating to the *Secured Property*;
- immediately after becoming aware of any *New Rights*, provide us or a *Person* we nominate with particulars of the *New Rights*;
- take up *New Rights* in respect of the *Secured Property* if we ask you (we will only ask you to do this if we believe failure to take up *New Rights* would make the *Secured Property* significantly less valuable);
- if we ask, give us a copy of all documents you receive as holder of, or in connection with the *Secured Property*;
- if you become aware of any defect in your ownership of the *Secured Property*, immediately take steps to rectify it;
- not do anything, or fail to do anything, that we think would have a material adverse effect on the *Security Value* or our interest in it;
- if we ask, ensure that the *Person* we nominate becomes and remains a joint signatory to any *Deposit Account*; and
- comply with any conditions we attach to any approvals or consents we give to you in connection with the *Mortgage*.

2.5 Dealing with the Secured Property

- Unless we consent first in writing, you may not:
 - create or allow to exist any *Security Interest* over any *Secured Property*; or
 - in any other way:
 - dispose of;
 - create or allow any interest in; or
 - part with possession of, any *Secured Property*.
- Where by law we may not restrict the creation of any *Security Interest* over an asset ranking after the *Mortgage*, paragraph (a) will not restrict that creation. You must ensure that before that *Security Interest* is created the holder of that *Security Interest* enters into a deed of priority in accordance with Clause 5 of these *Mortgage Terms*.
- You must get our written consent before you:
 - take steps to change any of the *Secured Property* that are *Certificated Securities* to uncertificated securities (or vice versa);
 - close, vary the terms of, or change the signatories to, any *Deposit Account*; or
 - waive any of your rights or release any *Person* from its obligations in connection with the *Secured Property*.
- In respect of any warrant or option (being a warrant or option over *Securities*) which forms part of the *Secured Property*:
 - you acknowledge that we will not be, and cannot be held to be, aware of the terms of issue nor any requirement upon you to act or do anything prior to the expiry of the warrant or option held as *Secured Property*; and
 - you acknowledge that we will not assume any obligations of the issuer of the warrant, option or other *Security*, including, but not limited to, seeking any instruction from you regarding any action required in dealing with the warrant, option or *Security* prior to expiry or otherwise.

2.6 Release of Secured Property

- If at any time the *Security Value* exceeds the *Total Amount Owed*, you may request that we release part of the *Secured Property*.
- We are not obliged to release any of the *Secured Property*, but may do so in our absolute discretion if we are satisfied that after the release, the *Security Value* will be, and is likely to remain, greater than the *Total Amount Owed*.

2.7 Completion of documents

We, any of our *Authorised Officers*, any *Receiver* or *Attorney* may complete any document which at any time is executed by you or on your behalf and deposited with us or the *Nominee*. Such documents may be completed in favour of any *Person*.

2.8 Our Powers under the Mortgage

If an *Event of Default* occurs, we may do anything that the absolute beneficial owner of the property could do including the following:

- (a) sell without notice, appropriate or otherwise deal with part or all of the *Secured Property* in any manner we consider fit (you agree that any such disposal is not open to challenge for any reason);
- (b) complete, sign, seal, deliver and register any transfers or other documents that are required to enable the transfer of the *Secured Property*;
- (c) deliver any certificates relating to the *Secured Property*;
- (d) effect the transfer of any *Securities* from a *Participant Sponsored Holding* to a purchaser or other relevant *Person*;
- (e) employ or discharge any *Person* as professional adviser, consultant or broker for any purpose on such terms as we think fit;
- (f) exercise any voting or other rights or powers in respect of any *Security* in the *Secured Property*;
- (g) receive any cash dividend in respect of any *Security* in the *Secured Property*;
- (h) operate the *Deposit Account* without signature, and give notice to the *Depositee* that we now have this right and that you no longer have such a right;
- (i) apply the balance in the *Deposit Account* towards the *Total Amount Owning*; and
- (j) make any arrangement or compromise which we consider expedient in our interests;
- (k) bring or defend any action, suit or legal proceedings in your name or otherwise, for all or any of the above purposes;
- (l) take any other action that the absolute beneficial owner or *Receiver* of the *Secured Property* could; or
- (m) appoint a *Receiver* to do any of those things.

2.9 Statutory Powers

The *Powers* conferred on us by law:

- (a) are in addition to the *Powers* conferred under the *Agreement*;
- (b) to the extent permitted by law, may be exercised immediately an *Event of Default* occurs and at any time subsequently; and
- (c) are excluded or varied to the extent that they are inconsistent with the express terms of the *Agreement*.

2.10 Notice not required to enforce Mortgage

- (a) To the extent permitted by law:
 - (i) you dispense with any notice or lapse of time required by law before we may enforce the *Mortgage* or exercise any *Power*;
 - (ii) we are not required to give notice to any *Person* before enforcement or exercise; and
 - (iii) any law requiring the giving of notice or the compliance with a procedure or the lapse of time before enforcement or exercise is excluded.
- (b) Where a law cannot be excluded and requires a period of notice to be given, if the law allows the period to be specified or changed, that period is one day.

2.11 You must assist us

If we ask you to do anything:

- (a) for more satisfactorily mortgaging, assuring or securing the *Secured Property* to us in a manner consistent with the *Agreement*; or
- (b) for aiding in the execution of any *Power*, you must do it immediately at your cost. It may include registering us (or our *Nominee*) as the registered holder of any part of the *Secured Property*, registering the *Mortgage* or any transfer of the *Secured Property*, registering the power of attorney or a similar power, executing and delivering blank transfers, or granting us and the *Nominee*, *Powers* that the *Agreement* intended and appears to grant to us or the *Nominee*.

2.12 Prospective Liability

- (a) Subject to Clause 2.13 below, for the purpose of the *Corporations Act*, the maximum prospective liability (as defined in the *Corporations Act*) secured by the *Mortgage* is A\$100,000,000 or its equivalent.

- (b) The nature of that prospective liability is advances, interest, fees, costs, indemnities and other amounts included in the definition of *Total Amount Owning*.

2.13 Increase in prospective liability

From time to time, we may lodge a notice under s268(2) of the *Corporations Act* on your behalf specifying an increase in the maximum prospective liability secured by the *Mortgage*. From the date of lodgement the sum specified in Clause 2.12 above will be taken to be varied to the sum specified in the notice.

3. Priority of Mortgage

The *Mortgage* takes priority over all *Security Interests*, except those to which we have consented in writing.

4. Amounts and property secured by other Security Interests

- (a) The holder of another *Security Interest* affecting the *Secured Property* may give us a certificate stating the amount and property secured by the *Security Interest* they hold. We and any *Receiver* or *Attorney* may rely on that certificate.
- (b) We or any *Receiver* may pay or agree to pay the amount the holder of a *Security Interest* certifies as necessary to discharge the *Security Interest* or some of the indebtedness secured by it or to acquire it. From the date we pay that amount, it will be part of the *Secured Property* and you must indemnify us and the *Receiver* against that amount. This applies whether that *Security Interest* was valid or prior to, equal to or has a subsequent ranking, or the property or moneys stated in the certificate were secured by it.

5. What if we consent to a subsequent Security Interest?

- (a) If we consent to a subsequent *Security Interest* over the *Secured Property* and if we ask, then you must get an agreement acceptable to us regarding the priority between the *Mortgage* and the other *Security Interest*.
- (b) If you do not get both our consent and an agreement acceptable to us, we:
 - (i) need not make money available under the *Agreement*; and
 - (ii) may exercise any other rights that arise because you do not do so, such as the right to sell or otherwise deal with the *Secured Property*.
- (c) You must ensure that the amount secured under any other *Security Interest* over the *Secured Property* is not increased without our written consent.
- (d) You must comply on time with any obligation in connection with any other *Security Interest* over the *Secured Property*.

6. What happens to the money we receive on enforcing the Mortgage?

6.1 Order money is applied

All money we receive under or by virtue of the *Mortgage* will be applied in the manner and order we determine. Any surplus will not carry interest. If we pay the surplus to the credit of an account in your name with any bank carrying on business in Australia, neither we, the *Receiver* or *Attorney* (as the case may be) will be under any further liability in respect of it.

6.2 Moneys actually received

In applying any money towards the satisfaction of the *Total Amount Owning*, you will be credited only with the money available for that purpose which we actually receive. The credit will date from the time of receipt.

7. Protection of third parties to dealings with the Secured Property

7.1 No enquiry

No third party to any *Dealing* (as defined below), and no *Person* asked to register a *Dealing*:

- (a) is bound to enquire:
 - (i) whether an *Event of Default* has occurred or whether the *Mortgage* has become enforceable;
 - (ii) whether a *Person* who is, or purports to be, or is purported to be, a *Receiver* or an *Attorney* is duly appointed;
 - (iii) as to the amount of *Total Amount Owning* and whether *Total Amount Owning* is due and payable; or
 - (iv) in any other way as to the propriety or regularity of the *Dealing*.
- (b) is affected by express notice that the *Dealing* is unnecessary or improper.

For the protection of any third party, to a *Dealing* or a *Person* registering a *Dealing*, the *Dealing* will be taken to be authorised by the *Mortgage* and will be valid, even if there is any irregularity or impropriety in the dealing.

We are not required to notify any prospective or actual purchaser of the reason or circumstances of the sale of, or dealing with, the *Secured Property*.

In this clause a *Dealing* is:

- (a) any payment, or any delivery or handing over of an asset, to; or
- (b) any acquisition, incurring of *Finance Debt*, receipt, sale, lease, disposal or other dealing, by,

you or any *Receiver* or *Attorney*, or any *Person* who purports or is purported to be a *Receiver* or *Attorney*.

7.2 Receipt

The receipt of any of your *Authorised Persons* or any *Receiver* or *Attorney* (or *Person* who purports, or is purported, to be a *Receiver* or *Attorney*) for any moneys or assets payable to or receivable or received by it exonerates the *Person* paying those moneys or handing over that asset from being concerned as to their application, or from being liable or accountable for their loss or misapplication.

8. Further Security

At any time, we may require you to provide further property satisfactory to us to be held as part of the *Secured Property* and subject to the *Mortgage Terms*. These are called the *Additional Securities*. If we demand, you must:

- (a) transfer or deposit (or arrange for the transfer or deposit of) the *Additional Securities*, free of any other *Encumbrance*, to the *Nominee* to hold on your behalf under the *Nominee Agreement*;
- (b) enter into the *Sponsorship Agreement* with the *Sponsor* in respect of the *Additional Securities*; and
- (c) otherwise provide us or the *Nominee* with control over all dealings in the *Additional Securities* in a manner acceptable to us.

9. Appointment of Receiver

9.1 Appointment

To the extent permitted by law, at any time after an *Event of Default*, we or any of our *Authorised Officers* may:

- (a) appoint any *Person(s)* together or separately (or together and separately) to be a *Receiver* or *Receiver* and manager of all or any of the *Secured Property*;
- (b) remove any *Receiver*;
- (c) appoint another *Receiver* in addition to or in place of a *Receiver*; and
- (d) fix or vary the remuneration of a *Receiver*.

9.2 Your agent

Subject to Clause 9.4 below, every *Receiver* is your agent not ours. You are solely responsible for the acts and omissions of the *Receiver* and you must pay the *Receiver's Costs* and remuneration.

9.3 Receiver's Powers

Unless specifically excluded by the terms of its appointment, every *Receiver* has *Power* to do anything in respect of the *Secured Property* that you could do in addition to any *Powers* granted by law.

9.4 Receiver appointed after commencement of winding up

The power to appoint a *Receiver* may be exercised even if an order is made or a resolution is passed to wind you up. A *Receiver* appointed in those circumstances may not, or may not in some respects, act as your agent.

9.5 Powers exercisable by us

Whether or not a *Receiver* has been appointed, we may exercise any *Power* of a *Receiver* at any time after an *Event of Default* in addition to any *Power* we may have, and without giving notice. We may exercise those *Powers* and our *Powers*:

- (a) without taking possession or being liable as mortgagee in possession; and
- (b) directly or through one or more agents. Anything done or incurred by an agent will be taken to be done or incurred by us.

9.6 Withdrawal

We may give up possession of any *Secured Property* and withdraw any receivership at any time.

Section 2: Margin Lending Facility Agreements.

This Section contains the terms and conditions of your margin lending facility. If you complete and sign the *Application Form* and deliver it to us, you:

- (a) accept these terms and conditions and agree to be bound by them; and
- (b) make us the *Offer of Mortgage*.

You do not have to sign any legal documents other than the *Application Form* if you are only applying for a margin lending facility. If we accept your application, we will sign the *Agreement* on your behalf and on behalf of the *Guarantor* under the power of attorney which you and the *Guarantor* provide to us in the *Application Form*. Once we execute the *Agreement*, you will be bound by its terms, and it will form a single agreement (consisting of the *Loan Agreement*, the *Nominee Agreement*, the *Sponsorship Agreement* and the *Guarantee*), between:

- (a) you (as *Borrower*);
- (b) any *Guarantor* (if applicable);
- (c) the *Nominees*;
- (d) the *CHESS Sponsor*; and
- (e) us.

It is important that both you and the *Guarantor* fully understand the nature of the documents you are both entering into as well as your respective rights and obligations under the documents. **Please read these documents carefully.**

If you have any questions about these documents, you should consult your solicitor, accountant or other professional adviser.

Meaning of words and expressions

In these terms and conditions, reference to:

- (a) a "person" includes both an individual and a corporation;
- (b) "you" and "your" means
 - (i) in the *Loan Agreement*, each applicant for a *Loan* which we accept and whose details are set out in the *Application Form*;
 - (ii) in the *Nominee Agreement*, the *Sponsorship Agreement* and the *Mortgage Terms*, each *Person* who makes us the *Offer of Mortgage*; and
 - (iii) in the *Guarantee*, each *Guarantor*.
- (c) "we", "us" and "our" means Leveraged Equities Limited (ABN 26 051 629 282), its successors and anyone it assigns its rights to.

The full meaning of the above words and other words printed like *This* is explained in Clause 82 of Part D of the *Agreement*.

Capacity in which you enter the Agreement

You and the *Guarantor* enter the *Agreement* in your personal or corporate capacity (as applicable), unless you have told us that you enter the *Agreement* as trustee of a trust. If you have told us that this is the case, you enter the *Agreement* as trustee of that trust for all your *Secured Property* subject to the trust and you also enter the *Agreement* in your personal or corporate capacity (as applicable).

Section 2: Part A – Loan Agreement.

This Part A sets out the terms and conditions on which we will make *Loans* to the *Borrower*.

1. Loan and Account

1.1 Loan

We will advance money to you on the terms of the *Agreement*. The maximum amount of money we are prepared to advance to you is an amount less than the total *Security Value* of all *Secured Property*. How you borrow money from us (and the conditions you need to satisfy) is set out in Clause 2. The requirement for you to repay the money advanced by us (and all other money owing by you to us) is set out in Clause 3. The requirement for you to satisfy margin calls is set out in Clause 4. The requirement for you to pay us interest is set out in Clause 5. How you make payments to us is set out in Clause 6.

1.2 No obligation to borrow

You are not obliged to borrow money under the *Agreement*. However, if your *Account Balance* is less than the amount we nominate from time to time, we may charge you a fee (including any notional interest calculated on the amount nominated by us at a rate specified by us from time to time and for a period determined by us).

Information regarding these fees, interest rates and amounts may be accessed through our *Online Service* or by calling Leveraged Equities on 1300 307 807.

1.3 Account

If you borrow money under the *Agreement*, we will establish one or more *Accounts* that will record all money owing by you to us under the *Agreement*.

2. How to borrow money

2.1 Borrowing request

- (a) We require the details for a borrowing request to be provided to us in writing. If the money is to be paid into a bank account other than your *Nominated Account*, you must also sign the borrowing request. However, we may in our absolute discretion accept notification from you other than by way of writing.
- (b) If you want to borrow, you must give us a borrowing request by 10am (Australian Eastern Standard time) at least 1 *Business Day* before the proposed borrowing date stating:
 - (i) **when** you want the money (this must be a *Business Day*);
 - (ii) **how much** money you want to borrow;
 - (iii) **where or to whom** the money is to be paid, (for example to your *Nominated Financial Adviser* or to a specified bank account); and
 - (iv) **details of the Securities** (including the identity and the amount) you intend to purchase.

Unless we agree, you may not cancel a borrowing request once it is made.

- (c) In the circumstances set out in Clauses 2.3, 2.4 and 2.5 below, if we receive a contract note or confirmation from your *Nominated Financial Adviser*, a *Form* or an invoice involving you, it will constitute a deemed borrowing request under Clause 2.1 and you need not make a separate borrowing request in those circumstances unless you wish to change or cancel the assumptions that we are entitled to make under those clauses (see below).
- (d) We are not liable for any loss, *Cost*, damage or expense which you may suffer or incur because the price of any *Securities* you plan to buy rises, or because those *Securities* cease to be available, before we advance any money to you.
- (e) You can apply to make as many borrowings under this Clause 2.1 as you wish. However, at the time we advance money to you the *Total Amount Owning* must not exceed the *Security Value*.

2.2 Conditions you must satisfy to borrow

- (a) We do not have to advance any money to you under the *Agreement*, unless, in our opinion:
 - (i) you, and if relevant, the *Guarantor*, have completed and signed the *Application Form* and the details you have provided in the *Application Form* are satisfactory to us;
 - (ii) where the money borrowed is not enough to cover the full *Costs* of any property which is to be *Secured Property*, you will pay or have paid the balance remaining;
 - (iii) you have paid us any fees we require;
 - (iv) your representations and warranties in the *Agreement* were true when made (or when deemed to be repeated on the date of any borrowing request);
 - (v) an *Event of Default* has not occurred and is unlikely to occur; and
 - (vi) you have provided us with all relevant notices, approvals, certificates, opinions or documents:
 - (A) required by the *Agreement* or the *Mortgage*; or
 - (B) that we have otherwise requested from you, and we are satisfied with these documents.
- (b) Even if you have done everything required under Clause 2.2(a), we may in our absolute discretion decline to advance the *Loan* on the day the *Loan* is to be made.
- (c) If we decline to advance the *Loan*, we will not be liable to you for any loss, *Cost*, damage or expense which you may incur or suffer as a result.

2.3 Borrowing to purchase listed *Approved Securities*

This Clause 2.3 applies if you wish to purchase *Approved Securities* which are traded on a financial market (for example, the ASX).

- (a) You cannot instruct us, the *Nominee* or the *Sponsor* to act as your *Broker* to purchase *Approved Securities* for you. However, you can instruct a *Broker* to purchase *Approved Securities* for you and to settle the purchase with us.
- (b) If we receive a contract note or confirmation from your *Nominated Financial Adviser* relating to your purchase of *Approved Securities*, we are entitled to treat the contract note or confirmation as a borrowing request from you under Clause 2.1 (unless you notify us otherwise) on the basis that the details on the contract note or confirmation set out the amount, date, payment and purpose details of your borrowing request (as required in Clause 2.1).
- (c) Subject to Clause 2.2:
 - (i) we will advance funds necessary to settle the transaction in *Approved Securities* on or before the settlement date by paying the amount to your *Nominated Financial Adviser* or other party specified in the contract note or confirmation in accordance with the deemed borrowing request; and
 - (ii) you must direct your *Nominated Broker* (if you have one) or other party specified in the contract note or confirmation to register the *Approved Securities* in a *Participant Sponsored Holding* with the *Sponsor* in accordance with Clause 11 of Part B of this *Agreement*.
- (d) If you wish to change or cancel a borrowing request under this Clause 2.3, you must provide separate written instructions to us in accordance with Clause 2.1 and referring to, and attaching a copy of, the contract note or confirmation.

2.4 Borrowing to apply for unlisted *Approved Securities* and *New Rights*

This Clause 2.4 applies if you wish to apply for *Approved Securities* which are not traded on a financial market (for example, the ASX) or for *New Rights* (for example, rights to acquire more *Approved Securities*, as a result of you already holding *Approved Securities*).

- (a) If we receive an application form or other document indicating your agreement to apply for *Approved Securities* or *New Rights* (the *Form*), we are entitled (unless you notify us otherwise):
 - (i) to treat the *Form* as a borrowing request from you under Clause 2.1 on the basis that the details on the *Form* set out the amount, date, payment and purpose details of your borrowing request (as required in Clause 2.1); and
 - (ii) to assume that you have read the relevant prospectus, product disclosure statement or offer document relating to the *Approved Securities* or *New Rights* (as the case may be) and that you agree to be bound by its terms.
- (b) Subject to Clause 2.2:
 - (i) we will advance funds necessary to accompany the *Form* on or before the settlement date to the party specified in the *Form* in accordance with the borrowing request; and
 - (ii) you must direct the *Issuer* specified in the *Form* to register the *Approved Securities* or *New Rights* in the manner required by us.
- (c) If you wish to change or cancel a borrowing request under this Clause 2.4, you must provide separate written instructions to us in accordance with Clause 2.1 and referring to, and attaching a copy of, the *Form*.
- (d) If the application referred to above is wholly or partly unsuccessful, we will apply the refunded application money towards the repayment of the *Total Amount Owning* in accordance with Clause 3, less our own *Costs* incurred to date. Interest is payable to us on the money advanced to fund the application until we receive the refunded application money.

2.5 Borrowing to pay calls, instalments and other amounts relating to *Approved Securities*

This Clause 2.5 applies if you wish to borrow money to pay a call, instalment or other amount relating to *Approved Securities* which you own and which are *Secured Property*.

- (a) If we receive an invoice indicating your obligation to pay a call, instalment or other amount relating to *Approved Securities*, we are entitled to treat the invoice as a borrowing request under Clause 2.1 (unless you notify us otherwise) on the basis that the details on the invoice set out the amount, date, payment and purpose details of your borrowing request (as required in Clause 2.1).
- (b) Subject to Clause 2.2, we will advance funds necessary to settle the invoice on or before the settlement date to the party specified in the

invoice in accordance with the deemed borrowing request.

- (c) If you wish to change or cancel a borrowing request under this Clause 2.5, you must provide separate written instructions to us in accordance with Clause 2.1 and referring to, and attaching a copy of, the invoice.

3. Repayment

3.1 Voluntary repayment

- (a) You may voluntarily repay to us all or any part of a *Loan*, and terminate the *Agreement* if you repay the *Total Amount Owing*, provided:
- you give us 1 *Business Day's Notice*; and
 - in respect of a repayment within the 4 months since you first borrowed from us, where the average monthly *Account Balance* is less than \$20,000, at least 4 months have passed since you first borrowed from us.

You may not cancel a notice to voluntarily repay once it is made. You may re-borrow any amount repaid, subject to and in accordance with Clause 2.

- (b) Such a repayment may give rise to fees and also additional costs payable under Clause 56 in Part D.

3.2 Repayment

You must repay to us all or part of the *Total Amount Owing* if we give you a *Notice* requiring you to repay, in which case you must repay the greater of the *Total Amount Owing* or the amount specified in the *Notice* before 4pm on the 5th *Business Day* after receiving the *Notice*.

3.3 Variation of repayment terms

We may change the amount, method of calculation, number, frequency or time for payment of repayments or the period over which repayments are to be made and the total amount of repayments at any time without your consent. Any changes may be notified to you through our *Online Service* or by sending you a *Notice* in our absolute discretion.

3.4 Review of facility

We may conduct periodic reviews of the standing of your *Account* and *Mortgage* and any matters that we consider relevant to your ability to repay the *Total Amount Owing* and the integrity and adequacy of the *Mortgage*. If any matter that we consider relevant and material is not satisfactory, we may either request that you rectify the matter or we may terminate the *Agreement* under Clause 67 in Part D.

3.5 Interest on excess repayments

If you repay more than the *Total Amount Owing* we are not required to pay you interest on the amount repaid. However, we may accept instructions from you as to payment of any amount repaid in excess of the *Total Amount Owing*, and any such instructions will be taken to be an irrevocable direction to pay the amount in accordance with those instructions.

4. Margin Requirements

4.1 Maintenance of ratio

Subject to Clause 4.2, if at any time on any day the *Total Amount Owing* exceeds the *Security Value* by more than the *Buffer* (if applicable), then by 4pm (Australian Eastern Standard time) on the next *Business Day* you must do any or all of the following:

- give us a *Security Interest* over additional property (both the property and the *Security Interest* must be satisfactory to us);
- repay some or all of the *Total Amount Owing* in the manner required by us; and
- sell, or give directions to sell or redeem, some or all of the *Secured Property* (and apply the sale proceeds to repay the money you owe us), so that the *Total Amount Owing* no longer exceeds the *Security Value*. You must do this even if we do not give you a *Notice* requiring you to do so.

4.2 Market events

If Clause 4.1 applies and either:

- the All Ordinaries Index decreases by 10% or more in a 24 hour period; or
- the market value of any or all of the *Secured Property* drops by more than 10% in value in a 24 hour period,

then you must comply with Clause 4.1 by 3pm (Australian Eastern Standard time) on the same day, or if the obligation under Clause 4.1 arises after 12 noon on that day, by 3pm (Australian Eastern Standard time) on the next *Business Day*.

4.3 Notice of Margin Call

If a *Margin Call* is triggered we may give you a *Notice* either in writing (including by fax, e-mail, telex, cable or other electronic means) or orally (including by telephone). However, we are under no obligation to notify you and you must yourself monitor the status of the *Total Amount Owing* and the *Security Value*. It is your obligation to keep the contact details you have given to us up to date so that you continue to receive any *Notices* we may give you.

4.4 Information

We will provide you with a statement regarding the *Security Value* and the *Total Amount Owing* each month or at such other longer or shorter intervals as we may notify you from time to time. This information may also be accessed through our *Online Service*.

4.5 Default

If you do not comply with your obligations under Clause 4.1, we are entitled to exercise any of our rights under Clause 55.2 in Part D.

4.6 Valuation

We may value the *Secured Property* or any part of the *Secured Property* at any time. We may determine and vary valuation methods and policies for the *Secured Property* in our absolute discretion. We may give you information about how we will value the *Secured Property* from time to time but this will not limit our discretion as to how we determine the *Security Value*.

5. Interest

5.1 What you must pay and when

- You must pay us interest calculated on the *Account Balance* in accordance with the rate we specify. We may change this rate at any time unless you have elected to fix the interest on the *Account Balance* or any part of it. Clause 5.4 sets out the terms and conditions for the fixed interest option.
- You must also pay us the fees and charges which we specify from time to time. We may change those fees and charges at any time.
- Interest on the *Account Balance* accrues daily from the date we advance money to you, up to and including the date you fully repay the *Total Amount Owing*.
- Interest is calculated daily on the *Account Balance*.
- We may provide you with a statement regarding the interest we have charged each month. This information, as well as the amount of daily accrued interest, may also be accessed through our *Online Service*.
- Unless you pay interest in advance, you:
 - must pay us interest on the *Account Balance* in arrears on the last day of each month; and
 - agree that if you do not do so or if you elect to capitalise the interest instead, we may add the interest payable to your *Account Balance* and you will then be liable for interest on that increased *Account Balance*, (this is known as "capitalising" or "compounding" the interest).
- Notwithstanding anything in this Clause 5.1, we may change the amount, method of calculation, frequency or time for payment of interest, fees and charges at any time in our absolute discretion and without your consent. We may notify any change to you through our *Online Service* or by sending you a *Notice*.
- Your obligation to pay interest, fees and charges:
 - is in addition to your obligation to pay the costs, charges and expenses set out in Clause 70 of Part D; and
 - is not affected by Clause 64 of Part D, and your obligation to pay interest, fees and charges does not depend on us notifying you or obtaining your consent.

5.2 Interest on overdue money

Details regarding interest that you and the *Guarantor* must pay to us on amounts that fall due for payment but are unpaid is set out in Clause 66 of Part D.

5.3 Prepayment of interest

- If we agree, you may pay interest on the *Account Balance* in advance. That interest is payable on the date we agree.
- Any prepayment of interest:
 - is charged the day before the commencement of the next interest period;

- (ii) will take effect at the commencement of the next interest period; and
 - (iii) will continue for the period for which interest has been prepaid.
- (c) Prepaid interest is not refundable. The retention of prepaid interest is in addition to any other amount payable by you upon termination of any agreement between us as to a *Fixed Rate* for a *Fixed Amount* (for example as described in Clause 5.4(g)).

5.4 Fixed Interest

- (a) If you ask and we agree, we will determine a fixed rate (**Fixed Rate**) applicable for a period (**Term**) to an amount (**Fixed Amount**) that you have borrowed or intend to borrow from us under the *Agreement*. We will confirm the *Fixed Rate*, the *Term* and the *Fixed Amount* to you in writing. There may be more than one *Fixed Amount* and *Fixed Rate* agreed between us at any time.
- (b) Interest calculated on a day on the *Account Balance* will, during the *Term*, be calculated at the *Fixed Rate* on that part of the *Account Balance* as is equal to the *Fixed Amount*. If on that day a *Term* is continuing with respect to more than one *Fixed Amount*, the *Account Balance* is to be treated as subject to the *Fixed Rate* (in respect of the applicable *Fixed Amount*) first agreed between us under paragraph (a) and then successively each subsequently agreed *Fixed Rate* (in respect of the applicable *Fixed Amount*).
- (c) Paragraph (b) does not apply to that part of the *Account Balance* outstanding on any day as is subject to a different agreement as to interest.
- (d) If on any day the *Account Balance* subject to interest in accordance with paragraph (b) is less than the aggregate of the *Fixed Amounts* applicable on that day, you must pay us a fee. That fee:
 - (i) is to be calculated on the daily balance of the amount by which the *Account Balance* subject to interest in accordance with paragraph (b) is less than the aggregate of the *Fixed Amounts* applicable on that day;
 - (ii) is to be calculated at the applicable *Fixed Rate* for all or such part of each *Fixed Amount* applicable on that day as is or are not subject to interest in accordance with paragraph (b) on that day;
 - (iii) accrues from day to day and is to be calculated on the number of days elapsed; and
 - (iv) is payable on the last *Business Day* of each month.
- (e) If you do not pay us a fee under paragraph (d) on the due date, we may add that fee to the amount of the *Account Balance*, and you will then be liable for interest on the total amount in the same manner as the *Account Balance*.
- (f) For the purposes of Clause 4, we will during a *Term* treat as included in the *Total Amount Owning* any amount that may become payable under Clause 70 or Clause 56 in Part D of the *Agreement* dealing with *Costs*, charges and indemnities (including, as a consequence of any hedging, funding or swap arrangements we enter into in order to agree a *Fixed Rate* with you).
- (g) If you ask and we agree, an agreement between us as to a *Fixed Rate* for a *Fixed Amount* may be terminated during the applicable *Term* upon the terms and conditions which we specify (including, without limitation, as to any amount payable by you to us in connection with our hedging, funding and swap arrangements).

6. Payments

You must pay any money you owe under the *Agreement* as follows:

- (a) (**Place for payment**) A payment must be made into the account or at the place we specify from time to time (and we may specify different places or accounts for different payments).
- (b) (**Date**) A payment must be made on or before the date it is due. Other than in relation to a *Margin Call* under Clause 4, if that date is not a *Business Day*, then you must pay us on the previous *Business Day*.
- (c) (**Time**) If no other time is specified by us in the *Agreement* or otherwise, we must receive payment by 10am (Australian Eastern Standard time) on the date that payment is due. If we receive a payment from you after 10am, we may treat it as having been received on the next *Business Day*. The time for making margin payments is specified in Clause 4.
- (d) (**Full payment**) A payment must be made in full immediately available funds without set-off, counterclaim or any withholding deduction of any kind.
- (e) (**Payment Currency**) All payments must be in cleared funds and in Australian dollars.

7. Additional Guarantors

- (a) In addition to the *Guarantee*, we may require a new *Person* to provide us with additional security. If this happens, the *Borrower* must make sure that the new *Person* signs an *Application Form* and becomes a *New Guarantor*, and gives us any document or information we reasonably request and that document or information is satisfactory to us.
- (b) Once the new *Person* has signed the *Application Form*, then the new *Person* will be treated as though they had been an original *Guarantor*, and will be bound by all the obligations in the *Guarantee*.

8. Other provisions

Other terms and conditions affecting the *Loan*, when you can borrow and what you must pay are set out in Part D (General Provisions).

Section 2: Part B – Nominee and Sponsorship Agreements.

Explanation of the *Nominee Agreement* and the *Sponsorship Agreement*

This Part B deals with two distinct legal relationships. These are the nominee arrangement under which a nominee company may hold certain securities owned by the *Borrower* or a *Guarantor* and mortgaged to us, and the arrangement under which Pirie Street Custodian Ltd will act as your *Sponsoring Participant* in relation to any of your *Securities* which have been converted to the *CHESS* system of registration. This Part B helps us to administer the secured loan and protect our position as lender.

The sponsorship part of this document (Clauses 9 to 19 inclusive) relates to the *CHESS* system of computer registration of shareholdings without the issue of share certificates. The *CHESS* System is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**).

Only certain people (**Participants**) can access the *CHESS* system.

Therefore, in order to buy or sell shares which have been converted to the *CHESS* system, you or any nominee that holds shares (**Holder**) need to be sponsored by someone who is a *Participant* in *CHESS*. Pirie Street Custodian Ltd is a *General Settlement Participant* in *CHESS* and can act as your *Participant*. The effect of the *Sponsorship Agreement* is to appoint Pirie Street Custodian Ltd as your *Controlling Participant* in *CHESS* in relation to shares you mortgage to Leveraged Equities.

The *Sponsorship Agreement* also contains special provisions to better protect Leveraged Equities as mortgagee of your shares. In particular, it stipulates that the *Sponsoring Participant* will only act in accordance with instructions received from Leveraged Equities, not from you. Otherwise, this part of the *Agreement* contains the standard provisions required by the *ASTC Settlement Rules* for *CHESS*.

These include:

- a statement of the *Holder's* ability to make a complaint to the regulatory body or *ASTC*;
- an acknowledgment by the *Holder* that if a transfer is effected by the *Participant*, the *Holder* may not claim against *ASTC* or the issuing company that it was not authorised by the *Holder*;
- a statement that in the event the *Holder* makes a claim for compensation against the *Participant*, the ability of the *Participant* to satisfy the claim will depend on its financial stability. The *National Guarantee Fund* does not cover breaches by the *Participant* under the agreement;
- a statement of the *Holder's* right to remove the shares from the *CHESS Subregister* or from the control of the *Participant* if the *Participant* is suspended from participation in *CHESS* (this right is subject to some control by Leveraged Equities as mortgagee over the shares);
- a statement that *ASTC* takes no responsibility for and has not approved the abilities or qualifications of the *Participant*.

We are required by these same rules to have explained the effect of the *Sponsorship Agreement* to you before it is signed. Our explanation to you is contained in these paragraphs, so if you are unclear on the effect of the *Nominee Agreement* and the *Sponsorship Agreement* please contact Leveraged Equities on 1300 307 807.

Nominee and Sponsorship

This Part B sets out certain arrangements under which your *Securities* will, if we require:

- (a) be held on your behalf in the name of a nominee or nominees (**the Nominee**); and
- (b) be controlled in the *CHESS* system by a *Sponsoring Participant* (**the Sponsor**).

In each case, the *Nominee* or *Sponsor* will be the person specified by us. These arrangements are intended to protect our position as lender and mortgagee in relation to the *Securities*.

9. Appointment of Nominee and what your Nominee can do

9.1 Appointment of Nominee

If, in accordance with the *Agreement*, you are required to hold in any of the *Securities* in the name of the *Nominee*, then:

- (a) you will transfer the *Securities* you own to the *Nominee*; or
- (b) if you do not yet own the *Securities*, you will have the *Nominee* acquire the *Securities*;
- (c) you accept that the *Nominee* will hold the *Securities* on your behalf in accordance with the terms of the *Master Nominee Deed*; and
- (d) you must pay the *Nominee* the full amount of the purchase price of any *Securities* that the *Nominee* acquires on your behalf.

9.2 What your Nominee can do

If the *Nominee* holds *Securities* on your behalf, it may, but is not obliged to:

- (a) hold and register any of your *Securities* under its own name;
- (b) hold any documents of title for any of your *Securities*, or deposit them with us in accordance with the *Mortgage*;
- (c) give us any information it obtains from you or that relates to the *Securities*;
- (d) exercise the voting power in respect of the *Securities* it holds on your behalf in the manner you instruct, unless we direct otherwise;
- (e) pay to you income earned on the *Securities* it holds on your behalf, unless we direct otherwise;
- (f) take up any *New Rights* relating to the *Securities* it holds on your behalf unless we direct otherwise (if our consent is required by the *Agreement*, the *Nominee* must obtain our consent first);
- (g) participate in any *Plan* in respect of the *Securities* (whether or not you request the *Nominee* to do so);
- (h) appoint us or any of our *Authorised Officers* as its attorney for the purpose of doing anything in relation to the *Securities* which the *Nominee* could do;
- (i) apply any money held by it on your behalf to satisfy any amount of money that you owe the *Sponsor* or us; and
- (j) do anything else (or refrain from doing anything else) that is necessary for the *Nominee* to comply with its obligations under the *Mortgage* or the *Master Nominee Deed*.

10. Your obligations in relation to the Nominee

In addition to any other obligations you have under the *Agreement*:

- (a) you must pay the *Nominee* upon request:
 - (i) its fees and charges as specified from time to time; and
 - (ii) its *Costs* and expenses in acting on your behalf (this may include taxes, duties, fees or penalties);
- (b) if you are obliged to do anything in relation to the *Securities* under the *Agreement*, then you must direct the *Nominee* to do anything necessary to ensure you comply with that obligation; and
- (c) you must not direct the *Nominee* to do anything which is inconsistent with your obligations under the *Agreement* or its obligations under the *Master Nominee Deed* (for example you must not direct the *Nominee* to transfer the *Securities* to you or to another *Person*).

11. Appointment of Sponsor as Controlling Participant

11.1 Meaning of Words in the ASTC Settlement Rules

The meaning of words printed like *This* are defined in Clause 82 of Part D of this *Agreement*. To the extent that a word is not defined, the word has the meaning given in the *ASTC Settlement Rules*.

11.2 Sponsorship Agreement

If, in accordance with the *Agreement*, you are required to hold your *Securities* in a *Participant Sponsored Holding* for the purposes of *CHES*:

- (a) you and the *Nominee* appoint the *Sponsor* to be the *Controlling Participant* for the purposes of *CHES* in respect of the *Securities*;
- (b) you direct the *Sponsor* to convert or transfer the *Securities* to a *Participant Sponsored Holding*; and
- (c) your *Participant Sponsored Holding* will be identified by the *Holder Identification Number (HIN)* notified to you by *CHES*.

11.3 Termination of prior Sponsorship Agreement

Any prior *Sponsorship Agreement* or arrangement between any of you, the

Nominee and the *Sponsor* in relation to the *Securities* being a *Sponsorship Agreement* or arrangement which is in your name as shown on the *Application Form* is terminated when the *Agreement* begins without affecting adversely any rights or obligations that arose before its termination.

12. Declaration by and information concerning the Sponsor

- (a) The *Sponsor* declares that, as a *General Settlement Participant* in the settlement facility operated by *ASTC*, it is the holder of an Australian Financial Services Licence (Number 240521) under the *Corporations Act* which authorises it to carry on such business.
- (b) The regulatory regime which applies to the *Sponsor* is the regulation of the clearing and settlement facility operated by *ASTC* and *ACH* under the *Corporations Act*, the *ASTC Settlement Rules* and the operating rules of *ACH* and the regulation of financial services licensees under the *Corporations Act*.
- (c) *ASTC* has not approved, and takes no responsibility for, abilities or qualifications of the *Sponsor* as a *General Settlement Participant*.
- (d) Information about the status of the *Sponsor* (as a financial services licensee and a *General Settlement Participant*) can be obtained from the Australian Securities and Investments Commission and *ASTC*.

13. Instructions

13.1 Power of the Sponsor

- (a) (**Your instructions**) You and the *Nominee* authorise the *Sponsor* as each of your agent to do any act under *CHES* relating to your *Participant Sponsored Holding*. You and the *Nominee* direct and authorise the *Sponsor* to sell, transfer, convert or take other action under *CHES* in respect of your *Participant Sponsored Holding*, so long as it acts in accordance with the *ASTC Settlement Rules* and:
 - (i) the *Sponsor* has received instructions from you, the *Nominee*, your *Nominated Financial Adviser* or anyone else appearing to be authorised by you;
 - (ii) the *Sponsor* has received instructions from us in relation to the *Sponsorship Agreement* or the *Mortgage*; or
 - (iii) otherwise under this *Sponsorship Agreement* or the *Mortgage*.
- (b) (**Our instructions**) The *Sponsor* must comply with any of our instructions in connection with this *Sponsorship Agreement* or the *Mortgage*.
- (c) (**Power of sale**) The circumstances in which the *Sponsor* can exercise a power of sale in respect of your *Participant Sponsored Holding* are set out in this Clause 13.1 and Clause 14.
- (d) (**Australian Options Market Cover**) Where you or the *Nominee* arrange with *ACH* to lodge *Securities* in a *Participant Sponsored Holding* as cover for written positions in the *Australian Options Market*, and you or the *Nominee* inform the *Sponsor* of the arrangement, you authorise the *Sponsor* to take whatever action is reasonably required by *ACH* in accordance with the *ASTC Settlement Rules* to give effect to that arrangement.
- (e) (**Charges and other interests**) Without limiting Clause 14, where you or the *Nominee* arrange with any person to give a charge or any other interest in *Securities* in a *Participant Sponsored Holding*, you authorise the *Sponsor* to take whatever action is reasonably required by the person in accordance with the *ASTC Settlement Rules* to give effect to that arrangement.

13.2 Reliance

Both we and the *Sponsor* may rely on any instruction given by a *Financial Adviser* and which purports to be given on your behalf or the *Nominee*'s behalf without the need to make any enquiry or otherwise verify the authority of that *Financial Adviser*. It is your responsibility to ensure that your *Nominated Financial Adviser* acts only in accordance with your instructions and we accept no liability for the *Nominated Financial Adviser* acting without your authority.

13.3 Right not to implement instructions

The *Sponsor* may refuse to act on any instruction given by you, the *Nominee*, your *Nominated Financial Adviser* or anyone else, if:

- (a) any amount is due by you in connection with this *Sponsorship Agreement*;
- (b) following the instruction would in the opinion of the *Sponsor* or us result in the *Total Amount Owing* exceeding the *Security Value*;
- (c) following the instruction would cause you or anyone else to breach this *Sponsorship Agreement*;
- (d) following the instruction would be contrary to the *ASTC Settlement*

Rules;

- (e) any condition in Clause 2.2(a) is not satisfied; or
- (f) the instruction is not capable of being implemented, for example because your *Participant Sponsored Holding* does not contain sufficient *Securities* to implement the instruction.
- (g) In the event of your death or bankruptcy, the *Sponsor* may request any information it reasonably requires in order to identify the person legally appointed to administer the estate.
- (h) The *Sponsor* is not obliged to *Transfer Securities* into your *Participant Sponsored Holding*, where payment for those *Securities* has not been received, until payment is received.

13.4 Transfer, Conversion and Withdrawal Instructions

- (a) Subject to this *Sponsorship Agreement*, the *Sponsor* will not initiate any *Transfer* or *Conversion* into or out of your *Participant Sponsored Holding* without your express authority.
- (b) Subject to Clause 13.4(c), Clause 13.1 and Clause 14, the *Sponsor* will initiate any *Transfer*, *Conversion* or an action necessary to give effect to any *Withdrawal Instructions* within the *Scheduled Time*.
- (c) Where the *Sponsor* claims that an amount lawfully owed to it has not been paid by you, the *Sponsor* has the right to refuse to comply with your *Withdrawal Instructions*, but only to the extent necessary to retain *Securities* of the minimum value held in your *Participant Sponsored Holding* (where the minimum value is equal to 120% of the current value of the amount claimed).

14. Protection of our Security Interest

14.1 Exercise of your rights and the Nominee's rights

You and the *Nominee* must exercise all of your respective rights in respect of your *Participant Sponsored Holding* in a manner that will preserve our *Security Interest* in your *Participant Sponsored Holding* and under the *Agreement* generally. If the *Sponsor* requests, you and the *Nominee* must:

- (a) take whatever action is reasonably required by us (as mortgagee under the *Mortgage*) in accordance with the *ASTC Settlement Rules* to give effect to the *Mortgage*;
- (b) direct that your *Participant Sponsored Holding* be transferred to or at the direction of the *Sponsor* (or anyone else that the *Sponsor* nominates);
- (c) direct that your *Participant Sponsored Holding* be converted to a holding that is not controlled by the *Sponsor*, but that is subject to a reserved *Subposition* in our favour and on the terms it specifies; or
- (d) do or refrain from doing anything in connection with the *Agreement* or your *Participant Sponsored Holding*.

14.2 Subpositions

You and the *Nominee* must seek the *Sponsor's* written consent before exercising a right to reserve or release *Securities* into or out of a *Subposition*.

14.3 Sale by the Sponsor

- (a) Any sale of or other dealing in a *Participant Sponsored Holding* by the *Sponsor* under this Clause 14 will be as your or the *Nominee's* attorney. The *Sponsor* is not our agent.
- (b) The *Sponsor* is not under any obligation or duty to you or the *Nominee* to sell any *Participant Sponsored Holdings* when it is able to under this *Sponsorship Agreement* or to postpone selling. In particular:
 - (i) if the *Sponsor* does not sell when it is able and the market value of the *Securities* continues to fall; or
 - (ii) if the *Sponsor* sells any of your *Participant Sponsored Holdings* and the market value of the *Securities* subsequently rises, the *Sponsor* will not be liable to you or the *Nominee* for any losses, *Costs* damages or expenses which may be suffered by you or the *Nominee*.

15. Acknowledgements by you and the Nominee

15.1 Acknowledgements by you and the Nominee

You acknowledge that:

- (a) **(ASX no responsibility)** neither ASX nor a *Related Party* of Australian Stock Exchange Limited (**ASX**) (including *ASTC*) has any responsibility for supervising or regulating the relationship between you, the *Nominee* and the *Sponsor* other than in relation to the *ASTC Settlement Rules* relating to *Sponsorship Agreements*; and
- (b) **(Explanation of Sponsorship Agreement)** you have read and understood the explanation of this *Sponsorship Agreement* which was provided to you at the time you signed the *Application Form* before you and the *Nominee* authorised the signing of this *Agreement*;

- (c) **(Holder Record Lock in the event of your death or bankruptcy)** in the event of your death or bankruptcy, a *Holder Record Lock* will be applied to all of your *Participant Sponsored Holdings*, unless your legally appointed representative or trustee elects to remove your *Participant Sponsored Holdings* from the *CHESS Subregister*; and
- (d) **(Sponsorship Arrangement in the event of your death)** in the event of your death, the *Sponsorship Agreement* is deemed to remain in operation, in respect of the *Person* legally appointed to administer your estate, for a period of up to three calendar months after the removal of the *Holder Record Lock* under the *ASTC Settlement Rules*, unless your legally appointed representative elects to remove your *Participant Sponsored Holding* from the *CHESS Subregister*; and
- (e) **(Sponsorship Arrangement applying to joint holdings)** where the *Sponsorship Agreement* applies to a joint *Participant Sponsored Holding* and:
 - (i) **(in the event of death of one joint Holder)** one of you dies:
 - (A) all *Participant Sponsored Holdings* under the joint *Holder Record* will be transferred into new *Participant Sponsored Holdings* under a new *Holder Record* in the name of the surviving *Participant Sponsored Holder(s)*; and
 - (B) the *Sponsorship Agreement* shall be valid for the new *Participant Sponsored Holdings* under the new *Holder Record*; and
 - (ii) **(in the event of bankruptcy of one joint Holder)** one of you becomes bankrupt, the *Controlling Participant* will:
 - (A) unless the legally appointed representative of the bankrupt *Participant Sponsored Holder* elects to remove the bankrupt's *Participant Sponsored Holding* from the *CHESS Subregister*:
 - (1) establish a new *Holder Record* and transfer the interest of the bankrupt *Holder* into new *Participant Sponsored Holdings* under the new *Holder Record* established for that purpose; and
 - (2) request the *ASTC* to apply a *Holder Record Lock* to all *Participant Sponsored Holdings* under that *Holder Record*; and
 - (B) establish a new *Holder Record* and transfer the interest of the remaining joint *Participant Sponsored Holders* into new *Participant Sponsored Holdings* under the new *Holder Record* established for that purpose; and
- (f) **(Transfer of holding)** if the *Sponsor* makes a transfer from your *Participant Sponsored Holding* under the *Sponsorship Agreement* pursuant to section 9 of the *ASTC Settlement Rules*, then:
 - (i) you may not assert or claim against the *ASTC* (or the relevant *Issuer*) that the *Sponsor* either was not authorised to make the transfer or did not make it; and
 - (ii) you do not have a claim arising out of the transfer against the *National Guarantee Fund* under Part 7.5, Division 4 of the *Corporations Regulations* unless the transfer is also taken to have been effected by a *Market Participant* of *ASX* or a *Clearing Participant* of *ACH*.
- (g) In the event of your death or bankruptcy the *Sponsor* may request any information it reasonably requires in order to identify the person legally appointed to administer the estate.

15.2 Acknowledgement to ASTC and Issuer

The *Sponsor* holds the benefit of your acknowledgement in Clause 15.1(f) in trust for the benefit of itself, *ASTC* and the relevant *Issuer*.

16. Obligations of the Sponsor

16.1 Suspension of Sponsor

In the event that the *Sponsor* is suspended from the *Settlement Facility*, subject to an assertion of an interest in *Securities* controlled by the *Sponsor*, where the assertion is made by either a liquidator, receiver, administrator or trustee of the *Sponsor*:

- (a) you have the right, within 20 *Business Days* of *ASTC* giving *Notice* of suspension, to give *Notice* to *ASTC* requesting that your *Participant Sponsored Holdings* be removed either:
 - (i) from the *CHESS Subregister*; or
 - (ii) from the control of the suspended *Sponsor* to the control of another *Sponsoring Participant* with whom you have entered into a valid sponsorship agreement pursuant to Rule 12.19.10 of the *ASTC Settlement Rules*; or
- (b) where you do not give *Notice* under Clause 16.1(a), *ASTC* may effect a change of *Controlling Participant* under Rule 12.19.11 of the *ASTC Settlement Rules*, and you will be deemed to have entered into a new sponsorship agreement with the substitute *Sponsoring Participant*, on the

same terms as the existing *Sponsorship Agreement*. Where you are deemed to have entered into a sponsorship agreement, the *Sponsoring Participant* must enter into a sponsorship agreement with you within 10 *Business Days* of the change of *Controlling Participant*.

16.2 Breach by Sponsor and complaints

If the *Sponsor* breaches the *Sponsorship Agreement*, or if you have a complaint against the *Sponsor*, you may refer the breach or complaint to the Australian Securities and Investments Commission (ASIC), ASTC, or the Financial Industry Complaints Service Limited (FICS).

16.3 Obligations of the Sponsor

The *Sponsor* must:

- (a) comply with the *Corporations Act*, all other relevant laws and the *ASTC Settlement Rules*;
- (b) exercise all due care in carrying out its duties and obligations; and
- (c) immediately notify us as the mortgagee if it becomes aware of any fact that might render it unable or ineligible to carry out its duties and obligations.

17. Claims for Compensation

- (a) No compensation arrangements apply to you as *Participant Sponsored Holder*.
- (b) If the *Sponsor* breaches this *Agreement*, you are not entitled to make a claim on the *National Guarantee Fund* for compensation.
- (c) If you make a claim for compensation against the *Sponsor* as your *Controlling Participant*, the *Sponsor's* ability to satisfy that claim will depend on its financial circumstances.
- (d) The *Sponsor* has lodged a *Sponsorship Bond* with ASTC and you may be entitled to make a claim under that *Sponsorship Bond*.

18. Information and Disclosure

18.1 Provision of information

You must provide all information and documents which the *Sponsor* reasonably requires to:

- (a) establish a *Holder Record*;
- (b) establish your *Participant Sponsored Holding* in *CHESS* under this *Sponsorship Agreement*;
- (c) conduct the *Participant Sponsored Holding* as set out in the *Agreement* and the *ASTC Settlement Rules*;
- (d) enforce the *Mortgage* or any other right under this *Sponsorship Agreement*; and
- (e) update any information.

We and the *Sponsor* may give each other and your *Nominated Broker* information concerning you and the *Nominee*. You and the *Nominee* each irrevocably consent to this.

18.2 Disclosure of tax file number

If you have given your tax file number to us, the *Nominee* or the *Sponsor*, you authorise us, the *Nominee* and the *Sponsor* to disclose your tax file number (as well as your full name (including your title) and postal address) to ASTC or any relevant Issuer for any purpose relating to *CHESS*, your *Participant Sponsored Holding* or the payment of dividends, distributions or other benefits.

19. Variation, Termination and Novation

19.1 Variation

To the extent any provision of this *Sponsorship Agreement* is inconsistent with the *ASTC Settlement Rules* (due to an amendment of the *ASTC Settlement Rules* or otherwise), the *Sponsor* may vary this *Sponsorship Agreement* to the extent necessary in its reasonable opinion to remove the inconsistency. The *Sponsor* must give you and the *Nominee* at least 7 *Business Days* notice in writing of the variation.

19.2 Termination

- (a) Subject to the *ASTC Settlement Rules*, the *Sponsorship Agreement* will be terminated upon the occurrence of any of the following events:
 - (i) by notice in writing from either you or the *Nominee* (as applicable) to the *Sponsor*;
 - (ii) by notice in writing from the *Sponsor* to either you or the *Nominee* (as applicable);
 - (iii) upon the *Sponsor* becoming Insolvent;
 - (iv) upon the termination or suspension of the *Sponsor*; or
 - (v) upon the giving of *Withdrawal Instructions* by you to the *Sponsor* under Clause 19.3.
- (b) Termination under Clause 19.2(a)(i) or (ii) will be effective upon receipt of notice by the other party to the *Sponsorship Agreement*.

- (c) Notwithstanding Clause 19.2(a) and (b) or anything else in the *Agreement*, for so long as the *Mortgage* is in force, you undertake to us that you will not give notice of termination under Clause 19.2(a)(i).
- (d) If the *Sponsorship Agreement* is terminated, you and the *Nominee* must immediately enter into a replacement sponsorship agreement on terms and with a *Controlling Participant* acceptable to us.
- (e) This Clause 19.2 has effect notwithstanding any other provision of the *Agreement*.

19.3 Change of Controlling Participant and Novation of Sponsorship Agreement

- (a) If you receive a *Participant Change Notice* from the *Controlling Participant* of your *Participant Sponsored Holding* and the *Participant Change Notice* was received at least 20 *Business Days* prior to the date proposed in the *Participant Change Notice* for the change of *Controlling Participant*, you are under no obligation to agree to the change of *Controlling Participant*, and may choose to do any of the things set out in paragraphs (b) or (c) below.
 - (b) You may choose to terminate the *Sponsorship Agreement* by giving *Withdrawal Instructions* under the *ASTC Settlement Rules* to the *Controlling Participant*, indicating whether you wish to:
 - (i) transfer your *Participant Sponsored Holding* to another *Controlling Participant*; or
 - (ii) transfer your *Participant Sponsored Holding* to one or more Issuer *Sponsored Holdings*.
 - (c) If you do not take any action to terminate the *Sponsorship Agreement* in accordance with paragraph (b) at left, and do not give any other instructions to the *Controlling Participant* which would indicate that you do not agree to the change of *Controlling Participant* then, on the *Effective Date*, the *Sponsorship Agreement* will have been taken to be novated to the *New Controlling Participant* and will be binding on all parties as if, on the *Effective Date*:
 - (i) the *New Controlling Participant* is a party to the *Sponsorship Agreement* in substitution for the *Existing Controlling Participant*;
 - (ii) any rights of the *Existing Controlling Participant* are transferred to the new *Controlling Participant*; and
 - (iii) the *Existing Controlling Participant* is released by you from any obligations arising on or after the *Effective Date*.
- (d) The novation in Clause 19.3(c) will not take effect until you have received a notice from the *New Controlling Participant* confirming that the *New Controlling Participant* consents to acting as the *Controlling Participant* for you. The *Effective Date* may as a result be later than the date set out in the *Participant Change Notice*.
- (e) You will be taken to have consented to the events referred to in clause 19.3(d) by the doing of any act which is consistent with the novation of the *Sponsorship Agreement* to the *New Controlling Participant* (for example by giving an instruction to the *New Controlling Participant*), on or after the *Effective Date*, and such consent will be taken to be given as of the *Effective Date*.
- (f) The *Agreement* continues for the benefit of the *Existing Controlling Participant* in respect of any rights and obligations accruing before the *Effective Date* and, to the extent that any law or provision of any agreement makes the novation in clause 19.3(c) not binding or effective on the *Effective Date*, then the *Sponsorship Agreement* will continue for the benefit of the *Existing Controlling Participant* until such time as the novation is effective, and the *Existing Controlling Participant* will hold the benefit of the agreement on trust for the *New Controlling Participant*.
- (g) Nothing in this clause 19.3 will prevent the completion of *CHESS* transactions by the *Existing Controlling Participant* where the obligation to complete those transactions arises before the *Effective Date* and the *Sponsorship Agreement* will continue to apply to the completion of those transactions, notwithstanding the novation of the *Sponsorship Agreement* to the *New Controlling Participant* under this clause 19.3.

Section 2: Part C – Guarantee.

This Part C sets out the terms and conditions on which a *Guarantor* gives a guarantee of the obligations of the *Borrower*.

IMPORTANT NOTE

This document means that you may be required to cover the debts of the *Borrower* referred to below as well as or instead of the *Borrower*.

Before you sign we recommend that:

- **You read it carefully.**
- **You check for yourself whether the *Borrower* can pay those debts.**
- **You see your own Solicitor and Financial Adviser.**

20. Summary of Guarantee

- (a) Words used in this *Guarantee* and printed like *This* are explained in Clause 82 of Part D. Where an example is given in this *Guarantee* it does not limit what else might be included.
- (b) By entering into this *Guarantee*, you guarantee to us that the *Borrower* will:
 - (i) pay us all the *Guaranteed Money* described in Clause 21 below; and
 - (ii) comply with the *Arrangements* described in Clause 21 below, except that, if your liability under this *Guarantee* is limited then it is limited to the amount of any *Secured Property* under the *Mortgage*, as set out in paragraph (c) below.
- (c) Your liability (or if there is more than one of you, each of your liability) under this *Guarantee* with us is limited to the amount we obtain by enforcing our rights under the *Mortgage* in respect of any *Secured Property* identified by us as being your *Secured Property* unless your liability is unlimited as set out in paragraph (d) below. The limit on your liability is subject to the additional provisions in Clauses 24 and 25 of this Part C.
- (d) Your liability under this *Guarantee* is unlimited and paragraph (c) does not apply if you:
 - (i) are a director of a company which is a *Borrower*;
 - (ii) have otherwise agreed in writing with us that your liability is unlimited.
- (e) You also agree to other matters relating to the *Arrangements* and the *Guarantee* set out below.
- (f) If the *Borrower* does not pay us any amount of the *Guaranteed Money* when it is due, we can demand that you pay that amount to us. You must then immediately pay us that amount, along with any loss, *Cost*, damage or expense we suffer if you or the *Borrower* do not pay us that amount.
- (g) This can happen as often as the *Borrower* does not pay us. It can happen even if we do not take action to recover the *Guaranteed Money* from the *Borrower*.
- (h) If an *Event of Default* occurs, then among other things:
 - (i) we can sue you (or if there is more than one of you, sue any one or more of you); and
 - (ii) if you (or any one or more of you) have given us a mortgage or other security over your property which secures this *Guarantee*, we can enforce it (for example, if that security includes a mortgage over shares or other property, we may be able to sell the shares and other property without any notice to you).
- (i) For the purpose of:
 - (i) determining your liability in relation to the *Guaranteed Money* and the amount of *Guaranteed Money* recoverable under the *Mortgage* and this *Guarantee*; and
 - (ii) making demands and enforcing the *Mortgage*, the limit on your liability under this Clause 20 will be disregarded, but ultimately the amount we can recover from you if paragraph (c) applies is limited to the amount we obtain by enforcing our rights under the *Mortgage* in respect of any *Secured Property* identified by us as being your *Secured Property*.
- (j) You give us this *Guarantee* and make the promises set out below because we have agreed to enter the *Arrangements*.

21. What does this *Guarantee* cover?

- (a) The *Arrangements* covered by this *Guarantee* are as follows:
 - (i) the *Borrower* applies for a loan and offers to mortgage or charge to us certain of its existing assets as security in anticipation of the loan which we will give to the *Borrower*;
 - (ii) at a later stage, the *Borrower* may also be required to use the assets it purchases with the money we lend it as further security for the loan;
 - (iii) if we accept the *Borrower's* application for a loan and its offer of mortgage, we will lend money to the *Borrower* so that the *Borrower* may buy shares or other investments or use the money for other business or investment purposes;
 - (iv) the *Borrower* agrees to repay this money to us (and all other money it owes us) when it is due; and
 - (v) the *Borrower* may be required to make additional payments or provide additional security if the value of its shares or investments falls.
- (b) The *Arrangements* may be changed from time to time in accordance with our agreement with the *Borrower*. We may also enter into new *Arrangements* with the *Borrower* and the new *Arrangements* will also be covered by this *Guarantee*. If you agree in writing that any other arrangement is to be covered by this *Guarantee*, then that also will be included as part of the *Arrangements*.
- (c) **This *Guarantee* relates to all money which the *Borrower* may owe to us now or in the future for any reason under or in respect of the *Arrangements*.** This is the *Guaranteed Money*.
- (d) At any time the *Guaranteed Money* will include the following, so long as it arises under or in respect of the *Arrangements*.
 - (i) Money which the *Borrower* actually does owe or will owe us. Examples of this include money which we have loaned to the *Borrower*, or agreed to pay for the account of the *Borrower*, and interest, fees and charges and damages.
 - (ii) Money which the *Borrower* contingently owes us at that time. Money is contingently owed where the *Borrower* has an obligation to pay us if something happens or becomes known. Examples of this include a guarantee or indemnity given by the *Borrower*, a promise by the *Borrower* to pay the legal costs we might pay if the *Borrower* defaults, or a promise to pay us if we suffer a loss or have to make a payment to someone else.
 - (iii) Money which the *Borrower* may owe us after that time if something happens or becomes known. This applies even if at that time there is no existing obligation to pay it, so long as it arises in relation to circumstances which at that time either exist or can reasonably be foreseen or contemplated. Examples of this include where we may later be able to sue the *Borrower* for damages because of something that may happen arising out of the *Arrangements*.
 - (iv) Money which the *Borrower* owes or will owe us as a result of a transfer to us of an obligation owed by the *Borrower*. This includes money contingently owed and money which may become owed later as described in paragraph (iii).
 - (v) Money (including money of the type set out in the above paragraphs) which the *Borrower* would have owed us but for some reason as described in Clause 22 below.

It includes in each case any money which the *Borrower* may owe together with others.

22. What happens if there is a legal problem with the *Borrower* or the *Guaranteed Money*?

- (a) For some reason we might have no legal right to recover an amount of the *Guaranteed Money* from the *Borrower*, or the *Borrower* might not owe us an amount that otherwise would have been included in the *Guaranteed Money*.
- (b) If for any reason that happens, you promise (or if there is more than one of you, each of you promise) to pay that amount to us whenever we ask. You also promise whenever we ask, to pay us for loss or costs we suffer:
 - (i) if that happens; or
 - (ii) if you do not have to pay us that amount.
- (c) Everything described in Clause 22 applies even if we knew of the problem, or should have known. It applies even if, because of the problem, the *Borrower* could never have been required to pay us the amount.

23. What difference does it make if there is more than one of you?

- (a) Each of you is individually liable under this *Guarantee* for the full amount of the *Guaranteed Money* up to the limit of your liability as specified in Clause 20, even if:
 - (i) we have not signed on behalf of one or more of the others;
 - (ii) one or more of the others is not bound by it; or
 - (iii) one or more of the others in the future stops being liable (for example, because we release him or her).
- (b) We can demand payment from one or more of you without demanding it from the others.

24. What if there is a limit on your liability?

If there is a limit on your liability under this *Guarantee* as mentioned in Clause 20 then:

- (a) if we do not recover all of the *Guaranteed Money* by enforcing our rights under this *Guarantee*, we cannot sue you for the balance or apply to have you wound up;
- (b) we may, however, prove for amounts due to us if someone else has applied to have you wound up;
- (c) you are not released from any of your obligations under this *Guarantee* (it only limits the amount you must pay);
- (d) the limit on your liability will not apply if you have made incorrect statements or have acted fraudulently in connection with this *Guarantee*; and
- (e) you may also be required to pay other amounts under Clause 25 of this Part C.

25. Other amounts you may be required to pay

In addition to the amount that you are required to pay in respect of the *Guaranteed Money*, we may require you to pay (whether or not your liability is limited):

- (a) interest under Clause 36 on any amount you owe us; and
- (b) expenses and government charges like stamp duty and other amounts under Clause 37.

26. Can you get out of this or stop your liability?

Once we have signed this *Guarantee* on your behalf, you cannot get out of it unless we agree in writing to cancel or modify your obligations. *Guaranteed Money* will include any money which becomes owing even if you want to stop your liability.

27. Your obligations are not affected by anything else which happens

Your obligations under this *Guarantee* are unconditional. They are not affected by anything which might release you from all or part of your obligations, or limit them, if you had not agreed to this Clause.

For example, you (or if there is more than one of you, each of you) continue to be liable even if:

- (a) we do not exercise any of our rights against the *Borrower* or anyone else;
- (b) we give the *Borrower* or anyone else time to pay or any other concession;
- (c) we make any arrangement or compromise with the *Borrower* or anyone else;
- (d) we give the *Borrower* or anyone else any discharge, or release or limit our rights;
- (e) we do not take security or accept an offer of security (for example, a mortgage or another guarantee) or do not have security, even if that security was mentioned to you;
- (f) this or any other document or security is not signed by any *Person* or is not binding on any *Person*;
- (g) we are negligent or mistaken, or break any agreement;
- (h) you (or if there is more than one of you, any of you), the *Borrower* or anyone else:
 - (i) who is an individual, dies or goes into some form of *Administration*; or
 - (ii) who is not an individual (for example, a corporation or partnership), has a change in its constitution or membership or goes into some form of *Administration*; or
- (i) the *Borrower* or anyone else has any claim against us.

28. Can the Arrangements be changed?

The *Arrangements* may be changed from time to time in accordance with our *Agreement* with the *Borrower*. We do not have to get your consent. This

Guarantee will cover the changed *Arrangements* or new *Arrangements* (which may include new loan agreements or credit contracts with the *Borrower*), even if it means that the amount of the *Guaranteed Money* is increased.

29. What if we hold other security?

If we hold any other security or right for the *Guaranteed Money* (for example, a mortgage or another guarantee):

- (a) we do not have to enforce it;
- (b) we can change it or release or give up all or part of it;
- (c) the value or effectiveness of that security or right can be reduced or lost, and your obligations under this *Guarantee* will not be affected. This applies even if that security or right was mentioned to you. We need not consider your position. Nor will your obligations be affected if the security or right is lost, or cannot be enforced.

When we have received all of the *Guaranteed Money* and all other money the *Borrower* owes us, you may get the benefit of any security or rights we then hold. Until then, you have no right to it.

30. What happens if the Borrower dies or goes into Administration?

If the *Borrower* or anyone else dies or goes into *Administration*, and we can make a claim in the estate or *Administration*, then:

- (a) you promise (or if there is more than one of you, each of you promise) not to make a claim in that estate or *Administration* until we have been paid all of the *Guaranteed Money*; and
- (b) if we receive any amount as a result of making a claim, or for any other reason, we can put it to one side.

We need not use it to pay the *Guaranteed Money* until we have received enough in respect of the *Guaranteed Money* to pay the *Guaranteed Money* in full. Until that happens, you (or if there is more than one of you, each of you) are fully liable for the *Guaranteed Money* as though we had received nothing up to the limit of your liability as specified in Clause 20.

31. Can you still be liable after the Borrower makes a payment?

Your obligations under this *Guarantee* are continuing. They apply to all of the *Guaranteed Money* from time to time even though some of it may have been paid by the *Borrower* or you (or if there is more than one of you, by any of you) or anyone else in the meantime.

32. What do we have to tell you?

We do not have to tell you anything about the *Borrower* or anyone else, nor do we have to tell you whether anything happens in relation to the *Guaranteed Money* or the *Arrangements* or any security or rights.

For example, we do not have to tell you:

- (a) if the *Borrower* or anyone else defaults or what action we take or do not take; or
- (b) whether the *Borrower* or anyone else is in financial difficulty; or
- (c) whether there is a problem with any security.

You should review the *Arrangements* and the *Borrower's* circumstances regularly so that you are aware of any possible enforcement of this *Guarantee* by us and any changed or new *Arrangements*.

33. Do we have to do anything else?

We only have to do what we expressly promise to do in writing as set out in the *Arrangements* and this *Guarantee* - nothing else.

You confirm (or if there is more than one of you, each of you confirm) that when you decided to enter into this *Guarantee*, you did not rely on any other promise, statement or conduct of any kind by us or any of our officers or representatives.

34. Do we have to apply money we receive for your benefit?

If we receive or recover any money in respect of debts of the *Borrower* or anyone else, we may use it to pay off whichever part of those debts we choose. We do not have to apply it for your benefit.

35. What happens if we have to refund a payment?

For some reason we might be required to refund or give up money which the *Borrower* or anyone else has paid to us or which we have recovered in any way. For example, this might happen because of a law about *Administration* or about the duties or powers of mortgagees, trustees, directors or officers, or because the money belonged to someone else.

If that happens for any reason, you (or if there is more than one of you, each of you) will owe us all the money you would have owed if the amount refunded or given up had never been paid or recovered.

You promise to do everything you can to restore us to all security and rights which we held immediately before we received the money we later had to refund or give up.

36. Is interest payable?

You promise to pay to us interest on any amount which you must pay (but do not pay) under this *Guarantee*, including interest. Clause 66 in Part D sets out your obligations to pay interest in more detail.

37. Do you have to pay government charges and our costs?

- (a) You promise to pay all amounts which we spend or incur in connection with:
- (i) preparing this *Guarantee*;
 - (ii) enforcing this *Guarantee* or considering enforcing it; and
 - (iii) all stamp duty and other government duties and charges on this *Guarantee* and payments and receipts under it.
- (b) Clause 70 in Part D sets out your obligations to pay charges and costs in more detail.

38. GST

Clause 71 in Part D sets out the treatment of GST.

39. Statements

A written statement by one of our *Authorised Officers*, or one of our lawyers, about a matter or setting out an amount owing under this *Guarantee* is sufficient proof of the matter or that you owe the amount stated, unless you prove it is wrong.

40. How, where and when do you make payments?

You promise to make all payments under this *Guarantee* when we demand them and without deducting amounts you claim from us as follows.

- (a) **(Place for payment.)** You must make all payments under this *Guarantee* into the account or at the place we may tell you from time to time.
- (b) **(Date.)** You must pay on or before the date it is due. If that date is not a *Business Day*, then you must pay us on the previous *Business Day*.
- (c) **(Time.)** If no other time is specified by us in this *Guarantee* or otherwise, we must receive payment by 10am (Australian Eastern Standard time) on the date that payment is due. If we receive a payment from you after 10am, we may treat it as having been received on the next *Business Day*.

41. Can either you or we transfer our rights?

We are able to transfer our rights, but you are not able to do so. Clause 72 in Part D sets out our respective rights to make such a transfer in more detail.

42. Can our rights be reinstated?

If we are required to refund or re-transfer money to a trustee in bankruptcy or liquidator, our rights to the payment of that money by the *Borrower* or *Guarantor* are reinstated. Clause 59 in Part D sets out the reinstatement of our rights in further detail.

43. Confidentiality

We can share all the information you give us, or that we collect about you in connection with this *Guarantee* with certain people. Clause 61 in Part D sets out who these people are.

44. Instructions must be given directly

We must receive instructions directly from you.

We will not accept instructions given to us by a person on your behalf. You can not appoint an *Authorised Person* to act on your behalf for the purposes of this *Agreement*.

45. Can we use money in your accounts?

If you have (or, if there is more than one of you, any one or more of you has) any money in any account with us or any related body corporation, we can use it to pay money you owe us under this *Guarantee*, but we need not do so.

46. How do we give you notices and demands?

Any of our *Authorised Officers* can give a demand or notice for us. Clause 76 in Part D sets out methods for sending notices, and when they will be taken to be received.

47. Effect of law

This *Guarantee* is subject to laws limiting us which cannot be excluded. Otherwise all laws which limit our power or require notices to be given are excluded as far as possible. If any part of this *Guarantee* is prohibited or unenforceable, it will not affect the remaining parts.

48. Governing law and jurisdiction

This *Guarantee* is governed by the laws of New South Wales. You (or if there is more than one of you, each of you) accepts the jurisdiction of the courts exercising jurisdiction there.

49. Telephone recording

- (a) We, the *Nominee* and the *Sponsor* may record any telephone conversation between you and any of us for any purpose permitted by law from time to time and may use these recordings as we see fit.
- (b) To the extent permitted by law, we, the *Nominee* and the *Sponsor* may keep the recordings for as long as any of us wish.
- (c) Clause 73 in Part D sets out our rights to record your telephone conversations in further detail.

50. What declarations and undertakings do you make?

You make the same representations and warranties, and make the same undertakings:

- (a) as if you were named in Clauses 53.1 and 54.1, 54.4 and 54.5 of Part D instead of the *Borrower*;
- (b) if you are a company, as if you were named in Clauses 53.2 and 54.2 of Part D instead of the *Borrower*; and
- (c) if you are trustee of a trust, as if you were named in Clauses 53.3 and 54.3 of Part D instead of the *Borrower*.

51. Joint and several liability

When more than one *Person* enters into this *Guarantee*, the obligations of those *Persons* under this *Guarantee* will be joint and several. This means that we can enforce those obligations (including any liability to pay us money) fully against any one or more *Person*.

52. Inclusion of other terms and conditions

This *Guarantee* includes the terms and conditions in Part D of the *Agreement*, and the terms and conditions in Part D are incorporated by reference. Together these terms and conditions form a single guarantee.

Section 2: Part D – General Provisions.

This Part D applies to the *Agreement* as a whole and also applies separately to Part A (*Loan Agreement*), Part B (*Nominee and Sponsorship Agreement*) and Part C (*Guarantee*) as if they were separate agreements. For this purpose:

- a reference to "you" or "your" in this Part D is a reference to the *Borrower* or the *Guarantor* as applicable; and
- references to the *Guarantor* in this Part D only apply to the extent that you are someone other than the *Guarantor* referred to (for example the *Borrower* or another *Guarantor*).

53. Representations and warranties

53.1 Representations and warranties for all Persons

You represent and warrant as follows.

- (a) **(Document binding.)** This *Agreement* and the *Mortgage* are your valid and binding obligations enforceable in accordance with their respective terms and the *Guarantee* is the *Guarantor's* valid and binding obligation enforceable in accordance with its terms.
- (b) **(Compliance with all laws.)** In entering into and performing this *Agreement* and the *Mortgage*, you have not breached (and will not breach) any law or obligation binding on you and, in entering into and performing the *Guarantee*, the *Guarantor* has not breached (and will not breach) any law or obligation binding on it.
- (c) **(Provision of all relevant information.)** You and the *Guarantor* have provided us with all documents and other information relevant to our assessment of whether to:
- (i) accept the *Offer of Mortgage*;
 - (ii) enter into this *Agreement* with you; and
 - (iii) enter into the *Guarantee* with the *Guarantor*.

These documents and information are correct and not misleading. Any documents provided are up to date, and in full force and effect.

- (d) **(No misrepresentation.)** All information provided by you or the *Guarantor* to us is true in all material respects at the time you enter into this *Agreement* or, if later, when provided. Neither that information nor your conduct, the conduct of the *Guarantor* or the conduct of your *Authorised Person* was or is misleading, by omission or otherwise.

- (e) **(No adverse circumstances.)** There is no circumstance current or, to your knowledge, threatened, that is likely to have a *Material Adverse Effect*.
- (f) **(No litigation.)** No litigation, arbitration, claim, dispute or administrative or other proceeding is current or pending, or as far as you know, threatened, which may have a *Material Adverse Effect*.
- (g) **(No Event of Default.)** You are not aware of any *Event of Default* or any circumstance that may give rise to an *Event of Default*.
- (h) **(No reliance.)** You have not made the *Offer of Mortgage* or entered into this *Agreement*, and the *Guarantor* has not entered into the *Guarantee* in reliance on, or as a result of, any statement or conduct of any kind by us, the *Nominee*, the *Sponsor* or any of our officers or representatives or any officer or representative of the *Nominee* or *Sponsor*, except as expressly set out in this *Agreement* or the *Guarantee* (as the case may be).
- (i) **(Independent advice.)** You and the *Guarantor* have obtained independent financial and legal advice as you and the *Guarantor* think fit prior to you making the *Offer of Mortgage* and entering into this *Agreement*, and the *Guarantor* giving the *Guarantee*.
- (j) **(Interests in Secured Property.)** Unless you are making the *Offer of Mortgage* or entering into this *Agreement* in the capacity of trustee of a trust (in which case the representations in Clause 53.3 will apply), the *Secured Property* is beneficially owned by you solely (including held by someone solely on your behalf) and no one else has any rights affecting the *Secured Property*, other than those under this *Agreement*, the *Mortgage* or which we have consented to in writing.
- (k) **(No other Encumbrance.)** The *Secured Property* is free from any *Encumbrance* other than the *Mortgage* and any *Encumbrance* of which you have notified us in writing prior to making the *Offer of Mortgage*.
- (l) **(No default.)**
 - (i) You are not in default under a document or agreement (including an *Authorisation*) binding on you or your assets which relates to *Finance Debt* or is material.
 - (ii) Nothing has occurred which constitutes an event of default, cancellation event, prepayment event or similar event (whatever called) under those documents or agreements, whether immediately or after notice or lapse of time or both.

53.2 Representations and warranties for companies

If you are a company, you represent and warrant as follows.

- (a) **(Status.)** You are a corporation validly existing under the laws of your place of incorporation.
- (b) **(Corporate Power and authorisation.)** You have the power to make the *Offer of Mortgage*, enter into this *Agreement*, and perform this *Agreement* and the *Mortgage*, and have taken all corporate and other action necessary to authorise the making of the *Offer of Mortgage*, entry into and performance of this *Agreement* and the *Mortgage* and to carry out the transactions contemplated by this *Agreement* and the *Mortgage*.
- (c) **(Company Accounts.)**
 - (i) Your most recent audited *Company Accounts* give a true and fair view of the matters with which they deal.
 - (ii) There has been no change in your state of affairs since that date which may have a *Material Adverse Effect*.
 - (iii) Those *Company Accounts* comply with current accounting practice except to the extent disclosed in them and with all applicable laws.
 - (iv) All *Finance Debt* and other material contingent liabilities are disclosed in those *Company Accounts*.
- (d) **(Benefits.)** You obtain various benefits by entering into, exercising your rights and performing your obligations under this *Agreement*.
- (e) **(Solvency.)** You are able to pay your debts as and when they become due and payable.

53.3 Trustee representations

If you are a trustee of a trust (the *Trust*), you represent and warrant in your capacity as trustee of a trust and in your own right as follows.

- (a) **(Personal and trustee capacity.)** You are making the *Offer of Mortgage* and entering into this *Agreement* in your personal capacity and also as trustee of the *Trust*, and for the benefit of the beneficiaries.
- (b) **(Power.)** You have the power under the trust deed (the *Trust Deed*) to:
 - (i) make the *Offer of Mortgage*;
 - (ii) enter into this *Agreement* and perform your obligations under, and

carry on the transactions contemplated by, this *Agreement* and the *Mortgage*;

- (iii) carry on your business as it is now conducted or contemplated; and
- (iv) own the assets of the *Trust*, in your capacity as trustee of the *Trust*. There is no restriction or condition upon you doing so.
- (c) **(Authority.)** All necessary resolutions have been passed and all consents, approvals and other procedural matters have been obtained or attended to as required by the *Trust Deed* for you to make the *Offer of Mortgage*, enter into this *Agreement*, and perform this *Agreement* and the *Mortgage*.
- (d) **(Sole trustee.)** You are the only trustee of the *Trust* (unless you are a joint trustee) and no action has been taken or proposed to remove you as trustee, revoke any of your powers, or to appoint additional or alternative trustees. As far as you know, no one intends to take any such action.
- (e) **(Property of the Trust.)** No property of the *Trust* has been resettled or set aside or transferred to any other trust.
- (f) **(No termination.)** No action has been taken or proposed to terminate the *Trust* and as far as you are aware no-one intends to take any such action. No event for the vesting of the assets of the trust has occurred.
- (g) **(Indemnity from Trust.)** Your right of indemnity out of, and lien over, the assets of the *Trust* have not been limited in any way. Without limitation, you have no liability which may be set off against that right of indemnity.
- (h) **(Compliance with all laws.)** The *Trust Deed* complies with all applicable laws.
 - (i) **(Compliance with Trust Deed.)** You have complied with your obligations and duties under the *Trust Deed* and at law, and no one has alleged that you have not complied.
 - (j) **(Priority.)** Our rights under this *Agreement* and the *Mortgage* have priority over the interests of the beneficiaries.
- (k) **(Accounting.)** If you have made the representation contained in Clause 53.2(c), there has been no change in the *Trust's* state of affairs since that date which may have a *Material Adverse Effect*.

53.4 Repetition of representations and warranties

The representations and warranties set out in Clauses 53.1 to 53.3 are made when you sign the *Application Form* (and make the *Offer of Mortgage*), when you enter into this *Agreement* and are repeated each time you make a borrowing request under Clause 2.

53.5 Obligation to update representations and warranties

You must tell us immediately if anything happens to make the representations and warranties no longer true and correct or makes them misleading.

54. Undertakings

54.1 Undertakings for all Persons

Except to the extent we otherwise consent in writing, you undertake as follows.

- (a) **(Event of Default.)** You will notify us as soon as you become aware of any *Event of Default* or of any circumstance that may give rise to an *Event of Default*.
- (b) **(Change in Authorised Persons.)** You must notify us as soon as you become aware of any change in your *Authorised Persons*, giving us specimen signatures of any new *Authorised Person* appointed, and if we ask, evidence of the authority of any *Authorised Person* that is satisfactory to us.
- (c) **(Change of circumstances.)** You will notify us as soon as you become aware of any circumstance that may have a *Material Adverse Effect*.
- (d) **(No other Encumbrance.)** You will not create or allow to exist any *Encumbrance* over any of the *Secured Property*, other than those expressly permitted under this *Agreement*, the *Mortgage* or any charge arising by statute in favour of a *Government Agency*.
- (e) **(Disposal of assets.)** You will not sell, otherwise dispose of, part with possession of, or create an interest in, any of the *Secured Property*, or agree or attempt to do so.
- (f) **(Use of money advanced.)** If you are an individual, or individual entering into this *Agreement* as trustee of a trust, you will use all money advanced to you under this *Agreement* wholly or predominantly for business or investment purposes.

- (g) **(No trust.)** Unless you are entering into this Agreement in the capacity of trustee of a trust (in which case the undertakings in Clause 53.3 will apply), you will not hold any assets at any time forming part of the Secured Property as the trustee of any trust.
- (h) **(Compliance with law.)** You will fully comply with all laws binding on you.
- (i) **(Payment of all calls, instalments and other amounts payable.)** You will pay punctually all calls, instalments and other payments which are payable in respect of the Secured Property.
- (j) **(Continuance of Nominee Agreement and Sponsorship Agreement.)** Subject to Clause 53.1, you will not terminate the Nominee Agreement or the Sponsorship Agreement.
- (k) **(Prejudicing the Secured Property.)** You will not knowingly do or omit to do anything or allow another Person to do or omit to do anything that may lessen the value of, or prejudicially affect, the Secured Property.

54.2 Undertakings for companies

If you are a company, except to the extent that we otherwise consent in writing, you undertake as follows.

- (a) **(Corporate existence.)** You will do everything necessary to maintain your corporate existence in good standing. You will not transfer your jurisdiction of incorporation or enter any merger or consolidation.
- (b) **(New director.)** You will ensure that any new or existing director of you promptly becomes a party to this Agreement if we ask.
- (c) **(Corporate reporting and information.)** You will provide to us if we request:
 - (i) **(annual Company Accounts)** as soon as practicable (but within 120 days) after the close of its financial year copies of your audited Company Accounts in respect of that financial year;
 - (ii) **(semi-annual Company Accounts)** as soon as practicable (but within 90 days) after the first half of your financial years copies of your unaudited Company Accounts in respect of that half-year; and
 - (iii) **(documents issued to shareholders)** promptly, all documents provided by you to a stock exchange or holders of Securities.
- (d) **(Authorisations.)** You and the Guarantor will ensure that each authorisation required under section 53.2(b) is obtained and promptly renewed and maintained in full force and effect. You will provide copies promptly to us of any such authorisation upon request.
- (e) **(Accounting principles.)** You will ensure that Company Accounts provided to us under paragraph (c):
 - (i) comply with current accounting practice except to the extent disclosed in them and with all applicable laws; and
 - (ii) give a true and fair view of the matters with which they deal.

54.3 Undertakings for trustees

If you are trustee of a trust (the **Trust**), except to the extent that we otherwise consent in writing, you undertake in your capacity as trustee of the Trust and in your own right as follows.

- (a) **(Accounting.)** You will provide to us if we request:
 - (i) as soon as practicable (but within 120 days) after the close of its financial years copies of the Trust's audited Company Accounts in respect of that financial year; and
 - (ii) as soon as practicable (but within 90 days) after the first half of your financial year copies of the Trust's unaudited Company Accounts in respect of that half-year.
- (b) **(Authorisations.)** You and the Guarantor will ensure that each authorisation required under section 53.3(c) is obtained and promptly renewed and maintained in full force and effect. You will provide copies promptly to us of any such authorisation upon request.
- (c) **(Trust Deed.)** You will ensure that the trust deed (the **Trust Deed**) is not amended, terminated or revoked.
- (d) **(Transfer of Trust property.)** You will ensure that there is no resettlement, setting aside or transfer of any of the property of the Trust other than a transfer that complies with the Trust Deed, this Agreement and the Mortgage.
- (e) **(Compliance with trustee obligations.)** You will comply fully with your obligations under the Trust Deed and at law.
- (f) **(Continuance as sole trustee.)** You will ensure that no other Person is appointed trustee of the Trust.
- (g) **(Continuance as trustee.)** You will not do anything that would cause or enable your removal, nor retire or cease to act, as trustee of the Trust.

- (h) **(Vesting of Trust.)** You will ensure that the vesting date is not determined, and not otherwise alter, shorten or fix the vesting date under the Trust Deed.
- (i) **(Right of subrogation or indemnity.)** You will ensure that there is no restriction or limitation on or derogation from your right of subrogation or indemnity (whether or not arising under the Trust Deed) and that your lien over the property of the Trust will have priority over the rights of the beneficiaries of the Trust. If you agree to exercise your right of indemnity from the trust fund and beneficiaries if you need to, in order to meet your obligations under this Agreement and the Mortgage; and
- (j) **(Notices and documents.)** You will promptly give us copies of all documents and notices received by you from any beneficiary or manager of the Trust or that you give to a beneficiary or manager of the Trust.

54.4 Undertakings relating to Secured Property

Except to the extent we otherwise consent in writing, you undertake as follows.

- (a) **(Preservation and protection of security.)** You will promptly do everything necessary or that we reasonably require:
 - (i) to preserve and protect the Security Value; and
 - (ii) to protect and enforce your title and our title as mortgagee to the Secured Property.
- (b) **(Other Security Interests.)** You will comply fully with all Security Interests affecting the Secured Property and the obligations secured by those Security Interests.

54.5 Term of undertakings

Each undertaking in this Clause continues from the date of this Agreement until the Total Amount Owing is fully and finally paid.

55. Events of Default

55.1 Events of Default

Each of the following is an Event of Default (whether or not it is in your control).

- (a) **(Failure to comply.)** You or the Guarantor do not:
 - (i) pay an amount payable under this Agreement or the Mortgage when due;
 - (ii) comply with any non-monetary obligation under this Agreement or the Mortgage within the period specified, or if no period is specified, within 2 days; or
 - (iii) satisfy within the stipulated time anything that we made a condition of waiving a breach of this Agreement or the Mortgage.
- (b) **(Misrepresentation.)** A representation, warranty or statement by you or by the Guarantor in this Agreement, or in connection with this Agreement or the Mortgage, is not true in a material respect or is misleading when made or repeated.
- (c) **(Material adverse change.)** Any event or series of events, whether related or not, occurs that in our opinion may have a Material Adverse Effect.
- (d) **(Default to another Person.)** Any money you borrowed or raised from another Person is not paid when due (or within an applicable grace period), or becomes due and payable (or capable of being declared due and payable) before its stated maturity or expiry.
- (e) **(Death or incapacity.)** We are of the opinion that you or the Guarantor is not capable of managing its affairs or, if you are a natural person, you die or we are of the opinion that you are not capable of managing your affairs.
- (f) **(Winding up, arrangements, Insolvency, bankruptcy.)** You or the Guarantor are Insolvent or steps are taken to make you or the Guarantor Insolvent, or, if you and the Guarantor are natural persons, you or the Guarantor commit an act of bankruptcy.
- (g) **(Enforcement against assets.)** If you are a company:
 - (i) a controller (within the meaning of section 9 of the Corporations Act) or similar officer is appointed to;
 - (ii) an Encumbrance becomes enforceable or is enforced over; or
 - (iii) a distress, attachment or other execution is levied or enforced over all or any of your assets and undertaking.
- (h) If you make the Offer of Mortgage or enter into this Agreement in your capacity as a trustee of a trust (the **Trust**):
 - (i) **(New trustee.)** a new or additional trustee of the Trust is appointed;
 - (ii) **(Trust is terminated.)** a resolution is passed to wind-up the Trust or the winding-up or termination of the Trust otherwise commences;

- (iii) **(Trust not properly constituted.)** the *Trust* is held to be, or you concede that it has not been, constituted or to have been imperfectly constituted;
- (iv) **(Cessation of your powers.)** you cease to be authorised under the *Trust* to hold property of the *Trust* in your name or to perform your obligations under this *Agreement*; or
- (v) **(Cessation of your indemnity.)** you cease to be entitled to be indemnified out of the assets of the *Trust* in respect of your obligations under this *Agreement*.
- (i) **(Termination or invalidation of this Agreement.)** All or any part of this *Agreement* or the *Mortgage* is terminated or is or becomes void, illegal, invalid, unenforceable or of limited force and effect or you or the *Guarantor* allege or claim that this is the case.
- (j) **(Government Agency seizes Secured Property.)** Any *Government Agency* seizes, confiscates, or compulsorily acquires (whether permanently or temporarily and whether with payment of compensation or not) any of the *Secured Property*.
- (k) **(Effect on value.)** In our reasonable opinion, the value of the *Mortgage* or of any of the *Secured Property* is materially adversely affected.
- (l) **(Revocation of Authorisation.)** Any authorisation referred to in section 53.2(b) or 53.3(c) is repealed, revoked or terminated or expires, or is modified or amended or conditions are attached to it in a manner which is unacceptable to us, and is not replaced by another authorisation which is acceptable to us.

55.2 Consequences of an Event of Default

In addition to any other rights provided by law or by this *Agreement* or the *Mortgage*, at any time after an *Event of Default*, we may do any or all of the following:

- (a) by notice to you declare all or an amount of the *Total Amount Owning* immediately due and payable;
- (b) by notice to you, cease to make funds available under this *Agreement*;
- (c) enforce the *Mortgage* and take any action permitted by the *Mortgage* upon an *Event of Default*;
- (d) employ or discharge any *Person* as professional adviser, consultant or broker for any purpose on such terms as we think fit;
- (e) make any arrangement or compromise which we consider expedient in our interests;
- (f) bring or defend any action, suit or legal proceedings in your name or otherwise, for all or any of the above purposes;
- (g) appoint a *Receiver* to do any of those things; or
- (h) exercise any of our rights under Clause 2.8 of the *Mortgage Terms*.

We are not obliged to take any action, but may do so notwithstanding any waiver of any previous default, and in addition to any other rights or remedies conferred by this *Agreement* or by law.

56. Indemnities

56.1 Indemnity

You indemnify us, the *Nominee*, the *Sponsor* and each *Receiver* and *Attorney* for any loss (including consequential or economic loss and loss relating to hedging, funding or swap arrangements), *Costs*, liability or expense (including legal costs on a full indemnity basis) that we may suffer or incur as a result of:

- (a) **(Event of Default.)** Any *Event of Default*;
- (b) **(Enforcement of Mortgage.)** Any actual or contemplated enforcement of the *Mortgage* or failure to enforce the *Mortgage*;
- (c) **(Exercise of Power.)** Any exercise of any *Power* or failure to exercise any *Power*;
- (d) **(No payment by Guarantor.)** The *Guarantor* not being obliged to pay us an amount under the *Guarantee*;
- (e) **(Payment to trustee in bankruptcy or liquidation.)** Us being obliged, or agreeing, to pay an amount to a trustee in bankruptcy or liquidator (or a bankrupt person or *Insolvent* company) in connection with a payment by you or by the *Guarantor*;
- (f) **(Instructions from Authorised Person.)** Us acting in good faith on instructions we think have come from you, the *Guarantor* or your *Authorised Person*; and
- (g) **(Prepayment.)** You prepaying any *Loan* (whether or not you are permitted to do so under this *Agreement*).

56.2 Payment of indemnified money

It is not necessary for us, the *Nominee*, the *Sponsor*, a *Receiver* or an *Attorney* to incur any loss or expense before we demand you pay us under the indemnities you have given us.

56.3 Continuing and independent indemnities and protections

The indemnities and protections in this Clause are continuing indemnities and protections and are independent of your other obligations under this *Agreement* and the *Mortgage* (ie. they do not affect, and are not affected by, your other obligations). They continue after we release the *Mortgage* and after the termination or expiry of this *Agreement*.

56.4 Benefit of the indemnity

Where this indemnity is given in favour of a *Receiver* or an *Attorney* then the *Receiver* or *Attorney* is entitled to the benefit of this Clause 56, which is entered into and may be enforced on behalf of the *Receiver* or *Attorney* by us, and we will be taken to be acting as the agent and on behalf of each *Receiver* or *Attorney* for that purpose.

57. Inspection

We or any *Person* we authorise may inspect and copy your records related to the *Secured Property* at any time. You will do everything in your power to assist that inspection and copying and ensure that your employees and officers do the same.

58. Exercising our rights

58.1 Who may exercise our rights

Our rights and remedies under this *Agreement* and the *Mortgage* may be exercised by any of our *Authorised Officers* or any other *Person* we authorise, including a *Receiver* or *Attorney*.

58.2 Waivers, Remedies Cumulative

- (a) No failure to exercise and no delay in exercising a *Power* operates as a waiver. Nor does any single or partial exercise of a *Power* preclude any other or further exercise of that or any other *Power*.
- (b) *Powers* in this *Agreement* and the *Mortgage* are in addition to, and do not exclude or limit, any right, power or remedy provided by law.

58.3 Consents and Opinion

Except to the extent expressly stated:

- (a) we may give or withhold, or give conditionally, approvals and consents;
 - (b) where a provision requires us to be satisfied as to something, then we may decide whether or not we are satisfied;
 - (c) we may form opinions; and
 - (d) we may exercise our *Powers*,
- in each case in our absolute discretion and without giving reasons for doing so.

58.4 No liability

We are not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy, whether or not caused by our negligence.

59. Reinstatement of rights

Under law, a trustee in bankruptcy or liquidator may ask us to refund or retransfer a payment or transfer we have received in connection with this *Agreement* and the *Mortgage*. To the extent we are obliged to, or we agree to, make a refund or retransfer, we may treat the original payment or transfer as if it had not been made. We are then entitled to our rights against you under this *Agreement* and the *Mortgage* as if the payment or transfer had never been made and, if we ask, you must do everything necessary to restore to us any *Security Interest* we held immediately prior to the payment or transfer.

60. Our certificates

We may give you or the *Guarantor* a certificate signed by us or our solicitors about a matter or about an amount payable in connection with this *Agreement* or the *Mortgage*. The certificate is sufficient evidence of the matter or amount, unless it is proved to be incorrect.

61. Confidentiality

We may share all the information you or the *Guarantor* give us, or that we collect about you or the *Guarantor*, in connection with this *Agreement* and the *Mortgage*, with the following people:

- (a) a corporation that is related to us; and
- (b) a corporation that enters into financial arrangements with us; and
- (c) any party to this *Agreement*, any *Authorised Person* and your *Nominated Financial Adviser*; and
- (d) any *Person*, if required or allowed by law or by a stock exchange or required by the constituent documents of any entity (*Securities* in or of which comprise or may comprise *Secured Property*).

More information about privacy is contained in the Privacy Disclosure and Consent which was given to you at the time you signed the *Application Form*.

62. Anti-money laundering and counter terrorism financing

You agree that we may:

- (a) require you to provide to us, or otherwise obtain, any additional documentation or other information and perform any acts to enable us to comply with any laws relating to anti-money laundering and counter terrorism financing (**AML**) or any other law;
- (b) at our absolute discretion and without notice to you take any action we consider appropriate, including suspending, blocking or delaying transactions and refusing to provide services to you to comply with any law relating to AML or any other law;
- (c) in our absolute discretion and without notice to you report any, or any proposed transaction or activity to any body authorised to accept such reports relating to AML or any other law.

63. Charges and commissions

We may share any money you give us, or pay a commission to, any Person we choose, including your *Authorised Person* or any *Financial Adviser* or agent. If you have been referred to our margin lending product by a Person, the Person may receive a benefit in relation to the provision of the *Loans* to you. The amount of this benefit will be determined by us and the Person. The benefit will have no impact on the amount you owe. Generally, that Person should disclose to you the amount of any such benefit. You can also obtain the details of any such benefit from us upon request.

64. Variation

64.1 Variation of the Agreement and the Mortgage Terms (other than the Sponsorship Agreement)

Subject to Clause 14.1 of the *Sponsorship Agreement*, this *Agreement* and the *Mortgage Terms* may only be amended in writing in the following manner:

- (a) we may at any time vary any of the terms and conditions of this *Agreement* by newspaper advertisement or other form of notice (including, but not limited to, by newsletter or statement via our website leveraged.com.au).
- (b) an amendment will take effect on and from the date we specify in the advertisement or notice and this date will be not less than 14 days after the date of the advertisement or notice,
- (c) if you are a *Borrower* and you do not wish to continue your margin lending facility and the *Arrangements* on the amended terms, you must repay the *Total Amount Owed* in full prior to the date specified in the advertisement or notice; and
- (d) if you are a *Guarantor* and do not wish to continue your *Guarantee* on the amended terms, you must notify us prior to the date specified in the advertisement or notice that you want your *Guarantee* to continue on the terms and conditions as unamended by the advertisement or notice.

The parties may, however, amend this *Agreement* by another agreement executed by all parties.

65. Authorised Person

- (a) You may give us notice of any person authorised to give us instructions or to receive notices from us or to do anything that you are entitled to do under this *Agreement* or the *Mortgage*. You must provide us with a name and specimen signatures of any such persons that are authorised. You can limit the authorisation you give that person by notifying us in writing.
- (b) If you want to change or remove an *Authorised Person*, the revocation is effective only when it is given to us in writing.
- (c) If you are a company, then unless you tell us otherwise, we will assume that you have authorised your directors jointly and each of them severally to act as your *Authorised Person* and that there is no limit on this authorisation, whether or not you give us notice of such person being an *Authorised Person*.
- (d) We may act upon the electronic, written or oral instructions we receive from you or the *Guarantor*.

All instructions from an *Authorised Person* must be in writing (including by facsimile transmission), bearing the signature of an *Authorised Person*, unless we give you a *Notice* that we will accept instructions by some other means. You are bound by anything we do relying on instructions we receive from an *Authorised Person*.

66. Interest on overdue money

66.1 Interest on overdue money

You and the *Guarantor* must pay to us interest on all amounts that from time to time fall due for payment under this *Agreement* or the *Mortgage* but are unpaid, both before and (as a separate and independent obligation) after any judgment. Such interest will accrue each day from and including the date such amounts fall due for payment until they are paid or satisfied. We will calculate daily the amount of interest on such overdue amounts on the basis of the *Overdue Money Rate*. You and the *Guarantor* must pay such interest on demand and on the last *Business Day* of each month.

66.2 You are still required to make payments on time

Our rights to interest under this *Agreement* do not affect your obligations or the *Guarantor's* obligations to make payments to us on time.

67. Termination

67.1 Notice of termination

You or we may give notice of no less than 5 *Business Days* to terminate this *Agreement*. Termination will be effective upon expiry of the notice period. Termination of the *Sponsorship Agreement* is subject to the terms of the *Sponsorship Agreement* and to the extent of any inconsistency between the *Sponsorship Agreement* and this Clause 67, the *Sponsorship Agreement* shall prevail.

67.2 Termination of Agreement

Notwithstanding Clause 67.1, this *Agreement* will only terminate when:

- (a) the *Total Amount Owed* has been fully repaid in accordance with this *Agreement*; and
- (b) we have discharged the *Mortgage*.

67.3 Termination does not affect existing rights or obligations

Termination of this *Agreement* does not affect any rights or obligations arising before termination.

67.4 Clause survives termination

Clause 67.3 survives termination of this *Agreement*.

68. Hedging

- (a) You and the *Guarantor* acknowledge that we may hedge or otherwise control any liability or risk we have or might have under this *Agreement* or in relation to the *Secured Property* by entering into options, futures, contracts, derivatives or any other transaction or financial product.
- (b) If we have any right, interest in or entitlement to any *Security* or *New Right* as a result of paragraph (a) above, we:
 - (i) hold that right, interest or entitlement and any deposit derived from it on our own behalf, and not for you or on your behalf or for the *Guarantor* or on the *Guarantor's* behalf;
 - (ii) can deal with that right, interest or entitlement and any profits derived from it according to our discretion; and
 - (iii) are under no duty to account to you or the *Guarantor* in relation to that right, interest or entitlement or any deposits derived from it.

69. Set-off

- (a) All payments to be made to us must be made without deduction or withholding. If you or the *Guarantor* are obliged by law to deduct or withhold any amount from any payment to be made under this *Agreement* or the *Mortgage*, you and the *Guarantor* will at the same time pay to us such additional amount as will result in us receiving the full amount which would have been received if the deduction or withholding had not been made.
- (b) In addition to any rights which we may have at law, you and the *Guarantor* irrevocably authorise us to set-off and apply any credit balance in any currency (whether or not matured) in any of your or the *Guarantor's* accounts with us or any related corporation towards satisfaction of any sum at any time due and payable by you or the *Guarantor* to us under or in relation to this *Agreement* or the *Mortgage*. We may exchange currencies to make that application and do not have to give you or the *Guarantor* notice before making that application.

70. Charges and Expenses

When we ask, you and the *Guarantor* must pay and/or reimburse us, the *Nominee* and the *Sponsor* for:

- (a) the *Costs* and any expenses we and the *Nominee* may incur or become liable to pay in connection with the preparation and execution of this

Agreement, including any taxes, duties, fees or fines we have to pay in connection with this Agreement or the Mortgage, and any amounts we pay to any independent consultant, agent, Receiver or solicitor;

- (b) Costs incurred by us, the Nominee or Sponsor, and any Receiver's Costs and remuneration, in exercising any of our rights or any Receiver's rights under this Agreement or the Mortgage including enforcement and termination costs;
- (c) our Costs or the Nominee's or Sponsor's Costs in responding to any inquiry about you from any Government Agency; and
- (d) any increase in our Costs of supplying each Loan to you;
- (e) any bank accounts debit tax or other duty or charge on receipts or loans under this Agreement; and
- (f) our or the Nominee's or Sponsor's administrative charges in relation to the Security or certain applications of the money you borrow from us.

71. GST

- (a) Other than in respect of Application Fees, all payments to be made in connection with this Agreement or the Mortgage have been calculated without regard to GST.
- (b) If all or part of any such payment is the consideration for a taxable supply for GST purposes then, when you or the Guarantor make the payment:
 - (i) you or the Guarantor must pay us an additional amount equal to that payment (or part) multiplied by the appropriate rate of GST (currently 10%); and
 - (ii) we will promptly provide you or the Guarantor with a tax invoice complying with the relevant GST legislation.
- (c) Where under this Agreement or the Mortgage, you or the Guarantor are required to reimburse or indemnify us for an amount, you or the Guarantor will pay the relevant amount (including any sum in respect of GST) less any GST input tax credit we determine that we are entitled to claim in respect of that amount.

72. Assignment

- (a) Your rights or obligations and the Guarantor's rights and obligations under this Agreement and the Mortgage are personal and may not be assigned or transferred by you or the Guarantor without our written consent.
- (b) We may assign our rights or transfer our obligations under this Agreement and the Mortgage without giving you or the Guarantor any notice. You and the Guarantor agree that we may disclose any information or documents we consider necessary to help us exercise this right. If we assign this Agreement or the Mortgage, the Total Amount Owed will include all of your and the Guarantor's actual and contingent liability to the assignee, whether or not it was incurred before the assignment or in contemplation of it.

73. Telephone recording

- (a) We and the Nominee and Sponsor may record your telephone conversation with us or the Nominee or the Sponsor and may use these recordings as we see fit.
- (b) Without limiting paragraph (a) we, the Nominee and the Sponsor may record your telephone conversation for any purpose permitted by law from time to time including for quality assurance, as evidence of information we have provided to you or of instructions which you have given to us or as evidence of business transactions with or without an audible tone warning device.
- (c) We, the Nominee and the Sponsor may act on telephone instructions before receipt of any written confirmations and our records of telephone conversations shall be conclusive evidence of such instructions.
- (d) To the extent permitted by law, we, the Nominee and the Sponsor may keep the recordings for as long as we wish.

74. Use of Online Service

Use of our Online Service is subject to the following terms and conditions:

- (a) the Online Service will be provided via the internet, but can be expanded to include other modes of electronic communication;
- (b) access to this Online Service will be restricted by use of your personal code and a password to log onto the Online Service, or by such other security procedure we may have in place from time to time;
- (c) you are responsible for the confidentiality of your password;
- (d) any action or request made via the Online Service will be taken to have been made by you, and we may rely on that action or request;

- (e) your Loan and investment balances may not reflect recent transactions;
- (f) we are not obliged to update or correct any errors in the information after the date of publication;
- (g) specific terms of use will be published on the Online Service in relation to any transactions that may be conducted via the Online Service. Use of those transaction services will be evidence of acceptance of those terms of use;
- (h) we may vary these terms of use at any time after giving you Notice which may be given by giving the information through the Online Service; and
- (i) we may also suspend access at any time without notice.

75. Joint and several liability

When more than one Person makes the Offer of Mortgage or enters into this Agreement, the obligations of those Persons under this Agreement and the Mortgage will be joint and several. This means that we can enforce those obligations (including any liability to pay us money) fully against any one or more Person(s).

76. Notices and other communications

- (a) Subject to paragraph (b), notices, certificates, demands, consents and other communications in connection with this Agreement or the Mortgage (a Notice):
 - (i) must be in writing and signed by a person duly authorised by the sender;
 - (ii) must be delivered to the intended recipient by prepaid post or by hand or fax to the address or fax number last notified by the intended recipient to the sender;
 - (iii) will be taken to have been made or received:
 - (A) if they are delivered in person, when delivered;
 - (B) if they are sent by post, on the 3rd day after posting;
 - (C) if they are sent by fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax machine number or name of recipient and indicating that the transmission has been made without error.
- (b) We may give Notices to you and the Guarantor under this Agreement and the Mortgage by email to the email address you and the Guarantor completed in the Application Form or last notified to us in writing. An email notification need not be signed in handwriting by the sender. An email notification will be deemed to be received where the sender does not receive a delivery failure report.
- (c) If this Agreement says so, we may also notify or specify things by providing the information on our Online Service and the information will be deemed to have been received 24 hours after it has been provided on our Online Service.
- (d) You must:
 - (i) tell us if you change your contact details so that you continue to receive any Notices we may give you; and
 - (ii) access our Online Service at reasonable intervals to receive information we provide through our Online Service.

77. Complaints

- (a) Should you have a concern about our products or services please contact Leveraged Equities on 1300 307 807. You will receive a response within 24 to 48 hours.
- (b) There are additional procedures in place to deal with written complaints. If you wish to make a written complaint you can write to:
 - Reply Paid 1048
 - Customer Relations Centre
 - Leveraged Equities
 - GPO Box 1048
 - Adelaide SA 5001
- (c) If your complaint relates to Pirie Street Custodian Ltd, and is not resolved to your satisfaction, you can contact Financial Industry Complaints Services Ltd (FICS) by writing to:
 - Financial Industry Complaints Services Ltd
 - PO Box 579
 - Collins Street West
 - Melbourne VIC 3007
 - Telephone: 1300 780 808The role of FICS is to formally investigate cases only after customers have exhausted the internal complaints procedures.
- (d) If your complaint relates to Leveraged Equities Ltd or Pirie Street

Nominees Pty Ltd, and is not resolved to your satisfaction, you can contact the Banking and Finance Service Ombudsman (BFSO) at:

Banking and Finance Services Ombudsman
GPO Box 3A
MELBOURNE VIC 3001
Telephone: 1300 780 808

The role of the BFSO is to formally investigate cases only after customers have exhausted the internal complaint procedures.

78. Moratorium legislation

To the full extent permitted by law, all legislation that at any time directly or indirectly:

- (a) lessens, varies or affects in favour of you any obligation under this Agreement or the Mortgage; or
- (b) delays, prevents or prejudicially affects us or the Attorney exercising any Power,

is excluded from this Agreement and the Mortgage.

79. Arbitration

All the people who are involved in this Agreement and the Mortgage agree that they will first try to settle any dispute they have by arbitration. The arbitration will occur in Sydney, in accordance with the laws of New South Wales. The Australian Commercial Disputes Centre Limited (ACDC) is to be used, and all parties must agree on the choice of arbitrator from the panel of choices the ACDC gives. If agreement is not reached, then after 10 Business Days the ACDC is to be asked to appoint the arbitrator.

80. Accuracy of information

All the information we provide in to you in writing or through our Online Service is provided in good faith and has been derived from sources which we believe to be reliable and accurate but we have not verified all of the information, which may not be complete or accurate for your purposes. However, subject to the provisions of any law which limits us and cannot be excluded (for example, in certain circumstances, the Trade Practices Act (1974) (Cth)):

- (a) we make no representation or warranty of any kind for the accuracy or completeness of the information we provide in the statements we issue to you or which we provide through our Online Service;
- (b) we are under no obligation to update or correct any errors or omissions in the information we provide after it has been provided to you;
- (c) we and our directors, employees and associates do not accept any responsibility arising in any way (including by reason of negligence) for errors in, or omissions from, the information we provide to you and we do not accept any loss or damage however caused, as a result of any person relying on any information we provide; and
- (d) you must check any information which we provide to you in respect of the margin lending facility or the Arrangements and advise us promptly if the information is incorrect or inaccurate.

81. Applicable law and serving documents

- (a) This Agreement and the Mortgage Terms are governed by the law in force in New South Wales. All the parties to this Agreement submit to the non-exclusive jurisdiction of the courts of New South Wales.
- (b) Any document in a court action may be served on any party to this Agreement by delivering it to, or leaving it at, the address given to the party taking the action, or such other address as is agreed by the party being served. This clause does not prevent any other method of service.

82. Definitions and Interpretations

82.1 Definitions

Accession Agreement means the agreement contained in the Application Form by which a new guarantor joins the Guarantee.

Account means the loan account established by us under Clause 1.3 to reflect the Total Amount Owed.

Account Balance means the aggregate principal amount of all Loans outstanding from time to time under this Agreement including interest and any other amount added to the Loans in accordance with this Agreement.

ACH or **Australian Clearing House** means Australian Clearing House Pty Ltd (ABN 48 001 314 503) or any other body performing substantially the same functions as the Australian Clearing House Pty Ltd.

Additional Securities means additional property we may require you to provide under Clause 8 of the Mortgage Terms to be held as part of the Secured Property and subject to the Mortgage Terms.

Administration includes bankruptcy, administration arising out of mental illness or incapacity, administration of an insolvent estate, administration or

liquidation of a corporation, scheme of arrangement, receivership or winding up or anything similar.

Agreement means:

- (a) Section 2, which contains the Loan Agreement, the Nominee Agreement, the Sponsorship Agreement, the Guarantee and the general provisions in Part D;
- (b) the Application Form (except to the extent it includes the Offer of Mortgage); and
- (c) any other document contemplated by and executed in connection with these documents and any document which we agree is a "transaction" document under this Agreement.

Application Fees means the fees payable by company borrowers and guarantors, and trustee borrowers and guarantors at the time of applying for a Loan.

Application Form means the form for applying for a Loan required by us from time to time.

Approved Securities means Securities listed at that time on our list of "Approved Securities", which we may change from time to time without notification.

Arrangements has the meaning given in Clause 21 of the Guarantee.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532) or any other body performing substantially the same function as the ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules means the operating rules of the settlement facility ASX Settlement and Transfer Corporation Pty Ltd.

ASX or **Australian Stock Exchange** means the Australian Stock Exchange Limited (ABN 98 008 624 691) or any other body performing substantially the same functions as the Australian Stock Exchange Limited.

Attorney means an Attorney appointed under this Agreement, when you sign the Application Form.

Authorisation includes any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a Government Agency.

Authorised Officer means the Nominee or the Sponsor, any

- (a) director or secretary;
 - (b) employee, agent or contractor whose title includes the word "director", "manager", "team leader" or "supervisor";
 - (c) legal adviser whose title includes the word "partner";
- of the relevant party or of a related body corporate of the relevant party; or your Financial Adviser.

Authorised Person means the person or persons you have nominated in the Application Form or otherwise notified to us from time to time as each of your authorised persons, or any person we are entitled to assume is an authorised person under Clause 65 but does not include any person whose authorisation you have revoked by notifying us in writing.

Borrower means the applicant for a Loan which we accept and whose details are set out in the Application Form.

Business Day means a day other than a Saturday or Sunday on which the ASX and banks are open for business in Sydney (other than a weekday that the ASX declares is not a business day).

Broker means a Market Participant as defined in the ASTC Settlement Rules. Generally, it means a stockbroker admitted to participate in CHESS under the ASTC Settlement Rules.

Buffer means the percentage of the market Security Value as determined by us and notified by us to you when you first borrow from us under the Arrangements and as varied by us at any time in accordance with Clause 64. This percentage varies according to the type of Secured Property (and in some cases there may be no buffer applicable to that type of Secured Property).

Certificate means a share certificate or other document evidencing title for a Security.

Certificated Security means a Security, title to which is evidenced by a Certificate.

CHESS has the meaning in the ASTC Settlement Rules. Generally it stands for the Clearing House Electronic Subregister System, which is a system of registration on computer of shareholdings in certain companies.

CHESS Subregister has the meaning in the ASTC Settlement Rules. Generally it means the part of the securities register of an entity that is administered by the ASTC.

Company Accounts means profit and loss accounts, balance sheets and cashflow statements together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them.

Controlling Participant has the meaning in the *ASTC Settlement Rules*. Generally it means the person that has the capacity in *CHESS* to *Transfer* or convert *Securities* from a *Holding*.

Conversion has the meaning given in the *ASTC Settlement Rules*.

Corporations Act means the Corporations Act 2001 (Cth).

Costs includes:

- (a) charges and expenses;
- (b) costs, charges and expenses in connection with legal, financial and other advisers on a full indemnity basis;
- (c) a proportionate share of our costs and expenses (including administration costs and expenses); and
- (d) any costs, charges and expenses incurred by us in connection with entering into or terminating any hedging, funding or swap arrangements.

Dealing has the meaning given to it in Clause 7 of the *Mortgage Terms*.

Deposit Account means any account, term deposit, debenture, managed investment scheme or other financial product which you have requested to be identified as a *Deposit Account* and which we identify as being a *Deposit Account* through our *Online Service* and/or by giving you a *Notice* identifying the *Deposit Account*.

Depositee means the financial institution with whom a *Deposit Account* is held.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust or power.

Event of Default means any of the events specified in Clause 55.

Financial Market has the same meaning as in the *Corporations Act*.

Finance Debt means material indebtedness (whether actual or contingent) in respect of money borrowed or raised or other financial accommodation.

Financial Adviser means a *Broker* or a *Person* who holds an Australian Financial Services Licence authorising the *Person* to give financial product advice.

Form has the meaning given to it in Clause 2.4 of Part A.

General Settlement Participant has the meaning in the *ASTC Settlement Rules*. Generally it covers *Participants* admitted to participate in the settlement facility of *ASTC*.

Government Agency means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange.

GST means the Goods and Services Tax as referred to in the *A New Tax System (Goods and Services Tax) Act 1999*.

Guarantee means the agreement between us and the *Guarantor*, the terms and conditions of which are set out in Part C and Part D.

Guaranteed Money has the meaning given in Clause 21 of Part C.

Guarantor means each party referred to as the *Guarantor* in the *Application Form* signed by the *Borrower*.

HIN or **Holder Identification Number** has the meaning given to the term "HIN" in the *ASTC Settlement Rules*.

Holder Record has the meaning in the *ASTC Settlement Rules*. Generally it means the details recorded by the *ASTC* in *CHESS* for the purpose of operating one or more *Holdings* on the *CHESS Subregister*.

Holder Record Lock has the meaning in the *ASTC Settlement Rules*. Generally it means a facility in *CHESS* for preventing securities from being deducted from any current *Holding* pursuant to a *Transfer* or *Conversion* from a *Holding* to which the relevant *Holder Record Lock* applies.

Holding has the meaning in the *ASTC Settlement Rules*. Generally it means a holding of securities by a *Person*.

A *Person* is **insolvent** or in **insolvency** if they are insolvent or an insolvent under administration or have a controller appointed (each as defined in the *Corporations Act*), in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from any creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due.

Issuer has the same meaning as in the *ASTC Settlement Rules*. Generally, it means an entity that issues or makes securities available (or proposes to do so).

Loan means all or part of the principal amount we advance to you under this *Agreement*.

Loan Agreement means the loan agreement between us and you, the terms and conditions of which are set out in Part A and Part D.

Margin Call means an event described in Clauses 4.1 and 4.2 of Part A that requires the *Borrower* to take any or all of the steps set out in that clause so that the *Total Amount Owing* is less than the *Security Value*.

Master Nominee Deed means the deed so entitled between us as the mortgagee and the *Nominee*, entered into prior to the date of this *Agreement*. A copy may be inspected at our offices.

Material Adverse Effect means a material adverse effect on:

- (a) your ability to perform your obligations under this *Agreement* or the *Mortgage*, or on your financial condition or business; and
- (b) the *Guarantor's* ability to perform its obligations under the *Guarantee* or on the *Guarantor's* financial condition or business.

Mortgage means the mortgage that will come into existence if we accept your *Offer of Mortgage*.

Mortgage Terms means the terms and conditions titled "Mortgage Terms" set out in the booklet which accompanies the *Application Form*.

National Guarantee Fund has the meaning given to it in section 889A of the *Corporations Act*.

New Guarantor means a *Person* who has signed an *Application Form* after the date of the *Agreement*, and agrees to be a party to the *Agreement* in the capacity of *Guarantor*.

New Rights means all assets, rights, powers and proceeds of any nature at any time attaching to, or arising out of any holding in, any *Security* or any other new right in the *Secured Property*, including:

- (a) all money, distributions, interest and dividends;
- (b) any proceeds from any disposal, share buyback, redemption, compulsory acquisition, liquidation or scheme or arrangement;
- (c) any *Security* resulting from the conversion, consolidation or sub-division of a *Security*;
- (d) any or right to take-up or *Security* resulting from an allotment, offer, bonus issue, dividend reinvestment plan; and
- (e) any certificate or other evidence of title to any of the above.

Nominated Account means the account with a bank or financial institution which you specify in the *Application Form* (or subsequently vary by *Notice* to us) as being your *Nominated Account* for receipt of borrowing under the *Agreement*.

Nominated Broker means the *Financial Adviser* nominated by you in the *Application Form* where that *Financial Adviser* is a *Broker*.

Nominated Financial Adviser means the *Financial Adviser* nominated in the *Application Form*.

Nominee means either or both of:

- (a) Pirie Street Custodian Ltd (ABN 64 004 742 581); and
- (b) Pirie Street Nominees Pty Ltd (ABN 69 077 851 622).

Nominee Agreement means the agreement between you and the *Nominee*, the terms and conditions of which are set out in Part B and in Part D.

Notice means any notice given in writing and delivered pursuant to Clause 76 in Part D.

Offer of Mortgage means the offer of mortgage contained in the *Application Form*.

Online Service means the service through which we provide you with access to information regarding your margin lending facility.

Overdue Money Rate means, at any time,

- (a) the rate certified by one of our *Authorised Officers* to be our margin lending variable rate for periods of such length as we may select applicable from time to time (expressed as a percentum per annum); or
- (b) any other rate notified (and varied) by us from time to time.

Participant has the meaning in the *ASTC Settlement Rules*. Under the *ASTC Settlement Rules*, it means a person who has the capacity on *CHESS* to *Transfer* or convert *Securities* from a *Holding*.

Participant Sponsored Holding has the meaning in the *ASTC Settlement Rules*. Generally it means a holding of securities on *CHESS* of a person that has a current sponsorship agreement with a participant on *CHESS*.

Person includes both an individual or a corporation.

Plan means any dividend reinvestment plan or interest reinvestment plan.

Power means any power, right, authority, discretion or remedy that is conferred on us, the *Nominee*, the *Sponsor* or an *Attorney* or *Receiver* by this *Agreement*, the *Mortgage* or by law in relation to this *Agreement* and the *Mortgage*.

Receiver means receiver or receiver and manager.

Secured Property means:

- (a) all *Securities* that are transferred into, or registered under, the *Holder Identification Number* of the *Sponsor*;
- (b) all *Securities* that are transferred to the *Nominee*;

- (c) all *New Rights*;
- (d) all your rights to repayment or redemption of money in a *Deposit Account*, including rights to interest and rights to distribution of income and property, whether or not the interest or distribution is actually credited to the *Deposit Account*; and
- (e) any *Additional Securities*.

Securities Licence means a securities dealers licence or an Australian Financial Services licence (as applicable) as required under the *Corporations Act*.

Security or Securities means:

- (a) shares, stock units or units in the capital of a corporation;
- (b) debentures, debenture stock, bonds, notes, convertible notes, units, warrants or other securities created, issued or granted by any corporation, government, unincorporated body or other entity;
- (c) a unit or other interest in a trust or partnership;
- (d) any interest in a managed investments scheme (as defined in the *Corporations Act*);
- (e) a negotiable instrument; and
- (f) any right or option in respect of any of the above (whether issued or unissued) and for the purpose of Part B (*Nominee Agreement and Sponsorship Agreement*) includes any *Additional Securities*.

Security Interest means any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust or power.

Security Value means the total value of all of the *Secured Property* over which we have a first ranking *Security Interest* from time to time in accordance with the *Agreement*, calculated as the value applied by us to each item of *Secured Property* from time to time multiplied by the percentage we assign to each item of the *Secured Property* from time to time. For example, if a share is valued by us at \$100 and we assign a percentage figure of 70%, then the value of that item of *Secured Property* will be \$70.

Settlement Participant has the meaning given in the *ASTC Settlement Rules*. Generally it covers persons that are not *Brokers* but who satisfy certain eligibility criteria in the *ASTC Settlement Rules*.

Sponsor means Pirie Street Custodian Ltd (ABN 64 004 742 581).

Sponsorship Agreement means the agreement between you and the *Sponsor* setting out the terms of sponsorship of securities under *CHES* in Part B and in Part D.

Sponsoring Participant has the meaning given in the *ASTC Settlement Rules*. Under the *ASTC Settlement Rules* it means a *Participant* that establishes and maintains a *Participant Sponsored Holding*.

Subposition has the meaning in the *ASTC Settlement Rules*. Generally it means the facility in *CHES* restricting certain activities in relation to securities under *CHES*.

Total Amount Owning means the *Account Balance* plus any interest, fees, costs, expenses and other amounts (including indemnity amounts) payable by you under this *Agreement*.

We, us or our means Leveraged Equities Limited (ABN 26 051 629 282), its successors and anyone it assigns its rights to.

Withdrawal Instructions has the meaning in the *ASTC Settlement Rules*. Generally, it means written or oral instructions from you to the *Sponsor* for the withdrawal of *Securities* from a *Participant Sponsored Holding*.

You or your means:

- (a) in the *Loan Agreement*, the *Borrower*;
- (b) in the *Nominee Agreement*, the *Sponsorship Agreement* and the *Mortgage Terms*, the *Person* who makes us the *Offer of Mortgage*;
- (c) in the *Guarantee*, the *Guarantor*; and
- (d) in the *Application Form*, as specified in the *Application Form* itself.

82.2 ASTC Settlement Rules and Corporations Act

As certain definitions refer to the *ASTC Settlement Rules* and the *Corporations Act*, you should read these Rules and this Act for the full terms of the definition. The definition may change from time to time if the *ASTC Settlement Rules* or the *Corporations Act* is altered.

82.3 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the converse.
- (b) A gender includes all genders.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

- (d) A reference to a *Person*, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, annexure or schedule is a reference to a clause of, or annexure or schedule to, this *Agreement*.
- (f) A reference to a party to this *Agreement* or another agreement or document includes the party's successors and permitted substitutes or assigns.
- (g) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (h) A reference to writing includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) The meaning of terms is not limited by specific examples introduced by including, or for example, or similar expressions.
- (k) All references to time are to Australian Eastern Standard time.
- (l) Nothing in this *Agreement* is to be interpreted against a party on the ground that the party put it forward.
- (m) Where this *Agreement* says that we may do something then we may choose to do or not do that thing in our absolute discretion, unless this *Agreement* says otherwise.

83. Capacity in which you enter the Agreement

You and the *Guarantor* enter the *Agreement* in your personal or corporate capacity (as applicable), unless you have told us that you enter the *Agreement* as trustee of a trust. If you have told us that this is the case, you enter the *Agreement* as trustee of that trust for all your *Secured Property* subject to the trust and you also enter the *Agreement* in your personal or corporate capacity (as applicable).

84. Part of Agreement may be treated as separate agreement

If required by law or if otherwise necessary or convenient we may (without giving you any notice and without obtaining your consent, treat one or more Parts of the *Agreement* as a separate agreement.

85. Execution by attorney

Each *Attorney* executing this *Agreement* states that he or she has no notice of revocation or suspension of his or her power of Attorney.

**THIS IS WHERE THE SIGNING CLAUSES
WOULD APPEAR IN THE SIGNATURE COPIES
OF THIS AGREEMENT.**

Section 3: Privacy Disclosure and Consent, Risk Disclosure Statement and Interest Options

Clause 81 of the *Agreement* applies to the interpretation of this Section 3 (including the meaning of words printed like *This*).

1. Privacy Disclosure and Consent

You, being the person(s) whose names appear in the *Application Form* as:

- (a) the *Borrower(s)*; or
- (b) the *Guarantor(s)* of the obligations of the *Borrower*,

give the following acknowledgements, consents and authorities in conjunction with and in relation to the application being made by the *Borrower*.

1.1 Notice of disclosure of credit information to a credit reporting agency

Under the Privacy Act, we or a *Service Provider* (as defined in 1.3 below) or your *Broker* or *Financial Adviser* acting on our behalf are allowed to give a credit reporting agency personal information about you. The information which may be given to an agency is covered by the Privacy Act and includes, to the extent applicable:

- (a) permitted information about you which will allow you to be identified;
- (b) details of any cheques drawn by you for an amount not less than \$100 which have been dishonoured more than once;
- (c) in specified circumstances, whether in our opinion, you have committed a serious credit infringement;
- (d) where you are a *Borrower*:
 - (i) the fact that you have applied for credit and the amount of credit applied for;
 - (ii) the fact that we are a current credit provider to you;
 - (iii) payments which are overdue for more than 60 days and for which collection action has commenced;
 - (iv) advice that payments are no longer overdue; and
 - (v) whether credit provided to you by us has been paid or otherwise discharged;
- (e) where you are a *Guarantor*:
 - (i) the fact that you have offered to act as guarantor in respect of credit or an application for credit; and
 - (ii) the fact that you have failed to pay an amount due by you as guarantor where, amongst other things:
 - (A) you have received notice of default by the *Borrower* and have not paid for 60 days after that notice; and
 - (B) we have in addition to that notice, commenced action to recover the amount due from you.

This information may be given before, during or after the assessment is made of whether to accept the application of the *Borrower*.

1.2 Agreement that we may obtain and provide credit reports and other information about your credit worthiness

You agree to us, for the purpose of assessing this *Application* (and any other application or request you may make in relation to the *Agreement* and assessing whether to provide credit to the *Borrower* or accept you as *Guarantor* in respect of credit applied for, or provided to, the *Borrower*):

- (a) obtaining from a credit reporting agency a credit report containing information about your personal credit worthiness for the purpose of assessing the application of the *Borrower* and/or the application by you to act as *Guarantor* for the *Borrower* and for the purpose of assisting in collecting overdue payments in respect of any credit we provide as a result of this application;
- (b) obtaining a report about your commercial activities or commercial credit worthiness from any business which provides information about the commercial credit worthiness of persons, your accountant or any supplier to you; and
- (c) giving to and obtaining from any credit provider named in this *Application Form* or in a credit report on you issued by a credit reporting agency, information about your credit arrangements for the purposes of:
 - (i) assessing the application of the *Borrower* and/or the application by you to act as *Guarantor* for the *Borrower*;

- (ii) notifying a failure by you to observe your obligations (if any) as *Borrower* or *Guarantor* (as applicable);
- (iii) allowing another credit provider to ascertain the status of your obligations to us where you are in default with one or more other credit providers; and
- (iv) generally assessing your credit worthiness.

You understand the information exchanged can include any information about your personal and/or commercial credit worthiness, credit standing, credit history or credit capacity which the Privacy Act allows credit providers to give to or receive from each other.

You agree that if we approve the *Borrower's* application this agreement remains in force until all facilities we have with the *Borrower* cease.

1.3 Other privacy consents and acknowledgments

You agree that:

- (a) we and the *Nominee* and any company which is related to us;
- (b) ASX Settlement and Transfer Corporation Pty Ltd and any person appointed by us as the *Sponsor*;
- (c) where you are not the *Borrower* – the *Borrower* and any officer or employee of the *Borrower* (where it is a company);
- (d) any proposed guarantor of the obligations of the *Borrower* whether or not named in the *Application Form* and any representative, adviser or broker of that guarantor;
- (e) where you are not the *Borrower* – the *Broker* of the *Borrower* and any employee of that *Broker*;
- (f) where you are the *Borrower* - your *Broker* or *Financial Adviser* and any other person through whom you have applied, or by whom you are introduced to us, and any of their respective employees;
- (g) your *Authorised Person* and any person you nominate to be contacted in case of a margin call;
- (h) any *Attorney*;
- (i) any organisation acquiring an interest in the *Borrower's* margin loan facility or involved in managing our corporate risk and funding functions (for example organisations involved in securitisation);
- (j) any payment systems operators and participants in the payment system;
- (k) master trust and wrap providers, where you wish to lodge a wrap as security on the margin loan facility;
- (l) any provider of a *Deposit Account*;
- (m) any person with whom we enter into an arrangement in relation to *Securities* in connection with the *Borrower's* margin loan facility;
- (n) any person referred to in this *Application Form* (or any other application or request) or any other person whose details you give us;
- (o) any valuer of *Secured Property*;
- (p) *CHESS* and any entity through which we interface with *CHESS*; and
- (q) Australian Clearing House Pty Ltd, (each referred to as a **Recipient**) may exchange with each other any personal information about you including:
 - (r) any insurer to which we apply for lenders' mortgage insurance;
 - (s) any other personal information you provide to any *Recipient* or which any *Recipient* otherwise lawfully obtains about you;
 - (t) any transaction details or transaction history arising out of your arrangements with any *Recipient*;
 - (u) where the Privacy Act allows, or allows provided you agree, any information referred to in sections 1.1 and 1.2 above.

You agree that if we engage anyone (a **Service Provider**) to do something on our behalf (for example a mailing house, a provider of information technology services, a debt collection agency, auditor or a solicitor), then we and the *Service Provider* may exchange with each other any personal information referred to above and any other personal information the *Service Provider* lawfully obtains about you in the course of acting on our behalf.

You agree that any personal information referred to above may be used by any *Recipient* and *Service Provider* for any purpose related to the margin lending facility to which the *Application Form* relates and to carry out any associated payments, transactions, administration and account servicing. In addition, such information can be used to assess any application you make for a different product or service, for planning, product development and research purposes and to seek your feedback on our products and services. Such information may also be used by Leveraged Equities from time to time to contact you about various product offers and special promotions.

We may give any personal information about you to entities other than the *Recipients* and the *Service Providers* referred to above where it is required or allowed by law where it is required by a *Government Agency* or where you have otherwise consented.

You understand that:

- (a) if you fail to provide any information requested in any margin lending documents, or do not agree to any of the possible exchanges or uses of such information as set out above, the margin lending application of the *Borrower* may not be accepted; and
- (b) you can access most personal information that we and our related companies hold about you by contacting Leveraged Equities on 1300 307 807. Sometimes that access will not be possible, in which case you will be told why.

You can also obtain a copy of our privacy statement at leveraged.com.au or by requesting it from us.

2. Risk Disclosure Statement

Borrowing funds, and mortgaging your assets as security for a loan, exposes you to risks. If you guarantee someone else's obligations under a loan, you are exposed to those same risks. In addition you do not have control over the loan.

In deciding whether to enter into the *Agreement* and make the *Offer of Mortgage*, you should bear in mind your particular financial position and your ability to perform your obligations under the *Agreement*. You should read the terms and conditions of the *Agreement* and the *Mortgage Terms* carefully before signing the *Application Form*. In assessing the risks you face, you should consider the following:

2.1 Lending funds to a specified percentage of market value of Approved Securities

We are prepared to lend funds up to a specified percentage of the market value of the *Securities* which form the *Secured Property*. We will determine this percentage, and different percentages apply to different *Securities*. We may change the percentage applying to any *Security* or specify a nil percentage at any time in our absolute discretion. We may also take a *Security* off our list of *Approved Securities* (even after you have bought some of those *Securities* under this *Agreement*). This could potentially place you in a *Margin Call* situation, because we will no longer count the value of those *Securities* towards your borrowing limit.

2.2 Risk of relying on Buffer

Not all of the *Secured Property* has a *Buffer*. You should refer to information we provide from time to time to confirm whether a *Buffer* is applicable to the *Secured Property* and what percentage this *Buffer* is.

We may change the *Buffer* at any time in our absolute discretion. This could potentially place you in a margin call situation.

2.3 Margin Calls

We are not obliged to contact you in the case of a *Margin Call* (in other words if we do not, or if we are unable to, contact you in the case of a *Margin Call*, we will still be able to take action to satisfy the *Margin Call*). It is your responsibility to seek information about and monitor the *Total Amount Owning* under your *Loan* and the *Security Value* which we apply to your *Securities*.

If you are intending to go away or if you will not be contactable for a time, you should make arrangements with your *Authorised Person(s)* so that they can take action to meet any *Margin Call*.

A *Margin Call* must be answered by giving us additional *Security*; repaying some or all of your *Loan*; or selling or redeeming *Secured Property* and applying the proceeds to your *Loan* so that the *Total Amount Owning* no longer exceeds the *Security Value*.

If you are unable to satisfy a *Margin Call* in accordance with the *Agreement*:

- (i) by 4pm on the next *Business Day* after the day that the *Total Amount Owning* exceeds the *Security Value*; or
- (ii) in the case where either the All Ordinaries Index decreases by 10% or more in a 24 hour period or the market value of any or all of the *Secured Property* drops by more than 10% in value in a 24 hour period,
 - (A) by 3pm on the same day if the *Margin Call* is triggered by 12 noon; and
 - (B) by 3pm on the next *Business Day* if the *Margin Call* is triggered after 12 noon,

we will be entitled to sell your *Secured Property* to satisfy the *Margin Call* without informing you first. This may involve selling *Securities* with a value in excess of the *Margin Call*.

We may need to sell all the *Secured Property*. If the proceeds from the sale or redemption of the *Secured Property* do not meet the value of the *Margin Call*, you must repay the balance of the *Margin Call* from your own resources.

2.4 Negative gearing – cash flow and timing risks

If you intend to negatively gear your investment, you should be aware of the associated risks. For example, the timing of interest payments and margin obligations are unlikely to be the same as the timing or receipt of any income or tax benefits you might receive from your investments. Consequently you should have the capacity to meet interest and margin

payments in full before taking into account any potential income. Further, if you do not choose to prepay interest, the interest payable on your loan and the level of dividend income from the *Secured Property* may go up or down. If you choose to capitalise your interest, and this places your *Account* in a *Margin Call* situation, you will be required to meet the *Margin Call* from other sources.

2.5 Financial market volatility

You should be aware that financial markets (including the Australian Stock Exchange) can be volatile and that your *Securities* may vary considerably in price and saleability over short periods of time. This volatility involves a risk to you as the owner of the *Securities* (because the market value of your *Securities* is a determinant of the amount you may borrow and whether you have to meet a *Margin Call*). These variations in price may be significant and very sudden and a significant *Margin Call* repayment may be required on very short notice. You cannot just wait out any downturns in the market.

2.6 Independent advice

You should take independent financial, legal and tax planning advice before borrowing money to purchase *Securities*. This should include advice on the risks involved and the taxation implications of borrowing for investment purposes. In providing the *Loans* to you, we are not advising you in any way whether the *Agreement* is appropriate in your financial circumstances. Further, we are not making any representations or warranties about the taxation implications of the *Agreement*.

2.7 No recommendation of Securities

The fact that a security is an *Approved Security* and the percentage we attribute to that *Approved Security* (i.e., the amount that we are prepared to lend against it) is not an indication of the financial stability or expected performance of that security. You should not use it as an indicator of stability or expected performance when purchasing your *Securities*.

2.8 Repayment

On termination of the *Agreement*, you must repay the *Total Amount Owning* in all circumstances, even if your *Securities* become worthless or if the proceeds from the sale and redemption of those *Securities* do not satisfy the *Total Amount Owning*.

2.9 Early repayment

If a *Loan* is paid out prior to normal maturity, there may be additional costs payable to us for the early termination of the funding arrangement or any associated hedging arrangements we enter into in relation to the *Securities*. These costs may reduce any profit you make upon the sale of any *Securities*.

2.10 Guarantee

If you guarantee the obligations of a *Borrower*, we may (if there is a default) call on you as *Guarantor* (either instead of the *Borrower* or as well as the *Borrower*) to pay the amounts that are owing. The giving of the *Guarantee* therefore involves risks, including the risk of losing any property that has been given as security. A *Guarantor* is also exposed to the actions of the *Borrower*, who may increase or reduce a *Guarantor's* risks (such as by borrowing more) without reference to the *Guarantor*.

A *Guarantor* may not terminate its obligations to us prior to the *Borrower* repaying the *Total Amount Owning*.

If you are borrowing and investing through a company, you will (if you are a director of the Company), be asked to sign a *Guarantee* guaranteeing the obligations of your company with regard to the arrangements entered into by it with us. By virtue of the *Guarantee* you will assume personal liability for your company's obligations (including any debts) to us and will bear the risks that have been outlined above.

2.11 Interest Rate Risk

Interest rates on your loan can increase or decrease.

If you elect to pay a fixed interest rate for all or part of your *Loan*, then you may be paying more interest than you would have if you had chosen a variable rate, if interest rates decrease.

This statement does not disclose all the risks that you may face if you borrow against *Securities* or *Guarantee* the obligations of such a *Borrower*. It also does not disclose all the terms and conditions of the *Agreement* or the *Mortgage Terms*.

Acting as the *Borrower* or *Guarantor*, and signing the documents necessary to do so, does not affect your obligations in relation to any other facilities you have with us or any of our related bodies corporate, or any other guarantee or other security you have given to us or any of our related bodies corporate.

3. Interest Options

Under the *Agreement*, unless you pay interest in advance, you can elect to pay interest to us on the *Account Balance* each month. Unless you elect to do so, we may capitalise the interest to your *Account* and increase the *Account Balance*. Alternatively, you may elect to have interest automatically paid from the Direct Debit Account. There are 4 main alternatives for

calculation and payment of interest under the *Agreement* – fixed interest structure, one of 2 variable interest structures, or an alternative interest structure that you may propose.

3.1 Fixed Interest Rate Option

You may choose to have interest calculated at a fixed rate (for between 6 months and 5 years) on all or part of your *loan*. We will specify the interest rate.

3.2 Variable Interest Rate Option 1

You may choose to have interest calculated at a variable rate. The interest rate is 30 Day Bank Bill Rate plus a margin specified by us from time to time. The Bank Bill Rate is as quoted in the Australian Financial Review or anywhere else we notify you from time to time.

3.3 Variable Interest Rate Option 2

You may choose to have interest calculated at a variable rate. The interest rate will be specified by us from time to time.

3.4 Current interest rates

You can obtain a brochure from us outlining our current interest rates.

3.5 Alternative interest structure

You may propose an alternative basis for charging interest for our consideration. Please telephone us in advance to discuss your proposed structure. Note that we are under no obligation to agree to your proposed alternative.

3.6 Frequency of payment options

There are 2 options, paying yearly in advance or paying monthly in arrears.

3.7 Payment methods

There are 2 options, capitalise interest to your *Account* or paying monthly from your Direct Debit Account.

If you choose to capitalise the interest, the amount of interest will be added to the *Loan Balance* of your *Account*, the total amount you owe us will increase, and the interest will be changed on the additional amount.

If you choose to pay by direct debit, we are authorised to deduct all interest payable from the Direct Debit Account. You must also complete the Direct Debit Request.

4. Definitions and interpretation

In this Section 3: Privacy Disclosure and Consent, Risk Disclosure Statement and Interest Options, unless the context otherwise requires, words printed like *This* shall have the same meaning as set out in Clause 82 of the *Agreement* between you and Leveraged Equities in relation to your Margin Loan Account and this Section 3 is to be interpreted according to any other interpretation provisions set out in Clause 82 of the *Agreement*.

We will contact you to discuss the available options when we receive your application.

Section 4: Power of Attorney and Direct Debit Service Agreement.

If you are a *Borrower* or a *Guarantor*, these are the terms of the Power of Attorney which you will give to us at the time that you sign the *Application Form*.

1. Power of Attorney

1.1 Who you appoint and the power you give

For valuable consideration you irrevocably appoint Leveraged Equities Limited (**LE**), the *Nominee*, the *Sponsor* and in regard to each of us, any *Authorised Officer*, severally as your attorney (an *Attorney*) to:

- (a) date the *Application Form* no later than the date *LE* receives the form (if you do not date it);
- (b) correct errors or omissions in, or make amendments to, the *Application Form* in accordance with your oral or written instructions;
- (c) execute the *Agreement* (including the *Guarantee*, if applicable) on your behalf;
- (d) transfer the *Secured Property* to *LE* or the *Nominee* or to a purchaser or otherwise convey the *Secured Property* where you are required or permitted to do so under the *Agreement* or the *Mortgage Terms*;
- (e) open a *Deposit Account* in your name (whether alone or jointly with any other *Borrower* or *Guarantor* under the *Agreement*);
- (f) deal in any way with the *Deposit Account* and, without limitation, set off the balance in the *Deposit Account* against any of the *Total Amount Owed*, grant a charge or mortgage over a *Deposit Account* and give any directions to the issuer of the *Deposit Account* which you could give as owner of the *Deposit Account*;

- (g) if you are a corporation or a corporate trustee, complete sign and date any form required to be lodged with the Australian Securities and Investments Commission in order to register the *Mortgage* pursuant to the *Corporations Act* or otherwise in relation to the *Mortgage*;
- (h) do anything which the *Attorney* thinks fit in any way relating to your involvement in the *Agreement* or any transaction contemplated by them or a sale or dealing contemplated by this power of attorney;
- (i) do anything which you can do as owner of the *Secured Property* and give directions to the *Nominated Financial Adviser*, the issuer or registry of any *Securities*, and the *Sponsor* in relation to the *Secured Property* (or any part of it);
- (j) sign any forms or other documents which in the *Attorney's* opinion are necessary or desirable to ensure shares or other securities subject to the *Mortgage* or intended to be subject to the *Agreement* are on a *CHES* Subregister under the control of the *Sponsor* as contemplated by the *Agreement*;
- (k) execute any other document which an *Attorney* thinks necessary, advisable or incidental in connection with either the *Agreement* or any transaction contemplated by the *Agreement*;
- (l) stamp and register the *Agreement* and any documents contemplated by the *Agreement*;
- (m) do anything else contemplated by the *Agreement*; and
- (n) execute any other document which you instruct the *Attorney* in writing to execute from time to time (whether or not in connection with or contemplated by the *Agreement*).

1.2 Attorney may delegate powers

An *Attorney* may delegate his or her powers (including this power) and revoke such a delegation.

1.3 Interest in transaction

An *Attorney* may exercise his or her powers even if doing so involves a conflict of interest.

1.4 Approval of acts of Attorney

If we request, you must formally approve anything that the *Attorney* may do under the *Agreement*.

1.5 Indemnity

You indemnify the *Attorney* against each claim, action, proceeding, judgment, damage, *Cost*, loss, expense or liability incurred or suffered by or brought or made or recovered against the *Attorney* in connection with the exercise of any of the powers and authorities conferred by this power of attorney.

1.6 No personal liability

The exercise by the *Attorney* of the powers and authorities conferred by this power of attorney does not involve any assumption by the *Attorney*, or any body in which he or she is a partner or employed, of personal liability in connection with the exercise of the powers and authorities or the consequences of so doing.

1.7 Conflict of duty

You authorise the *Attorney* to exercise the powers and authorities conferred by this power of attorney even if it involves a conflict of duty or the *Attorney* (or a person they know) have a personal interest in doing so.

1.8 Effect as a deed

This power of attorney is intended to have effect as a deed.

1.9 Governing Law

This power of attorney is governed by the laws of New South Wales.

1.10 Interpretation

Words written like *This* have the same meaning as set out in Clause 82 of Part D of the *Agreement*.

If you are a *Borrower* and you sign a Direct Debit/*WealthBuilder* Request, these are the terms of the Direct Debit Service Agreement between Leveraged Equities Limited and you.

2. Direct Debit Service Agreement

2.1 Debit arrangements

- (a) By completing and signing the Direct Debit Request (**DDR**) above you authorise us to arrange for funds to be transferred from your nominated account in accordance with this Direct Debit Service Agreement, and you also authorise the financial institution where your account is held (the **Financial Institution**) to debit your nominated account accordingly.
- (b) Direct debits will not commence until we have processed your direct debit application.
- (c) All direct debits made on your behalf in accordance with a **DDR** are deemed payments by you.

- (d) If the date you have nominated for payment falls on a day that is not a *Business Day*, we may direct the *Financial Institution* to debit your account on the following *Business Day*. If you are unsure about which day your account has been or will be debited please check with the *Financial Institution*.
- (e) Nothing in this Direct Debit Services Agreement affects or overrides the terms of the *Agreement*. If the result of a debit payment being returned is that you do not make a payment due under the *Agreement* on time then an *Event of Default* will occur for the purpose of that *Agreement* and default interest may accrue on the unpaid amount.
- (f) If there are insufficient cleared funds available in your nominated account to meet any debit payment:
 - (i) you or your nominated account may be charged a fee and/or interest by the *Financial Institution*;
 - (ii) we may charge a fee to reimburse us for costs or charges we have incurred as a result of the failed transaction;
 - (iii) if there has been a margin call or you are in default in your payments, you must arrange for the payment to be made by another method or arrange for sufficient cleared funds to be in your nominated account within 3 days or such other period as we specify so that we can make a further drawing on your nominated account; and
 - (iv) we may attempt a redraw on your nominated account.

2.2 Your rights

- (a) You may terminate the Direct Debit arrangement with us by giving us written notice. The termination will be effective when we have completed processing your request.
- (b) You may request that we stop or defer a payment by notifying us in writing. We will notify you if your request to stop or defer a payment has been successful.
- (c) You may alter the *DDR* amount and the date on which payment is to be made by completing a new application.
- (d) Where you consider the debit is incorrect in either the due date or amount or both, you should raise the matter with us on 1300 307 807.
- (e) All notices to us in writing should be sent to:
 - Leveraged Equities Limited
 - GPO Box 5388
 - Sydney NSW 2001.

2.3 Our rights

- (a) We may terminate the Direct Debit arrangement as to future deductions at any time by notice in writing to you.
- (b) We may in our discretion vary any condition and introduce a charge in relation to the *DDR*. We will notify you of variations to this agreement in writing, no later than 14 days prior to the day on which the variation takes effect.

2.4 Your responsibilities

It is your responsibility:

- (a) before completing the *DDR* to:
 - check with the *Financial Institution* that direct debiting is available on your nominated account. You will need to do this because direct debiting is not available on all accounts offered by financial institutions; and
 - check the account details you have provided to us are correct by checking them against a recent statement of your nominated account;
- (b) to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by us;
- (c) to check the statements issued on your nominated account to verify that the amounts debited from the account are correct;
- (d) to ensure that the authorisation to debit the nominated account is in the same name as the account signing the instruction held by the *Financial Institution*;
- (e) to advise us if the account you have nominated to debit is transferred or closed;
- (f) to ensure that suitable arrangements are made if the Direct Debit is cancelled:
 - (i) by you
 - (ii) by the *Financial Institution*; or
 - (iii) for any other reason.

2.5 Dispute

- (a) If you believe that there has been an error in debiting your nominated account you should call us on 1300 307 807 and confirm the details by writing to us, at the address in Clause 2.2(e), as soon as possible so that we can try to resolve your query quickly.
- (b) If our investigations show that your account has been incorrectly debited we will arrange for the *Financial Institution* to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- (c) If our investigations show that your account has not been incorrectly debited we will respond to your query by providing you with reasons and copies of any evidence for this finding.
- (d) Any queries you may have about an error made in debiting your account should be directed to us in the first instance so that we can attempt to resolve the matter between us and you. If we cannot resolve the matter you can then refer it to the *Financial Institution* which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

2.6 Margin Calls

If you have selected the *Margin Call* option in the Direct Debit Request and chosen "with notification" you:

- (a) authorise us, upon receiving your instructions in writing, by telephone, by facsimile, by email or by any other means we approve from time to time, to debit your account with the amount and on the day specified in those instructions;
- (b) agree that because we are authorised to accept instructions by telephone, facsimile, email or other means we approve from time to time, if we do so, the risk of an unauthorised transaction or a fraud lies with you and you will not make any claim on us, and will indemnify us against any claim on us made by anyone else, as a result of or in connection with us acting on a telephone or facsimile instruction; and
- (c) agree that we may refuse to act on a telephone, facsimile, email or other instruction if we believe or suspect the instruction is fraudulent, mistaken or unauthorised.

2.7 Confidentiality and Privacy

- (a) When we collect, use and disclose the personal information in your *DDR* (such as your account details), we comply with the privacy and related law and our privacy policy.
- (b) We will disclose information about you for the purposes of this Direct Debit Service Agreement which may include providing information to the *Financial Institution* or others involved in the direct debit system (for example we may need to do so in connection with a claim that there has been an incorrect or wrongful debit).
- (c) If you fail to provide any information requested in the *DDR* then we will not be able to arrange debit payments.
- (d) More information about privacy is in the Privacy Disclosure and Consent which was given to you when you signed the *DDR*.

2.8 Priority

The *Financial Institution* may in its absolute discretion conclusively determine the priority of payment by it of any moneys, pursuant to this or any other authority or withdrawal request which you give to the *Financial Institution* in relation to your nominated account.

2.9 Definitions and interpretation

In this Direct Debit Service Agreement, unless the context otherwise requires, words printed like *This* shall have the same meaning as set out in Clause 82 of the *Agreement* between you and us in relation to your Margin Loan Account and this Direct Debit Service Agreement is to be interpreted according to any other interpretation provisions set out in Clause 82 of the *Agreement*, and:

DDR means the request which you have made for amounts to be debited from your nominated account as set out in the Direct Debit Request Form attached to this Direct Debit Service Agreement; and

Financial Institution means the financial institution which your nominated account is held with.

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Leveraged Equities

Margin Lending Application Form.

Dealer Group: Wealth Focus Pty Ltd

PO Box 760

Manly

NSW 1655

Tel 1300 55 98 69

Leveraged Equities

A subsidiary of Adelaide Bank

ABN 26 051 629 282

Application check list

INDIVIDUAL / JOINT APPLICANTS

Complete the Individual / Joint Application Form in this booklet.

Borrower(s).

- 1.1 Individual / Joint applicants.
- 1.2 Borrower trust - if applicable.
 - Attach a copy of a Solicitor's Trust Opinion. A sample can be obtained by emailing trustopinion@leveraged.com.au **OR**
 - Attach a cheque for \$250 made payable to Leveraged Equities and a copy of the Trust Deed and amendments.
- 3. Nominated Financial Adviser.
- 6. Marketing consent.
- 10. Date.
- 11. Borrower signature(s) and witness.
- Copy of driver's licence or passport required for all Borrowers.

Individual Guarantor(s). (If you want to lodge third party security.)

- 2.1 Individual Guarantor(s).
- 2.3 Guarantor trust - if applicable.
 - Attach a copy of a Solicitor's Trust Opinion. A sample can be obtained by emailing trustopinion@leveraged.com.au **OR**
 - Attach a cheque for \$250 made payable to Leveraged Equities and a copy of the Trust Deed and amendments.
- 12.1 Individual Guarantor(s) signature and witness.
- Copy of driver's licence or passport required for all Guarantors.

Company Guarantor. (If you want to lodge third party security in a company name.)

- 2.2 Company Guarantor(s).
- Attach a cheque for \$150 made payable to Leveraged Equities.
- 2.3 Guarantor Trust - if applicable.
 - Attach a copy of a Solicitor's Trust Opinion. A sample can be obtained by emailing trustopinion@leveraged.com.au **OR**
 - Attach a cheque for \$250 made payable to Leveraged Equities and a copy of the Trust Deed and amendments.
- 12.2 Company Guarantor(s) signature.

COMPANY APPLICANTS

Complete the Company Application Form in this booklet.

Borrower(s).

- 1. Company applicants.
- 1.1 Borrower trust - if applicable.
 - Attach a copy of a Solicitor's Trust Opinion. A sample can be obtained by emailing trustopinion@leveraged.com.au **OR**
 - Attach a cheque for \$250 made payable to Leveraged Equities and a copy of the Trust Deed and amendments.
- 3. Nominated Financial Adviser.
- 6. Marketing consent.
- 10. Date.
- 11. Company Borrower signature(s).
- Attach a cheque for \$150 made payable to Leveraged Equities.

Guarantors. (Director and if you want to lodge third party security.)

- One Director of the company must sign a Guarantee with unlimited liability.
- 2.1 Individual Guarantor(s).
- 2.2 Guarantor trust - if applicable.
 - Attach a copy of a Solicitor's Trust Opinion. A sample can be obtained by emailing trustopinion@leveraged.com.au **OR**
 - Attach a cheque for \$250 made payable to Leveraged Equities and a copy of the Trust Deed and amendments.
- 12. Guarantor(s) signature and witness.
- Copy of driver's licence or passport required for all Guarantors.

ADDITIONAL INFORMATION (OPTIONAL)

- 1. Authorised Representatives.
- 2. Alternative Margin Call contact.
- 3. Tax file number.
- 4. Nominated bank account (for direct credits only).
- 5. Direct Debit Request.
- 6. Date.
- 7. Authorisation.

WEALTHBUILDER (OPTIONAL)

- 1. Account to be debited.
- 2. Start date.
- 3. Plan provider details.
- 4. Investment amounts.
 - 4.1 Initial investment.
 - 4.2 Regular monthly investment.
- 5. Authorisation.

Individual / Joint Application Form

DO NOT USE CORRECTION FLUID. If you make any errors, cross out and have all parties initial it. Please complete in **BLOCK LETTERS**. Any cheques should be made payable to Leveraged Equities.

I. INDIVIDUAL / JOINT APPLICANTS

(Each a Borrower under the Agreement)

This is how your name appears on your Holdings.

I.1 BORROWER 1

Title: First name:

Middle name(s):

Surname:

Residential address: (compulsory)

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia)

Postal address (if different from residential address):

Unit/PO Box/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia)

Telephone numbers:

Work:

Home:


Fax:

Mobile:

Email address:

Personal details:

Date of birth:

Passport or driver's licence no. 

A photocopy of this must be provided.

Occupation:

BORROWER 2

Title: First name:

Middle name(s):

Surname:

Residential address: (compulsory)

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia)

Postal address:

Please note: All correspondence will be sent to Borrower 1.

Telephone numbers:

Work:

Home:


Fax:

Mobile:

Email address:

Personal details:

Date of birth:

Passport or driver's licence no. 

A photocopy of this must be provided.

Occupation:

I.2 BORROWER TRUST

If not applicable go to Section 2

If left blank, you represent and warrant that you are not a trustee in relation to your borrowing or any Secured Property.

Trust name:

Trustee name:

Trust applicants have two options:

Option 1 - Complete a Solicitor's Trust Opinion (a sample "Solicitor's Trust Opinion" can be obtained by emailing trustopinion@leveraged.com.au).

Option 2 - Please send us a copy of the trust deed and any amendments with this application (together with details of any change of trustee that may have occurred).

\$250 cheque required for option 2

2. GUARANTORS (if you want to lodge third party security)

If not applicable go to Section 3

(Each a Guarantor under the Agreement)

This is how your name appears on your Holdings.

2.1 INDIVIDUAL GUARANTOR 1

Title: First name:

Middle name(s):

Surname:

Residential address (compulsory):

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Postal address (if different from residential address):

Unit/PO Box/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Telephone numbers:

Work: ()

Home: ()

Fax: ()

Mobile:

Email address:

Personal details:

Date of birth:

Passport or driver's licence no.

A photocopy of this must be provided.

Occupation:

INDIVIDUAL GUARANTOR 2

Title: First name:

Middle name(s):

Surname:

Residential address (compulsory):

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Postal address (if different from residential address):

Unit/PO Box/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Telephone numbers:

Work: ()

Home: ()

Fax: ()

Mobile:

Email address:

Personal details:

Date of birth:

Passport or driver's licence no.

A photocopy of this must be provided.

Occupation:

2.2 COMPANY GUARANTORS (if you want to lodge stock in a company name)

If not applicable go to Section 2.3

\$150 cheque required

Name of company:

ABN:

Postal address:

Contact name:

Contact number:

2.3 GUARANTOR TRUST

If not applicable go to Section 3

If left blank, you represent and warrant that you are not a trustee in relation to your borrowing or any Secured Property.

Trust name:

Trustee name:

Trust applicants have two options:

Option 1 - Complete a Solicitor's Trust Opinion (a sample "Solicitor's Trust Opinion" can be obtained by emailing trustopinion@leveraged.com.au).

Option 2 - Please send us a copy of the trust deed and any amendments with this application (together with details of any change of trustee that may have occurred).

\$250 cheque required for option 2

3. NOMINATED FINANCIAL ADVISER

Insert details of the Financial Adviser, accountant or other individual you wish to nominate and authorise us to deal with on your margin loan account.

Firm:

Name of Adviser:

Address:

Phone:

Email address:

Please tick here if you would **not** like your Adviser to have information only access to your account details via our internet site.

4. INTERPRETATION

All words written like *This* have the meaning as set out in clause 81 of Section 2 of the Leveraged Equities Margin Lending booklet (the Booklet), provided to you with this *Application Form*. In this *Application Form*, "You" or "Your" means the *Borrower* or the *Guarantor* (as the case may be).

5. COMMISSION DISCLOSURE

We may share any money you give us, or pay a commission, to any *Person* we choose, including your *Authorised Representative* or any *Financial Adviser* or agent. If you have been referred to our margin lending product by a *Person*, the *Person* may receive a benefit in relation to the provision of the *Loans* to you. The amount of this benefit will be determined by us and the *Person*. The benefit will have no impact on the amount you owe. Generally, that *Person* should disclose to you the amount of any such benefit. You can also obtain the details of any such benefit from us upon request.

6. MARKETING CONSENT

We would like to contact you from time to time to provide information on various offers and special promotions in relation to Adelaide Bank Group's products and services. This may happen via mail, email, telephone or other method. If you wish to be contacted by us in relation to offers unrelated to your Leveraged Equities products and services please tick this box.

You may tell us later that you no longer wish to be contacted by us in relation to the above, in which case we will comply with that request.

7. OFFER TO MORTGAGE

You offer to give a mortgage to us on the *Mortgage Terms* set out in Section 1 of the Booklet. We can accept the *Offer of Mortgage* by opening a Margin Loan Account in your name and such acceptance will, without any further action by us, create a binding mortgage on the *Mortgage Terms*.

8. POWER OF ATTORNEY

This section of the *Application Form* contains a power of attorney, made on the day you sign this *Application Form*.

8.1 Who you appoint and the power you give

For valuable consideration, you irrevocably appoint Leveraged Equities Limited (LE), the *Nominee*, the *Sponsor* and in regard to each of us, any *Authorised Officer*, severally as your attorney (an *Attorney*) to:

- (a) date the *Application Form* no later than the date LE receives the form (if you do not date it);
- (b) correct errors or omissions in, or make amendments to, the *Application Form* in accordance with your oral or written instructions;
- (c) execute the *Agreement* (including the *Guarantee*, if applicable) on your behalf;
- (d) transfer the *Secured Property* to LE or the *Nominee* or to a purchaser or otherwise convey the *Secured Property* where you are required or permitted to do so under the *Agreement* or the *Mortgage Terms*;
- (e) open a *Deposit Account* in your name (whether alone or jointly with any other *Borrower* or *Guarantor* under the *Agreement*);
- (f) deal in any way with a *Deposit Account* and, without limitation, set off the balance in the *Deposit Account* against any of the *Total Amount Owed*, grant a charge or mortgage over a *Deposit Account* and give any directions to the issuer of a *Deposit Account* which you could give as owner of the *Deposit Account*;
- (g) if you are a corporation or a corporate trustee, complete, sign and date any form required to be lodged with the Australian Securities and Investments Commission in order to register the *Mortgage* pursuant to the *Corporations Act* or otherwise in relation to the *Mortgage*;
- (h) do anything which the *Attorney* thinks fit in any way relating to your involvement in the *Agreement* or any transaction contemplated by them or a sale or dealing contemplated by this power of attorney;
- (i) do anything which you can do as owner of the *Secured Property* and give directions to the *Nominated Financial Adviser*, the issuer or registry of any *Securities*, and the *Sponsor* in relation to the *Secured Property* (or any part of it);
- (j) sign any forms or other documents which in the *Attorney's* opinion are necessary or desirable to ensure shares or other securities subject to the *Mortgage* or intended to be subject to the *Agreement* are on a *CHESS Subregister* under the control of the *Sponsor* as contemplated by the *Agreement*;
- (k) execute any other document which an *Attorney* thinks necessary, advisable or incidental in connection with either the *Agreement* or any transaction contemplated by the *Agreement*;
- (l) stamp and register the *Agreement* and any documents contemplated by the *Agreement*;
- (m) do anything else contemplated by the *Agreement*; and
- (n) execute any other document which you instruct the *Attorney* in writing to execute from time to time (whether or not in connection with or contemplated by the *Agreement*).

8.2 Attorney may delegate powers

An *Attorney* may delegate his or her powers (including this power) and revoke such a delegation.

8.3 Interest in transaction

An *Attorney* may exercise his or her powers even if doing so involves a conflict of interest.

8.4 Approval of acts of Attorney

If we request, you must formally approve anything that the *Attorney* may do under the *Agreement*.

8.5 Indemnity

You indemnify the *Attorney* against each claim, action, proceeding, judgment, damage, cost, loss, expense or liability incurred or suffered by or brought or made or recovered against the *Attorney* in connection with the exercise of any of the powers and authorities conferred by this power of attorney.

8.6 No personal liability

The exercise by the *Attorney* of the powers and authorities conferred by this power of attorney does not involve any assumption by the *Attorney*, or any body in which he or she is a partner or employed, of personal liability in connection with the exercise of the powers and authorities or the consequences of so doing.

8.7 Conflict of duty

You authorise the *Attorney* to exercise the powers and authorities conferred by this power of attorney even if it involves a conflict of duty or the *Attorney* (or a person they know) have a personal interest in doing so.

8.8 Effect as a deed

This power of attorney is intended to have effect as a deed.

8.9 Governing Law

This power of attorney is governed by the laws of New South Wales.

9. BY COMPLETING AND SIGNING THIS FORM YOU ACHIEVE THE FOLLOWING

You, a *Borrower* or *Guarantor*, as the case may be:

- acknowledge and agree that, by signing this *Application Form*, you have read and understood the *Agreement* provided with this *Application Form*; and
- acknowledge that you have not relied on any taxation, legal or financial advice from us and have sought independent taxation, legal and financial advice on the suitability of the product for you.

You, a *Guarantor*, also acknowledge that you have read and understood the *Guarantee*.

By signing this *Application Form*:

- you, a *Borrower*, apply for a loan on the terms and conditions set out in the *Agreement*;
- you, a *Borrower* or a *Guarantor*, give the acknowledgments and consents in Section 3 (Privacy Disclosure and Consent, Risk Disclosure Statement and Interest Options) of the Booklet;
- you, a *Borrower* or a *Guarantor*, make the *Offer of Mortgage* in Section 7 of this *Application Form*;
- you, a *Borrower* or a *Guarantor*, execute the power of attorney in Section 8 of this *Application Form* as a deed;
- you, a *Borrower*, expressly request us not to provide you with an executed copy of the *Agreement* (including the *Nominee Agreement* and the *Sponsorship Agreement*) or an executed copy of any Direct Debit Request or Direct Debit Service Agreement which you may sign now or later. You acknowledge that copies of each of these documents have been provided to you to retain for your records; and
- you, a *Guarantor*, expressly request us not to provide you with an executed copy of the *Agreement* (including the *Nominee Agreement* and the *Sponsorship Agreement* and the *Guarantee*). You acknowledge that copies of each of these documents have been provided to you to retain for your records.

SIGNATURES: All signatures must be witnessed by an independent party (NOT a Borrower or a Guarantor). Executed and delivered as a deed. Signed, Sealed and Delivered by the applicants signing below:

I/We declare that the credit to be provided to me/us is to be applied wholly or predominantly for business and/or investment purposes.

Important: You should not sign this declaration unless the loans are wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

10. DATE

/ /

11. BORROWER 1 (EXECUTED AS A DEED)

Full name:

Signature:

Witness (Borrowers or Guarantors cannot witness):

Full name:

Residential address (compulsory):

Signature:

BORROWER 2 (EXECUTED AS A DEED)

Full name:

Signature:

Witness (Borrowers or Guarantors cannot witness):

Full name:

Residential address (compulsory):

Signature:

12. GUARANTOR(S) (IF YOU WANT TO LODGE THIRD PARTY SECURITY)

Please select appropriate guarantor entity:

Individual(s) **(Go to section 12.1)**

Company **(Go to section 12.2)**

12.1 INDIVIDUAL GUARANTORS

GUARANTOR 1 (EXECUTED AS A DEED)

Full name:

Signature:

Witness (Borrowers or Guarantors cannot witness):

Full name:

Residential address (compulsory):

Signature:

GUARANTOR 2 (EXECUTED AS A DEED)

Full name:

Signature:

Witness (Borrowers or Guarantors cannot witness):

Full name:

Residential address (compulsory):

Signature:

12.2 COMPANY GUARANTORS (EXECUTED AS A DEED)

This *Application Form* must be executed by the Company pursuant to its constitution.

Full name:

Signature:

Office held (e.g. Director/Secretary):

Note - if a person is signing as Sole Director then tick the applicable box below:

- Sole Director and Sole Secretary; or
- Sole Director and there is no Company Secretary pursuant to section 204A(1) of the *Corporations Act*, and the constitution of the company does not require it to have a Company Secretary.

Full name:

Signature:

Office held (e.g. Director/Secretary):

Company Seal
(if required under constitution)

PO Box 760

Manly

NSW 1655

Tel 1300 55 98 69

Adviser
Stamp

Company Application Form

DO NOT USE CORRECTION FLUID. If you make any errors, cross out and have all parties initial it. Please complete in **BLOCK LETTERS**. Any cheques should be made payable to Leveraged Equities.

I. COMPANY APPLICANTS

\$150 cheque required

(Each a *Borrower* under the Agreement).

For company applicants, one Director of the company must sign a *Guarantee* as a *Guarantor* with unlimited liability.

This is how your name appears on your Holdings.

Company name:

ABN:

Registered address (compulsory):

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Telephone numbers:

Work: ()

Mobile:

Contact name:

Postal address (if different from registered address):

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Contact details:

Fax: ()

Email:

I.1 BORROWER TRUST

If not applicable go to Section 2

If left blank, you represent and warrant that you are not a trustee in relation to your borrowing or any *Secured Property*.

Trust name:

Trustee name:

Trust applicants have two options:

- Option 1 - Complete a Solicitor's Trust Opinion (a sample "Solicitor's Trust Opinion" can be obtained by emailing trustopinion@leveraged.com.au).
- Option 2 - Please send us a copy of the trust deed and any amendments with this application (together with details of any change of trustee that may have occurred).

\$250 cheque required for option 2

2. GUARANTORS (Director and if you want to lodge third party security)

(Each a *Guarantor* under the Agreement)

This is how your name appears on your Holdings.

2.1 GUARANTOR 1

Title: First name:

Middle name(s):

Surname:

Residential address (compulsory):

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Postal address (if different from residential address):

Unit/PO Box/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

GUARANTOR 2

Title: First name:

Middle name(s):

Surname:

Residential address (compulsory):

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Postal address (if different from residential address):

Unit/PO Box/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Section 2.1 is continued on page 8.

2.1 GUARANTOR 1 (continued)

Telephone numbers:

Work: ()
Home: ()
Fax: ()
Mobile: ()

Email address:

Personal details:

Date of birth:

Passport or driver's licence no.

A photocopy of this must be provided.

Occupation:

GUARANTOR 2 (continued)

Telephone numbers:

Work: ()
Home: ()
Fax: ()
Mobile: ()

Email address:

Personal details:

Date of birth:

Passport or driver's licence no.

A photocopy of this must be provided.

Occupation:

2.2 GUARANTOR TRUST

If not applicable go to Section 3

If left blank, you represent and warrant that you are not a trustee in relation to your borrowing or any *Secured Property*.

Trust Name:

Trustee Name:

Trust applicants have two options:

- Option 1 - Complete a Solicitor's Trust Opinion (a sample "Solicitor's Trust Opinion" can be obtained by emailing trust.opinion@leveraged.com.au).
- Option 2 - Please send us a copy of the trust deed and any amendments with this application (together with details of any change of trustee that may have occurred).

\$250 cheque required for option 2

3. NOMINATED FINANCIAL ADVISER

Insert details of the *Financial Adviser*, accountant or other individual you wish to nominate and authorise us to deal with on your Margin Loan Account.

Firm:

Name of Adviser:

Address:

Phone:

Please tick here if you would **not** like your Adviser to have information only access to your account details via our internet site.

Email address:

4. INTERPRETATION

All words written like *This* have the meaning as set out in clause 81 of Section 2 of the Leveraged Equities Margin Lending booklet (the Booklet), provided to you with this *Application Form*. In this *Application Form*, "You" or "Your" means the *Borrower* or the *Guarantor* (as the case may be).

5. COMMISSION DISCLOSURE

We may share any money you give us, or pay a commission, to any *Person* we choose, including your *Authorised Representative* or any *Financial Adviser* or agent. If you have been referred to our margin lending product by a *Person*, the *Person* may receive a benefit in relation to the provision of the *Loans* to you. The amount of this benefit will be determined by us and the *Person*. The benefit will have no impact on the amount you owe. Generally, that *Person* should disclose to you the amount of any such benefit. You can also obtain the details of any such benefit from us upon request.

6. MARKETING CONSENT

We would like to contact you from time to time to provide information on various offers and special promotions in relation to Adelaide Bank Group's products and services. This may happen via mail, email, telephone or other method. If you wish to be contacted by us in relation to offers unrelated to your Leveraged Equities products and services please tick this box.

You may tell us later that you no longer wish to be contacted by us in relation to the above, in which case we will comply with that request.

7. OFFER TO MORTGAGE

You offer to give a mortgage to us on the *Mortgage Terms* set out in Section 1 of the Booklet. We can accept the *Offer of Mortgage* by opening a Margin Loan Account in your name and such acceptance will, without any further action by us, create a binding mortgage on the *Mortgage Terms*.

8. POWER OF ATTORNEY

This section of the *Application Form* contains a power of attorney, made on the day you sign this *Application Form*.

8.1 Who you appoint and the power you give

For valuable consideration, you irrevocably appoint Leveraged Equities Limited (LE), the *Nominee*, the *Sponsor* and in regard to each of us, any *Authorised Officer*, severally as your attorney (an *Attorney*) to:

- (a) date the *Application Form* no later than the date LE receives the form (if you do not date it);
- (b) correct errors or omissions in, or make amendments to, the *Application Form* in accordance with your oral or written instructions;
- (c) execute the *Agreement* (including the *Guarantee*, if applicable) on your behalf;
- (d) transfer the *Secured Property* to LE or the *Nominee* or to a purchaser or otherwise convey the *Secured Property* where you are required or permitted to do so under the *Agreement* or the *Mortgage Terms*;
- (e) open a *Deposit Account* in your name (whether alone or jointly with any other *Borrower* or *Guarantor* under the *Agreement*);
- (f) deal in any way with a *Deposit Account* and, without limitation, set off the balance in the *Deposit Account* against any of the *Total Amount Owed*, grant a charge or mortgage over a *Deposit Account* and give any directions to the issuer of a *Deposit Account* which you could give as owner of the *Deposit Account*;
- (g) if you are a corporation or a corporate trustee, complete, sign and date any form required to be lodged with the Australian Securities and Investments Commission in order to register the *Mortgage* pursuant to the *Corporations Act* or otherwise in relation to the *Mortgage*;
- (h) do anything which the *Attorney* thinks fit in any way relating to your involvement in the *Agreement* or any transaction contemplated by them or a sale or dealing contemplated by this power of attorney;
- (i) do anything which you can do as owner of the *Secured Property* and give directions to the *Nominated Financial Adviser*, the issuer or registry of any *Securities*, and the *Sponsor* in relation to the *Secured Property* (or any part of it);
- (j) sign any forms or other documents which in the *Attorney's* opinion are necessary or desirable to ensure shares or other securities subject to the *Mortgage* or intended to be subject to the *Agreement* are on a *CHESS Subregister* under the control of the *Sponsor* as contemplated by the *Agreement*;
- (k) execute any other document which an *Attorney* thinks necessary, advisable or incidental in connection with either the *Agreement* or any transaction contemplated by the *Agreement*;
- (l) stamp and register the *Agreement* and any documents contemplated by the *Agreement*;
- (m) do anything else contemplated by the *Agreement*; and
- (n) execute any other document which you instruct the *Attorney* in writing to execute from time to time (whether or not in connection with or contemplated by the *Agreement*).

8.2 Attorney may delegate powers

An *Attorney* may delegate his or her powers (including this power) and revoke such a delegation.

8.3 Interest in transaction

An *Attorney* may exercise his or her powers even if doing so involves a conflict of interest.

8.4 Approval of acts of Attorney

If we request, you must formally approve anything that the *Attorney* may do under the *Agreement*.

8.5 Indemnity

You indemnify the *Attorney* against each claim, action, proceeding, judgment, damage, cost, loss, expense or liability incurred or suffered by or brought or made or recovered against the *Attorney* in connection with the exercise of any of the powers and authorities conferred by this power of attorney.

8.6 No personal liability

The exercise by the *Attorney* of the powers and authorities conferred by this power of attorney does not involve any assumption by the *Attorney*, or any body in which he or she is a partner or employed, of personal liability in connection with the exercise of the powers and authorities or the consequences of so doing.

8.7 Conflict of duty

You authorise the *Attorney* to exercise the powers and authorities conferred by this power of attorney even if it involves a conflict of duty or the *Attorney* (or a person they know) have a personal interest in doing so.

8.8 Effect as a deed

This power of attorney is intended to have effect as a deed.

8.9 Governing Law

This power of attorney is governed by the laws of New South Wales.

9. BY COMPLETING AND SIGNING THIS FORM YOU ACHIEVE THE FOLLOWING

You, a *Borrower* or *Guarantor*, as the case may be:

- acknowledge and agree that, by signing this *Application Form*, you have read and understood the *Agreement* provided with this *Application Form*; and
- acknowledge that you have not relied on any taxation, legal or financial advice from us and have sought independent taxation, legal and financial advice on the suitability of the product for you.

You, a *Guarantor*, also acknowledge that you have read and understood the *Guarantee*.

By signing this *Application Form*:

- you, a *Borrower*, apply for a loan on the terms and conditions set out in the *Agreement*;
- you, a *Borrower* or a *Guarantor*, give the acknowledgments and consents in Section 3 (Privacy Disclosure and Consent, Risk Disclosure Statement and Interest Options) of the Booklet;
- you, a *Borrower* or a *Guarantor*, make the Offer of Mortgage in Section 7 of this *Application Form*;
- you, a *Borrower* or a *Guarantor*, execute the power of attorney in Section 8 of this *Application Form* as a deed;
- you, a *Borrower*, expressly request us not to provide you with an executed copy of the *Agreement* (including the *Nominee Agreement* and the *Sponsorship Agreement*) or an executed copy of any Direct Debit Request or Direct Debit Service Agreement which you may sign now or later. You acknowledge that copies of each of these documents have been provided to you to retain for your records; and
- you, a *Guarantor*, expressly request us not to provide you with an executed copy of the *Agreement* (including the *Nominee Agreement* and the *Sponsorship Agreement* and the *Guarantee*). You acknowledge that copies of each of these documents have been provided to you to retain for your records.

Signatures: All signatures must be witnessed by an independent party (NOT a Borrower or a Guarantor). Executed and delivered as a deed. Signed, Sealed and Delivered by the applicants signing below:

I/We declare that the credit to be provided to me/us is to be applied wholly or predominantly for business and/or investment purposes.

10. DATE

/ /

11. COMPANY BORROWER (EXECUTED AS A DEED)

This *Application Form* must be executed by the Company pursuant to its constitution.

Full name:

Signature:

Office held (e.g. Director/Secretary):

Full name:

Signature:

Office held (e.g. Director/Secretary):

Note - if a person is signing as Sole Director then tick the applicable box below:

- Sole Director and Sole Secretary; or
- Sole Director and there is no Company Secretary pursuant to section 204A(1) of the *Corporations Act*, and the constitution of the company does not require it to have a Company Secretary.

Company Seal
(if required under
constitution)

12. GUARANTOR(S)

GUARANTOR 1 (EXECUTED AS A DEED)

Full name:

Signature:

Witness (Borrowers or Guarantors cannot witness):

Full name:

Residential address (compulsory):

Signature:

GUARANTOR 2 (EXECUTED AS A DEED)

Full name:

Signature:

Witness (Borrowers or Guarantors cannot witness):

Full name:

Residential Address (compulsory):

Signature:

Additional information (optional)

DO NOT USE CORRECTION FLUID. If you make any errors, cross out and have all parties initial it. Please complete in BLOCK LETTERS.

1. AUTHORISED REPRESENTATIVES

Unless you indicate in writing otherwise, your *Authorised Representatives* will be able to do anything that you can do under the *Agreement* until you revoke your authorisation in writing. The authorisation will continue to be effective until we confirm in writing to you that we have received your notice of revocation and have terminated that person as an *Authorised Representative* under the *Agreement*. We may share information about your *Loan(s)* and *Securities* with your *Authorised Representative*. We may contact your *Authorised Representative* in the event of a margin call. In the event of a margin call, this person must be able to make decisions to sell your *Securities*, lodge additional *Securities* or provide additional funds. All instructions from an *Authorised Representative* must be in writing (including by facsimile transmission), bearing the signature of the *Authorised Representative*, unless we give you a *Notice* that we will accept instructions by some other means.

Name of *Authorised Representative*:

Specify limits on your *Authorised Representative's* power (if any):

Residential address:

Unit/House no. Street name:

Suburb/Town:

State: Postcode: Country (if not Australia):

Authorised representative signature:

Contact details:

Work:

Home:

Fax:

Mobile:

Email:

2. ALTERNATIVE MARGIN CALL CONTACT

If you would like us to contact a person other than you or your *Authorised Representative* in the case of a *Margin Call*, please include that person's details below.

Name of *Margin Call* contact:

Email address:

Work:

Fax:

Home:

Mobile:

3. TAX FILE NUMBER

The collection and use of Tax File Numbers (TFNs) is strictly regulated by the tax laws and the Privacy Act. You are not required by law to provide your TFN. However, if you do not provide your TFN, tax may be deducted from certain payments made to you at the highest marginal rate of taxation. If you require further information on the use and disclosure of TFNs, please contact your tax adviser or the Australian Tax Office. If you elect to quote your TFN below, you request us, the *Nominee* and the *Sponsor* as your agents on your behalf, to quote your *TFN*:

- to the *ASTC*;
- to any issuer of *Securities*; and
- to any issuer of a *Deposit Account*

in respect of all transactions under the *Agreement*. Nothing in this request obliges us the *Nominee* or the *Sponsor* to quote your TFN. This request and authority as agent will not apply if you tick the box below indicating you do not want us to quote your TFN on your behalf.

Borrower 1:

Borrower 2:

Guarantor 1:

Guarantor 2:

Company / Trust *Borrower*:

Company / Trust *Guarantor*:

- Tick this box if any of you **do not** want to appoint us as your agent to quote your TFN in relation to all transactions you undertake under the *Agreement*.

4. NOMINATED BANK ACCOUNT

This is the account in your name with a financial institution which you nominate as the primary account into which we can **deposit** the proceeds of any loan.

Financial institution:

Account name:

BSB number:

Account number:

5. DIRECT DEBIT REQUEST

FOR WEALTHBUILDER APPLICATIONS, PLEASE COMPLETE SEPARATE WEALTHBUILDER FORM.

Please see Section 4 of the *Agreement* for the Terms and Conditions of the Direct Debit Service Agreement.

ACCOUNT TO BE DEBITED

New application

Amendment

Do you want to use the account nominated in Section 4 as the account to be debited?

Yes (if yes, leave the account details blank)

No (if no, enter account details below)

Financial institution:

Account name:

BSB number:

Account number:

TIMING OF PAYMENTS TO BE DEBITED

I/We wish to pay monthly interest charges on my loan. This will be debited on the first *Business Day* of the following month.

I/We wish to pay \$ to my *Loan Account* weekly/fortnightly/monthly starting on / /

I/We wish to pay any amount up to a limit of \$ with/without notification to cover margin payments on my *Loan Account*.

I/We wish Leveraged Equities to deduct from my account any amount as I/we may instruct in writing from time to time, or up to \$ over the telephone.

I/We wish Leveraged Equities to deduct from my account, my company and/or trust fee(s) if required.

6. DATE

/ /

7. AUTHORISATION

This authorisation applies to any section in additional information that has been completed.

BORROWER 1 / COMPANY SIGNATORY

Full name:

Signature:

Office held - **complete if company Borrower only** (e.g. Director/Secretary)

BORROWER 2 / COMPANY SIGNATORY

Full name:

Signature:

Office held - **complete if company Borrower only** (e.g. Director/Secretary)

GUARANTOR 1 / COMPANY SIGNATORY

This is only required if the *Guarantor* TFN has been provided.

Full name:

Signature:

Office held - **complete if company Guarantor only** (e.g. Director/Secretary)

GUARANTOR 2 / COMPANY SIGNATORY

This is only required if the *Guarantor* TFN has been provided.

Full name:

Signature:

Office held - **complete if company Guarantor only** (e.g. Director/Secretary)

ADDITIONAL BANK ACCOUNT SIGNATORY

This is only required if Section 5 has been completed and if a signatory on the account is not a *Borrower* or a *Guarantor*.

Full name:

Signature:

WealthBuilder Application Form

DO NOT USE CORRECTION FLUID. If you make any errors, cross out and have all parties initial it. Please complete in **BLOCK LETTERS**. This section only applies to direct debits relating to *WealthBuilder*. For any other direct debit requests, complete Section 5 on the **Additional Information form**.

Please see Section 4 of the *Agreement* for the Terms and Conditions of the Direct Debit Service Agreement.

New application

Name of Borrower:

Amendment

Account number (if known):

1. ACCOUNT TO BE DEBITED

Bank or financial institution:

BSB number:

Account name:

Account number:

2. START DATE

Your regular monthly contribution start date: / /

3. PLAN PROVIDER DETAILS

This is to advise which plan providers you will be investing in using *WealthBuilder*. Prior to completing this form, you will need to ensure that the plan chosen is on our lending list.

	Plan provider (e.g. Fund Manager)	Plan account number	Managed fund name
(a)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(b)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(c)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(d)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(e)	<input type="text"/>	<input type="text"/>	<input type="text"/>

4. INVESTMENT AMOUNTS

The following two tables must correspond with the plan provider details which you have requested in Section 3.

4.1 INITIAL INVESTMENT

Minimum total contribution is \$1,000. This will be debited from your account. Leave blank if you have attached a cheque made out to Leveraged Equities.

	Your own contribution (e.g. \$1,000)	Margin loan advance (e.g. \$2,000)	Total (e.g. \$3,000)
(a)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(b)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(c)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(d)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(e)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

4.2 REGULAR MONTHLY INVESTMENT

Minimum regular monthly contribution is \$250. This amount represents the total regular monthly contribution(s) debited from your account.

	Your own contribution (e.g. \$250)	Margin loan advance (e.g. \$500)	Total (e.g. \$750)
(a)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(b)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(c)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(d)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(e)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

5. AUTHORISATION

CUSTOMER SIGNATURE 1

Full name:

Signature:

CUSTOMER SIGNATURE 2

Full name:

Signature:

ADDITIONAL BANK ACCOUNT SIGNATORY

This is only required if Section 1 of this form has been completed and if a signatory on the account is not a *Borrower* or *Guarantor*.

Full name:

Signature:

Leveraged Equities

A subsidiary of Adelaide Bank

ABN 26 051 629 282