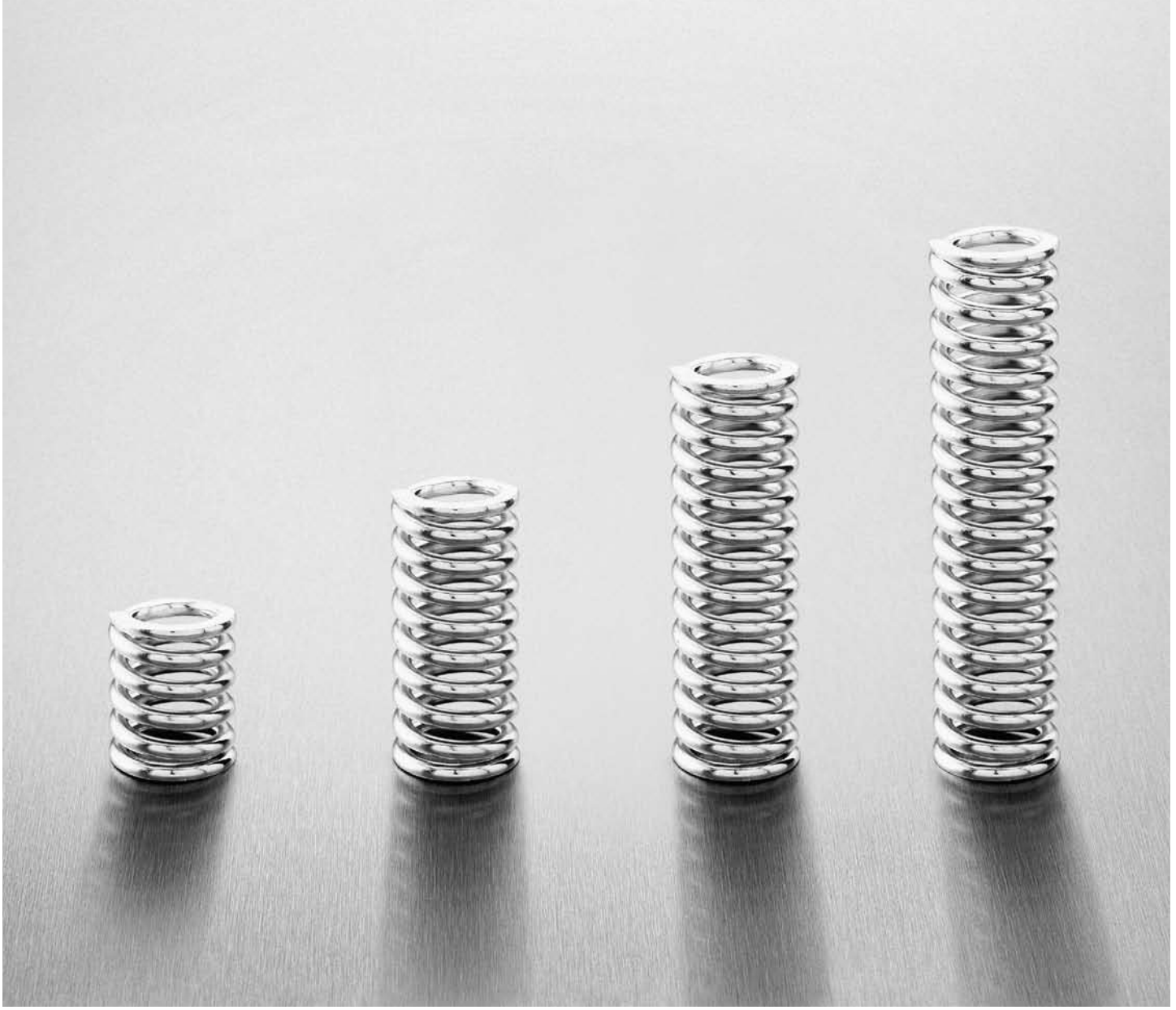
MACQUARIE INVESTMENT LENDING

TRADING POWER



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Macquarie Investment Lending
This brochure is dated May 2007
Macquarie Bank Limited
ABN 46 008 583 542
AFSL No. 237502

Introducing Trading Power

Increase the versatility of your Macquarie Margin Loan with Trading Power.

By adding Trading Power to your Margin Loan, you open up a wealth of investment opportunities. You can buy or sell options against shares held in your Margin Loan or "short sell" shares that you believe you can buy back at a cheaper price.

This brochure outlines everything you and your adviser need to consider when setting up Trading Power so you can combine Margin Lending and these powerful features in one facility.

You might use Trading Power if you:

- already own shares through your Macquarie Margin Loan and you want to earn additional income
- already own shares and you want to protect against a short-term fall in their prices
- want to sell shares you do not currently own to profit from a fall in their prices
- want to use the equity in your portfolio to finance other options strategies.

Why Macquarie Investment Lending?

Combining Trading Power with your Margin Loan provides:

- the flexibility to manage and potentially profit from sharemarket volatility;
- the ability to borrow cash or securities at highly competitive lending ratios;
- the choice to invest in over 2,500 shares and managed funds;
- dedicated, professional service and support for you and your adviser;
- quick and easy approval of your application, so you can begin trading sooner; and
- timely, consolidated reporting in one easy-to-read statement.

Put Protection

What is Put Protection?

This feature enables you to purchase put options against shares that you hold in your Macquarie Margin Loan. This gives you the right to sell the underlying shares at a predetermined exercise price on or before a predetermined exercise date. For this, you pay a 'premium' when the put options are purchased.

When you purchase put options over shares you hold, Macquarie will enable you to borrow up to 100% of the strike price of the put option. This increases your ability to borrow against that holding while also reducing your exposure to a margin call.

Why purchase Put Protection?

- Protect your shares from a potential drop in price, mitigating the possibility of a margin call. Borrow up to 100% of each share's protected value.
- The cost of the put option may be offset by the premium earned from writing Covered Calls over shares in your Margin Loan.
- Avoid a margin call by increasing the Loan to Value Ratio (LVR) of your portfolio.

How can Put Protection work for you?

- When you purchase put options, you have the right to sell your shares at an agreed price up to and including a particular date in the future. This can insure your shareholding against a future fall in the share price.
- If the share price at expiry is below the strike price, you may sell the shares at the strike price by exercising your put option. Alternatively, you may wish to cash settle the put option and retain your shares.
- If the share price at expiry is above the strike price, the put option will expire and the only cost to you is the premium paid when purchasing the put options.

An example

Let's assume you currently hold 10,000 XYZ Limited (XYZ) shares in your Margin Loan. XYZ is trading at $5.00 and you wish to protect its value at that level.

Without Put Protection, based on the current market price of XYZ of $5.00 and a current Loan to Value Ratio (LVR) of 75%, Macquarie would lend you up to $37,500 on your XYZ holding.

If you purchase a put option with a strike price of $5.00, we would also lend up to the put option's strike price – 100% of $5.00. This would extend your ability to borrow against XYZ shares and put options to $50,000, an increase of $12,500.

Your portfolio

Share	Units	Market Price ($)	Market Value ($)	LVR	Market Based Limit ($)
XYZ	10,000	5.00	50,000	100%	50,000
XYZ put option	10,000	0.35	3,500	0%	0

Where you hold a put option to protect your shares, your scaled value is calculated based on the higher of:

- The market value of your shares x LVR
- The strike price of your put option x 100%.

For example, if the price of XYZ rallied to $8.00, Macquarie would lend up to $60,000:

Your portfolio

Share	Units	Market Price ($)	Market Value ($)	LVR	Market Based Limit ($)
XYZ	10,000	8.00	80,000	75%	60,000
XYZ put option	10,000	0.03	300	0%	0

On the other hand, if the price of XYZ fell to $4.00, your holding would still be valued at $5.00 per share and you would avoid a margin call.

Other things to consider

Restrictions

- Put options can only be traded through an authorised adviser, who will charge you their usual brokerage and provide you with a product disclosure statement for the put options.
- You can only purchase American style put options (which can be exercised prior to maturity) under the Put Protection feature. Macquarie will not accept European style put options for Put Protection.
- If you transact both Covered Calls and Put Protection against the same stock, the expiry date of a sold call option must not be beyond the expiry date of the put option.
- If the shares are trading below their protected value, you must obtain authorisation from Macquarie before selling the shares or selling the options (unless you are selling them by physical exercise of the put options).
- Macquarie Investment Lending will not apply the 5% buffer to these securities if the strike price exceeds the share price x LVR + 5%, as follows:

Put Option Strike Price	Buffer to be applied	Your Maximum Gearing Level*
Less than Security Price x LVR	5%	LVR% + 5%
Greater than Security Price x LVR (but less than 5% greater)	(LVR% + 5%) - (Put Option Strike/Security Price)% (i.e. Buffer will be greater than 0% but less than 5%)	(Put Option Strike/ Security Price)% + Buffer%
Greater than Security Price x LVR + 5%	0%	(Put Option Strke/ Security Price)%

*Expressed as a function of the market price of the security (not the strike price of the put option)

Example

Share Price ($)	LVR	Share Price x LVR	Put Option Strike	Effective Buffer	Maximum Gearing Level
22.00	75%	16.50	15	5%	80%
19.00	75%	14.25	15	1%	80%
17.00	75%	12.75	15	0%	88%

Costs

Additional interest payable – Nil

Put option transaction fee – $50 per transaction

Risks

- At the put option expiry date, you may be required to buy another put option, sell your shares or take other steps to avoid a margin call.
- You should obtain independent taxation advice in relation to the impact of Put Protection upon your tax position.
- If you use put protection to increase your gearing level you should ensure you have cash available to pay for potential interest and option costs.

Corporate Actions

Some corporate actions may result in an adjustment to the specifications of your put option contract. This may in turn affect the scaled value of your portfolio, in which case Macquarie may take one or more of the following steps:

- Transfer your shares to the Bank's Nominee.
- Use any cash proceeds from the corporate action to acquire additional shares or reduce your loan balance.
- Exercise your put option to sell your shares and reduce your loan balance.
- Ask you to provide additional cash to reduce your loan balance, exercise any rights or otherwise purchase additional securities.
- Hold any additional securities issued as security for your margin loan.

To the extent it is practical, Macquarie will contact you or your adviser prior to acting in order to allow you to choose which course of action you prefer to take. If this is not feasible however, Macquarie may be forced to act to maintain its security position.

Expiry process

- Macquarie will remove the put option from your facility on the day of expiry.
- This may trigger a margin call in which case your adviser will have been notified and asked what action you wish to take 3 days prior to expiry. If action has not been taken and confirmed by the date of expiry, Macquarie may physically exercise the put option to sell your shares or may sell your shares to satisfy the margin call.
- If the expiry does not take your account into margin call, you will not be contacted by us and we will not sell or exercise any put options on your behalf. Note: where the put option strike price is above the underlying share price at expiry, Macquarie may automatically exercise your put option which may result in your shares being sold.
- You should monitor all option positions to ensure they are exercised at expiry should they hold any value. Failure to do so may result in valuable positions lapsing without any benefit to you or being exercised with Macquarie. Therefore you should arrange to have your adviser identify any put options which are approaching expiry and have these sold, exercised or transferred from your put protection account.

How to transact

1. You must hold the underlying shares in your Margin Loan.
2. Confirm the number of underlying shares held in your Margin Loan, and model your proposed put protection position, by accessing the Macquarie Investment Lending secure online site GearUp: **www.macquarie.com.au/gearup**
3. Choose the month and strike price for the put option contract(s).
4. Instruct your adviser to buy the required put option contract(s).
5. Instruct your adviser to transfer the put options to Macquarie to be held as security.

Covered Calls

What are Covered Calls?

A Covered Call involves writing (selling) call options against shares that you own. This gives the call option buyer the right to purchase the underlying shares from you at a predetermined strike price on or before a predetermined exercise date. For this, you receive a payment (the 'premium') when the call options are written. This premium is a guaranteed payment to you, no matter what happens to the value of the underlying shares.

You are able to write Covered Call options against shares that you own using your shares as security for your Margin Loan AND as option writing collateral.

Why write Covered Calls?

- Receive additional income (premium) from your shares, potentially enhancing the return on your investments.
- Call option premiums can be used to help meet your loan interest payments.
- Covered Call writing may offset some of the investment risk of holding shares.
- Simple and inexpensive strategy.
- Call option premiums may be deposited direct to your Margin Loan.

How can Covered Calls work for you?

- Covered Calls are most profitable when you are a long term holder of the shares and the share price is expected to be relatively flat or in a slight downturn in the short-to-medium term. If this occurs, the call option is likely to expire without being exercised, delivering you the premium as income and you will continue to hold the shares.
- If you wish to sell your shares at a certain price, you can maximise your potential return by writing a call option at that price. This will ensure you receive the sale proceeds plus the call premium.

An example

Let's assume you hold 2,000 XYZ Limited (XYZ) shares in your Macquarie Margin Loan that you purchased for $13 per share and they are now worth $16.82. You decide you would be happy to sell your shares if the share price moved to $17.50. You could write a $17.50 call option (with an expiry date 4 months from the purchase date) and receive a 32 cent premium for each share.

If the share price remains below $17.50 at the exercise date, you would most likely retain your XYZ shares whilst keeping the $640 (2,000 shares x 32 cents) premium that you had already received. You could then sell a further Covered Call option and collect the option premium until the call option is exercised (or such time as you wish to discontinue this strategy).

However, if the share price is greater than or equal to $17.50 by the call option expiry date, you may be required to sell your shares for $17.50 each. This would produce a $4.50 capital gain on the sale of your shares ($9,000 total capital gain before tax), in addition to the $640 premium that you earned for writing the call options (less any commission and brokerage).

Other things to consider

Restrictions

- Covered Calls can only be traded through an approved stockbroker (refer to the current list available on the Approved Securities List at **www.macquarie.com.au/lending** or GearUp).
- The Covered Call contract must be registered in the same name as the underlying shares.
- You may write Covered Call options in contracts that are usually of 1,000 shares and you cannot sell less than one contract.
- The covered call expiry date must be less than 6 months from the date the call option is written (unless you have obtained prior approval from Macquarie).
- The value of the shares over which the call option is written will be "capped" at the strike price of any call you write.
- The exercise price of the call option must be greater than the current market price (this will be subject to approval by Macquarie).
- If you transact both Covered Calls and Put Protection, you may not write Covered Calls with a strike price less than or equal to the strike price of the put options purchased.
- If you transact both Covered Calls and Put Protection against the same stock, the expiry date of a sold call option must not be beyond the expiry date of the put option.
- Buy and write transactions require cash cover for 2 days until the purchase of shares settles.
- If the share price at expiry is above the strike price, the call option may be exercised and if that occurs, you will be required to sell the shares at the strike price.

Costs

Additional interest payable – Nil

Fees - Nil

Risks

- The premium you will receive from writing Covered Call options will vary in line with the volatility of the underlying shares and other factors.
- Covered Call writing may not be suitable for highly volatile shares as it will increase the likelihood of exercise.
- Only write call options against shares that you are willing to sell at the exercise price.
- The income you receive writing call options may not outweigh the capital loss if you hold a share that falls in value or the interest cost of financing the share.
- If you write a call option, you would forego part of the total capital gain if the share price increased significantly.
- You should obtain independent taxation advice in relation to the impact upon your tax position when writing Covered Calls including your ongoing entitlement to franking credits.

How to transact

1. To write a Covered Call, you must own the eligible underlying shares in your Macquarie Margin Loan.
2. Confirm the number of underlying shares held in your Margin Loan by accessing GearUp at: **www.macquarie.com.au/gearup**
3. Choose the month and strike price for the call option contract (call options traded on the ASX generally expire on the last Thursday before the last business Friday of the month).
4. Instruct your adviser to write the call option contracts against your shares.

Cash Cover

What is Cash Cover?

Cash Cover enables you to sell or buy put and call options, using your Margin Loan to fulfil the margining requirements.

The margining requirement covers the risk of financial loss on an option contract due to an adverse market movement. By selling options through your Margin Loan, you can pay this amount, if required, by drawing cash from your loan account.

Why use Cash Cover?

- Meet any margin payments or settlement obligations without tying up your own cash or other assets.

How can Cash Cover work for you?

Cash Cover may benefit you when:

- You sell a call option in the expectation that the share price will be flat or falling and you do not own or wish to purchase the shares to secure it as a Covered Call.
- You sell a put option for income, with the expectation of the share price being flat or rising.
- You sell a put option because you would be happy to purchase the underlying shares at a price below today's market price.
- You buy a call option with the expectation of the underlying share price rising.

An example

Before cash cover:

Let's assume you have shares pledged to your Margin Loan with a market value of $150,000 and have borrowed $70,000 against them. Based on an LVR of 75%, the Scaled Value of these shares would be $112,500, leaving you with Cash Drawdown available of $42,500. You are therefore able to lodge up to $42,500 to meet margining requirements.

Your options strategy:

XYZ Limited (XYZ) is at $3.55 and you believe there is a chance it may fall below $3.50 in the near future. You believe this would be an opportunity to acquire XYZ shares at a reasonable price and would be happy to buy 10,000 XYZ if the price reached that level.

You therefore sell 10 XYZ put option contracts with a $3.50 exercise price, expiring 4 months from now. You receive premium of $2,400 (less brokerage) for this transaction which is income to you.

Margining

You will be required to lodge collateral to secure your obligations under the put options you have sold. In the example above, let's assume cash of $3,600 will satisfy the initial margin requirements. The premium you receive from selling the put options will be applied to this margining requirement and you must cover the difference of $1,200.

However, since you had Cash Drawdown available of $42,500 through your Margin Loan, your adviser may collect this amount from your Margin Loan and pay it to meet your margining requirements. Your Facility Balance will therefore increase to $71,200 and your Cash Drawdown available figure will be reduced to $41,300.

Note that your margin obligations are recalculated daily, so more cash may be required if the price of XYZ falls (or cash may be returned to you if the XYZ price has risen).

Provided you have sufficient Cash Drawdown available in your Margin Loan for any further cash required for margining requirements. Macquarie will honour this request from your adviser. If you do not have sufficient Cash Drawdown available, Macquarie will not be able to provide Cash Cover.

Exercise and expiry

The put options you have sold may or may not be exercised. If the price falls, they are more likely to be exercised and you will be required to purchase 10,000 XYZ at $3.50 each (a total of $35,000). Your purchase cost will effectively be reduced by the $2,400 premium you received for writing the put option.

Alternatively, the price of XYZ may simply increase, in which case the put options will likely expire worthless. In this case, your premium is pure profit to you. Either way, all cash margin provided in relation to these put options would be returned to you once the position is closed.

Other things to consider

Restrictions

- Put and call options which you intend to Cash Cover need to be written through an options account other than the one your adviser uses for Covered Calls (the exception to this rule is where you have written a call option and are waiting on settlement of a purchase of shares to secure that contract).
- You must use an approved stockbroker (refer to the current list available on the Approved Securities List at **www.macquarie.com.au/lending** or GearUp).

You must have sufficient Cash Drawdown Available in your Margin Loan if a request for more Cash Cover is to be honoured by Macquarie.

Costs

Interest will be charged on any monies drawn from your margin loan for Cash Cover.

Risks

- Drawing cash from your Margin Loan will increase your gearing level, making you more susceptible to a margin call if the market price of your margin loan security falls.
- Writing options without specific cover can result in large margin calls if share prices move against you.

You should gear conservatively within your Margin Loan to ensure you always have sufficient Cash Drawdown Available in order to meet the margining requirements.

How to transact

Speak with your adviser to determine the options you wish to write and the amount of cash which will be required as margin cover.

- Ensure your adviser has details of your Margin Loan recorded as the settlement instructions on the account from which your options will be written.
- You or your adviser should confirm you have sufficient Cash Drawdown Available in your Margin Loan by accessing GearUp.
- Place your trade instructions with your adviser (who will charge you brokerage on each trade).
- Your adviser will collect any monies required from your Margin Loan and deposit these on your behalf.

Short Trade

What is Short Trade?

Short Trade enables you to sell shares (provided to you by Macquarie) so that you can re-purchase them later at a potentially lower price. Your profit is the difference between your sale price and purchase price, net of transaction costs.

Macquarie allows you to finance this short position from your Margin Loan by providing you with the shares to settle your initial sale. You need sufficient security in your loan to cover the Short Position Margin, which is the percentage of a share's value that represents the buffer required to establish a short position.

Why Short Trade?

- Profit from a falling share price.
- Continue to trade and potentially profit from a "bear" market.
- Hedge the value of your shares with no cash outlay.
- Pursue a "long/short" or "pairs trading" strategy.
- Potential to earn interest on your short sell security.

How can Short Trade work for you?

Short Trade is most profitable when the share price is about to fall. You can sell shares that you have borrowed and then repurchase the shares at a potentially lower price and realise a profit.

An example

Before short selling:

Let's assume you have borrowed to invest in shares using your Margin Loan. You have borrowed $30,000 and invested in three shares worth $60,000.

Your portfolio

Share	Units	Market Price ($)	Market Value ($)	LVR	Market Based Limit ($)
NAB	500	45.00	22,500	75%	16,875
BHP	1,000	30.00	30,000	75%	22,500
TLS	1,500	5.00	7,500	75%	5,625
Total			**60,000**		**45,000**

Your loan

	($)
Current Margin Loan balance:	30,000
Cash Drawdown Available:	15,000

You decide to short sell:
You believe the price of XYZ Limited (XYZ) shares is about to go down. XYZ is trading at $10.00 and you decide to short sell 6,000 XYZ units at this price. This is recorded on your Margin Loan as a short position at a Short Position Margin (SPM) of 115%.

The Cash Drawdown Available in your Margin Loan is reduced by $9,600 (15% of $60,000) plus brokerage charged by your adviser (assumed to be $600 in this example).

Your portfolio

Share	Units	Market Price ($)	Market Value ($)	LVR	Market Based Limit ($)
NAB	500	45.00	22,500	75%	16,875
BHP	1,000	30.00	30,000	75%	22,500
TLS	1,500	5.00	7,500	75%	5,625
- XYZ	6,000	-10.00	-60,000	115%	-69,000
Short sell cash	59,400	1.00	59,400	100%	59,400
Total			**59,400**		**35,400**

Your loan

	($)
Current Margin Loan balance:	30,000
Cash Drawdown Available:	5,400

Upon settlement of the sale transaction, sale proceeds of $59,400 ($60,000 - $600) are recorded on your loan as security.

Macquarie provides the 6,000 XYZ units and delivers them to market on your behalf to ensure the trade settles.

What happens if the share price increases after you have short sold the shares?

- If XYZ share price increases to $10.15.
  This means you are now showing a loss on your short position. The short position is repriced based on the current market price of $10.15 and your Cash Drawdown Available is reduced by $1,035 (number of units x price change x SPM). Your loan balance remains unchanged. What happens if the share price decreases after you have short sold the shares?
- If XYZ share price falls to $9.50.
  This means your short position is now in profit. The short position is repriced based on the current market price of $9.50 and your Cash Drawdown Available increases by $3,450. Your loan balance remains unchanged. After the XYZ shares are purchased and your position is closed out, your profit on this trade will be applied to reduce your loan balance once the XYZ shares you have purchased are delivered to Macquarie at settlement.

Other things to consider

Restrictions

- The aggregate market value of all your short positions through your Margin Loan must not exceed your Short Trade Credit Limit.
- All trades must be authorised by Macquarie prior to sale. If Macquarie cannot borrow the stock in question or if the trade will take you into buffer or margin call, authorisation will not be provided.
- Short positions must be closed within 11 months of the initial sale.
- The minimum Short Trade is $25,000.

Obligations

- In order to close a short position, you must deliver to Macquarie securities equivalent to those you have borrowed. You may do this by purchasing the shares or otherwise transferring an existing holding to your account.

Costs

Stock borrowing charge – Nil

Transaction fee - $50 per short sale transaction

Risks

- Unlike the traditional “long position”, where your downside is limited to your initial investment value, your downside when short selling is (theoretically) unlimited.
- If you short sell and the share price rises so that your maximum gearing level is exceeded, a margin call may be made on your Margin Loan. You will be required to satisfy the margin call via one of the usual methods or by purchasing shares to reduce or close your short position.
- If the share price rises by 5% or more, Macquarie may debit your loan for more cash to secure the shares you have borrowed.
- Corporate Actions
  In the event that a corporate action is announced on one of the shares in which you have a short position, you will be required to either:
  - Pay Macquarie the cash value of any dividends, other return of capital, franking credits or other entitlements distributed by the company. If you are short when the stock goes ex-entitlement, your Margin Loan will be debited for this amount.
  - Reverse the short position prior to the ex-entitlement date by delivering the shares you had previously borrowed.
- Macquarie may ask you to close out your short position at any time, which may cause you to crystallise a loss.

How to transact

1. Your Macquarie Margin Loan needs sufficient security (in the form of approved shares, managed funds and/or cash) to cover the Short Position Margin.
2. Confirm the Cash Drawdown Available in your Margin Loan by accessing GearUp, **www.macquarie.com.au/gearup**
3. Choose the shares (ASX listed shares only) and number of units you wish to short sell. Please note, only certain shares are approved by Macquarie for Short Trade and the Short Position Margins, range from 112.5% to 130% or more.
4. Contact our Account Management Team to obtain approval (your adviser may do this on your behalf).
5. Place your sale instructions with your adviser.

How to apply

1. The Addendum Agreement and Risk Disclosure Declaration sections of this Trading Power brochure details the features contained in Trading Power. You should read these sections carefully.
2. Detach the application form and fill it in as completely as possible.
3. Return the application form to Macquarie Investment Lending using a reply paid envelope or via your adviser.
4. We will notify you within 48 hours to confirm that your application has been processed.
5. Once this has occurred, you can utilise the features of Trading Power at your convenience.

Contact details

To transact any or all features of Trading Power, contact our Account Management Team:

1800 656 819

1800 673 484

investmentlending@macquarie.com

www.maquarie.com.au/tradingpower

Glossary

Terms in this brochure and application form not otherwise defined have the same meaning as provided for in the Macquarie Investment Lending Loan and Security Agreement dated March 2007 or the attached Addendum Agreement.

Brokerage – the fee paid to your stockbroking firm for buying or selling of securities on your behalf.

Call option – an option contract which gives the holder the right, but not the obligation, to buy the underlying asset at the exercise price at or before a fixed expiry date.

Capital gain – the difference between the proceeds from the sale of a security and the initial cost of the investment. If the proceeds exceed the cost this is said to be a capital gain.

Cash Drawdown Available – the maximum amount of cash you may withdraw from your facility while remaining within the lower of your Market Based Limit and Credit Limit (as defined in your Loan & Security Agreement).

Corporate Action – an action taken by a company which results in a change to its capital structure and/or its assets, in turn impacting its shares and shareholders. Examples of Corporate Actions include rights issues, bonus issues, dividends or other payments, mergers, takeovers or offers under a buy-back scheme.

Covered Call – involves writing (selling) a call option against units you hold in the underlying share. The call option must be written by a security holder who secures the margining requirements with shares which must be delivered if the call option is exercised.

Credit Limit – means Credit Limit for Short Trade as defined in the attached Addendum.

Dividend – distribution of part of a company's net profit to shareholders. Usually expressed as a number of cents per share.

Exchange Traded Options (ETO) – option contracts which are bought and sold on the options market operated by Australian Stock Exchange.

Ex-date – the date on which shares cease to trade with the entitlement to the dividend or corporate action.

GearUp – our secure client service website for you and your adviser to monitor your Margin Loan. Go to **www.macquarie.com.au/gearup** (8 digit Macquarie Access Code and password required).

Loan-to-value ratio or LVR – the percentage of a security's market value that Macquarie will lend you.

Long position – is an asset position, i.e., an investor has bought more of a commodity than he or she has sold. A trader with a long position will benefit from a rising asset price.

Macquarie – Macquarie Bank Limited.

Margin call – occurs when your current gearing level rises to a level above your maximum gearing level. In this instance, Macquarie will ask you to provide additional funds to reduce your current gearing level.

Margining requirements – the amount calculated by the Australian Clearing House (or your broker) or the Issuer of any Over the Counter Option to secure the potential obligations arising from options which are written.

Over the Counter Option (OTC) – options that can be tailored to individual holder's needs by agreeing on details such as amount, maturity and price. Over the Counter options cannot be traded but they can be sold back to the bank or investment bank which initiated the product.

Premium – The amount payable by the taker of the option to the writer of the option on buying the option.

Put option – An option contract which gives the holder the right, but not the obligation, to sell the underlying asset at the exercise price at or before a fixed expiry date.

Short position – Any situation in which there is an obligation to deliver shares which the borrower either does not own or prefers to borrow rather than deliver his/her own shares to meet that obligation.

Short Position Margin or SPM – The percentage of a share's value that represents the buffer required to secure a short position against potential adverse price movements.

Short selling – Where an investor sells a security which they do not own.

Strike price – The price at which the taker (buyer) of an option may buy/sell the underlying share. Also known as the exercise price.

Risk Disclosure Declaration

Addendum for Put Protection, Covered Calls and Short Trade Agreement between the Borrower, the Securities Owner, the Director and Macquarie Bank Limited.

If not otherwise defined in this Risk Disclosure Declaration, the terms used in this Declaration have the same meaning as in the agreement for Put Protection, Covered Calls and Short Trade ("Addendum") attached.

The Bank recommends that each Borrower, each Securities Owner and each Director obtain appropriate independent legal, financial and taxation advice with respect to the complete terms and conditions of the proposed Addendum and the suitability of Put Protection, Covered Calls or Short Trade (as the case may be) for their individual requirements.

It is a condition of the Bank agreeing to enter into this Addendum that you read this Declaration and the Addendum carefully and that you have also read the Risk Disclosure Declaration relating to your Loan and Security Agreement

I/We understand that:

- I/We acknowledge that the Bank:
  - is not obliged to give, and has not given, any advice or recommendations with regard to the suitability or utilisation of the Put Protection, Covered Calls or Short Trade arrangements set out in this Addendum (as the case may be) for our individual requirements;
  - is not obliged to give and does not take responsibility for the provision of ongoing advice or representations to the suitability of buying Put Options, writing Covered Call Options or borrowing of Loan Securities (as the case may be); and
  - is not issuing, offering to issue or sell or offering to arrange the issue or sale of a Put Option or Covered Call Option to me/us and that it is my/our responsibility to buy a Put Option or sell a Covered Call Option if I/we choose.
- I/we are liable to pay all losses, claims, costs or expenses the Bank may incur in connection with purchasing Put Options, writing Covered Call Option or borrowing Loan Securities (as the case may be); and
- I/we will be responsible to pay any fees that the Bank may charge under the Addendum.

  In addition, if I/we decide to elect to enter into Put Protection, I/we understand and acknowledge that:

- in relation to Exchange Traded Put Options we are bound by the ASX Market Rules and the procedures, customs, usages and practices of ASX insofar as they apply to Derivatives Products traded on ASX on our behalf; we have each received, read and understood a copy of:
  - the current Product Disclosure Statement relating to any specific Put Option I/we may acquire from time to time;
  - in relation to Exchange Traded Put Options, the Explanatory Booklet published by ASX in respect of each Derivative Product I/we may acquire from time to time;
- the Bank does not guarantee that Put Options can be purchased in respect of any particular Securities;
- the Bank is under no obligation to deal with or allow me/us to buy any Put Options and I/we may only sell or otherwise deal with any Put Options I/we do hold with the Bank's consent, which it may at its discretion withhold;
- if the Put Option expires or is unwound early, or if I/we are otherwise unable to exercise the Put Option (including because the exercise price for the Put Option has not been met), then I/we may be required to satisfy a Margin Call by having to repay part of my/our Loan immediately;

- the Bank will only recognise "American" style put options and not "European" put options. "American" style put options are put options which may be exercised by me/us at any time before the expiry date of the Put Option. "European" Put Options, on the other hand, may only be exercised on the actual expiry date;
- I/we will be liable to pay out of my/our own funds to any third parties (including without limitations, the Broker) any charges that such party may levy or incur in relation to my/our purchase of a Put Option – these amounts WILL NOT be covered by or advanced from the Loan from the Bank unless prior consent has been obtained from the Bank.

If I elect to enter into Covered Calls, I/We understand and acknowledge that:

- we are bound by the ASX Market Rules for exchange traded options and the procedures, customs, usages and practices of ASX insofar as they apply to Derivatives Products traded on ASX on our behalf;
- we have each received, read and understood a copy of the current Product Disclosure Statement and the relevant Explanatory Booklet published by ASX in respect of each Derivative Product;
- I/we have each received, read and understood a copy of the Master Priority Deed;
- there are significant break costs which I/we may be liable to pay should the Bank have to unwind the Covered Call Option if it exercises its rights under the LSA, including if a Margin Call arises (if applicable);
- the Bank does not guarantee that Covered Call Options can be written in respect of any particular Securities;
- the premium I/we may receive on any Covered Call Option I/we may write may not be sufficient to cover my/our interest payments on the Loan;
- the Bank is under no obligation to deal with or allow you to write any Covered Call Options;
- when you sell Covered Call Options, you agree to sell any upside in the share above the exercise price. This means that if the share price of the share over which you sold a Covered Call Option rises above the exercise price and the Covered Call Option is exercised, you must deliver the shares to the buyer of your Covered Call Option. Your return therefore equals the net sale price of your shares (i.e. the exercise price net of any costs) and any premium you were paid when you sold the Covered Call Options. Accordingly, you will not receive the benefit of any increase in the value of the shares above the exercise price; and
- if the price of the shares, the subject of your Covered Call Options, falls below the exercise price, it is unlikely that the buyer will exercise the Covered Call Option and you will continue to hold the shares. However, the premium you were paid for your Covered Call Options may be less than the loss you've incurred from the fall in share price. For example, you may have been paid $0.25 premium for each Covered Call Option you sold, but the share price may have fallen by $1.00. You would therefore have a loss of $0.75.

If I decide to enter into Short Trade, I/We understand and acknowledge that:

- if I/we short sell any Loan Securities, if the relevant share price increases while the short position is in place, I/we will make a loss. As share prices can potentially increase quickly, significantly and for long periods of time, large losses on short positions can occur;
- short selling a share exposes me/us to unlimited risk. If I/we buy and hold shares, the share price cannot fall below zero, providing a cap or limit on the maximum loss to the amount of the purchase price paid for the shares. However, if I/we short sell shares, the share price can increase without limit, resulting in potentially unlimited losses;
- in respect of every borrowed Loan Security, I/we must return Equivalent Loan Securities to the Bank no later than 11 months after the initial loan of the Loan Securities;
- I/we must compensate the Bank for the benefit of any corporate action event, including for the value of any franking credits; and
- the Bank can ask me/us to close out my/our short position at any time on demand, which may cause me/us to crystallise losses.

I/We have had the opportunity to obtain independent legal, financial and taxation advice.

I/We have considered the risks and costs involved in utilising the Put Protection, Covered Calls and the Short Trade Facility (as the case may be) (where applicable) in conjunction with purchasing Shares under the Loan and Security Agreement, and I/we am/are prepared to accept the risks involved.

Addendum for Put Protection, Covered Calls, Short Trade and Cash Cover Facilities

1. Application of Addendum

This Addendum is subject to, forms part of and is conditional upon the execution by all relevant parties of the LSA (either at the same time as or before this Addendum is entered into) and will apply as follows:

(a) Part A – Put Protection applies where the Client has requested that this Part A – Put Protection be entered into under the LSA and the Bank has accepted the request (in its sole and absolute discretion);

(b) Part B – Covered Calls applies where the Client has requested that this Part B – Covered Calls be entered into under the LSA and the Bank has accepted the request (in its sole and absolute discretion);

(c) Part C – Short Trade applies where the Client has requested that this Part C – Short Trade be entered into under the LSA and the Bank has accepted the request (in its sole and absolute discretion); and

(d) Part D – General applies where one or more of paragraphs (a), (b) or (c) above applies.

For the avoidance of doubt, the Bank does not need to treat each Client equally when consenting to the Client buying Put Options or writing Covered Call Options over the Eligible Securities or accepting any Borrowing Requests for Loan Securities, but will use its reasonable endeavours to be equitable.

2. Loan and Security Agreement ("LSA")

The parties agree that the terms of the LSA are incorporated into and apply to this Addendum. In particular:

(a) the Borrower, Securities Owner and the Director appoint the Bank as their true and lawful agent and Attorney in accordance with the Power of Attorney contained in clause 24.6 of the LSA as if all references to "Agreement" in that clause include this Addendum, any Product Disclosure Statement required by the arrangements provided under this Addendum and any Client Agreements required to be executed in relation thereto;

(b) clause 6.1 of the LSA is amended to include a new clause 6.1 (i) with the following words - "any fees in respect of the Put Protection, Covered Calls and Short Trade facilities in any Addendum entered into by the Bank and the Client as required and notified by the Bank from time to time";

(c) clause 16.1 of the LSA is amended to include a new paragraph (f) with the following words - "any creation or dealing in any Put Option, Covered Call Option or Loan Securities by the Client in accordance with any Addendum entered into by the Bank and the Client, including any payment that the Bank makes to the Broker under the terms of any agreement between the Client and the Broker relating to the Put Option or Covered Call Option or the delivery of the Loan Securities by the Bank to any third party."

If there is an inconsistency between the terms of the LSA and this Addendum, this Addendum will prevail in relation to the Put Options, Covered Call Options and the borrowing of Loan Securities.

3. Conditions to application of addendum

(a) The Addendum is available only if:

(i) an event of default has not occurred under the LSA;

(ii) there is sufficient Secured Property available under the LSA to the Bank's satisfaction;

(iii) the Client has given the Bank any approval, document or information which the Bank reasonably requests in a form satisfactory to the Bank; and

(iv) the Client has paid all requisite fees, charges, expenses and costs under the terms of the LSA and this Addendum or incurred by the Bank in making the Addendum available to the Client.

(b) The Bank may at any time refuse to permit or allow, or limit or impose conditions on the Client's dealings in Put Protection, Covered Calls or Short Trade. The Bank will notify the Client of any refusal, limitation or condition as soon as practicable. Nothing in this Addendum obliges either the Client or the Bank to deal in any Covered Calls, Put Protection or Short Trade.

(c) If the Client has appointed or authorised a Nominee under the terms of the LSA or this Addendum, then the Client acknowledges that the Nominee may, as the Client's agent, deposit or lodge with a Broker or the Bank acceptable Collateral as and when required under a Client Agreement or this Addendum.

(d) In relation to Part A Put Protection and Part B Covered Calls, the Addendum is available only if:

(i) the Client has received a Product Disclosure Statement for the Put Option and/or Covered Call Option (as the case may be) from the relevant issuer/and or Broker of the Put Option and/or Covered Call Option (as the case may be); and

(ii) the Borrower and each Securities Owner (if any), or an agent or authorised attorney on their behalf, have signed the requisite ACH Acknowledgment, if necessary, and returned it to the Bank; and

(iii) a Client Agreement which is in form and substance satisfactory to the Bank has been entered into by the Client with the Broker; and

(iv) the Bank, in its absolute discretion, has consented to the application of this Addendum to the proposed Put Option or Covered Call Option (as the case may be); and

(v) all other requirements as specified by the Corporations Act and the Rules have been complied with.

4. Client's warranties

The Client warrants and undertakes to the Bank on a continuing basis, with the intent that such warranties will survive the completion of any transaction contemplated by this Addendum, that:

(a) it has all necessary licences and approvals, and is duly authorised and empowered, to perform its duties and obligations under this Addendum and will do nothing prejudicial to the continuation of such authorisation, licenses or approvals;

(b) it is absolutely entitled to pass full legal and beneficial ownership of all Secured Property provided by it under this Addendum to the Bank free from all liens, charges, equities and encumbrances;

(c) it is acting as principal in respect of this Addendum;

(d) it has not relied on any advice, statement, representation or conduct of any kind by or on behalf of the Bank in relation to any tax (including stamp duty) or accounting issues concerning this Addendum or any transaction effected under it; and

(e) it has made its own determination as to the tax (including stamp duty) and accounting consequences and treatment of any transaction effected under this Addendum, including (without limitation) of any moneys paid or received or any property transferred or received in connection with any such transaction.

Part A – Put Protection

1. Client's Put Option

(a) Subject to the LSA and this Addendum, the Bank consents to the Client purchasing Put Options in respect of the Eligible Securities held by the Client under the LSA.

(b) In respect of Exchange Traded Put Options, subject to the LSA, this Addendum and the Master Priority Deed, any transfer, sale or realisation of the Secured Property by the ACH under the Rules or pursuant to any ACH Security will automatically effect a release of that Secured Property from the Bank's Security Interest.

(c) The Put Options:

(i) must be bought by the Client and, if they are Exchange Traded Put Options, must also be executed by the Broker in accordance with the instructions of the Bank;

(ii) may only be financed by the Bank, or relate to Eligible Securities the subject of the LSA, in circumstances where the Client has, and continues to have, sufficient Secured Property to be able to satisfy the Put Option contract.

(d) The Client must comply strictly with the Client Agreement and its obligations under the Rules.

2. Loan balance

(a) Subject to this Addendum, the Bank will increase the Client's Market Based Limit under the LSA to the greater of:

(i) 100% of the Exercise Price of the Put Option in respect of any Relevant Securities (multiplied by the number of Put Options held by the Client in relation to such Relevant Securities); and

(ii) the Market Based Limit of the underlying Relevant Securities (excluding any Put Options),

which the Client may draw down for investment or business purposes only to the extent the Client has not already drawn down on the available Loan.

(b) On expiry, sale or exercise of all Put Options, which the client has purchased, the terms of clause 2(a) of Part B of this Addendum will cease to be of effect and the terms of the LSA will apply in relation to the Loan. For avoidance of doubt, if upon termination of the Put Option, the Total Loan Balance exceeds (or is likely to exceed) the aggregate of the Market Based Limit and the Buffer, the Bank's rights under the Margin Call Clause of the LSA to make a Margin Call will apply as if clause 2(a) of Part B of this Addendum did not exist.

3. Collateral

The Bank may, in its absolute discretion, at any time and from time to time, require such Collateral as the Bank deems necessary to secure performance of the Client's obligations under this Addendum.

Any request for Collateral by the Bank will constitute a Margin Call in accordance with the Margin Call Clause of the LSA.

4. Exercise or Sale of Put Option

(a) The Client undertakes to:

(i) notify the Bank on or before it exercises a Put Option; and

(ii) obtain the Bank's prior consent before selling any Put Option; and

(iii) obtain the Bank's prior consent before selling, transferring or otherwise disposing of any Eligible Securities the subject of a Put Option at a price less than the Exercise Price of that Put Option.

If the Client fails to notify the Bank or obtain the Bank's consent in accordance with this clause, then the Bank may, at its absolute discretion and without prejudice to any other right or remedy, refuse to release its Security Interest and deliver the relevant Eligible Securities.

(b) The Client agrees:

(i) to direct payment of all proceeds of sale or distributions payable to the Client in connection with a Put Option to the Bank in accordance with clause 5 of Part B; and

(ii) all such proceeds or distributions that have been paid to the Bank will be applied by the Bank to repay the outstanding Loan;

(iii) the Client authorises and directs the Bank, without obligating the Bank to do so, to:

(A) pay any amount to the ACH under or in connection with the Master Priority Deed; and

(B) pay the Broker any amount the Client owes the Broker under the Client Agreement.

5. Bank's right to direct broker

The Bank will be entitled to issue instructions to the Broker or the issuer of the Put Option relating to:

(a) any Secured Property;

(b) any Put Option;

(c) any proceeds of sale or distribution in relation to the Put Option or any exercise of a Put Option; and

(d) any matter connected with the LSA and this Addendum,

and the Client must not give any instructions to the Broker or the issuer which are inconsistent with any instruction given by the Bank to the Broker or the issuer.

6. Consequences of alteration of capital and other events

If prior to the exercise of the Put Option there occurs:

(a) a takeover offer, takeover announcement, restructure or reconstruction of capital; or

(b) a bonus issue, stock split, consolidation, scheme of arrangement or other arrangement under which any Rights vest in or accrue to the Client; or

(c) a rights issue or any other entitlement or right of the Client to subscribe for or otherwise acquire any further Securities or any allotment of further Securities; or

(d) a special dividend, return of capital, share buyback or other distribution; which includes or applies to any Securities; or

(e) a call is made on partly paid Securities; or

(f) another change occurs with respect to the Securities; or

(g) an event in clause 13.1 of the LSA occurs; or

(h) a default by the Client under this Addendum; or

(i) an event whereby the Bank is unable to, or unable to continue to, hedge any exposure it may have in relation to the Loan, the LSA or this Addendum; or

(j) a determination by the Bank that there may be a deterioration of its rights and remedies under the LSA or this Addendum; or

(k) any event which the Bank determines to be similar in effect to the events described in paragraphs (a) to (j) above, affecting or relating to any Secured Property, then the Bank may:

(i) vary the Lending Ratio in respect of any of the Relevant Securities;

(ii) vary the Market Based Limit in respect of any of the underlying Relevant Securities for the purposes of clause 2(a)(ii) of Part B of this Addendum;

(iii) vary the amount, number and nature of the Relevant Securities and the property which constitutes a Relevant Security (which Securities are available for determining the Relevant Securities);

(iv) take any other action the Bank considers necessary at its discretion including acting in accordance with the changes made by the relevant exchange in relation to Exchange Traded Put Option or issuer of the OTC Put Option; or

(v) do all things necessary to sell and/or terminate any Put Options at the Client's expense and/or sell the Relevant Security.

7. Put Options part of Secured Property

The Client undertakes to take all action necessary to ensure that the Put Option is delivered to the Bank immediately upon the Client's purchase of the Put Option (or, in relation to an Exchange Traded Put Option, upon settlement of that Put Option) so as to form part of the Secured Property. The Bank may, as the Client's attorney, take any action necessary, including executing any documentation, to perfect its Security Interest. The Client acknowledges that for the purpose of the LSA, the definition of Secured Property includes all Put Options entered into under this Addendum.

8. Use of nominee

(a) If the Bank requires any Put Options to be written by, or Eligible Securities to be held by, the Nominee, the Client authorises the Nominee, as agent on the Client's behalf, (as the case may be) to enter into a Client Agreement with the Broker (or any other Broker at the Nominee's discretion).

(b) As the Client's agent, the Nominee may

(i) give instructions to the Broker in relation to any Put Option the Client has purchased or the Client Account maintained by the Broker; or

(ii) complete an ACH Acknowledgment in relation to any Securities it holds on behalf of the Client or the Client Account.

(c) The Client indemnifies the Nominee against, and must pay or reimburse it on demand for, all losses, claims, costs and expenses it suffers or incurs in acting as nominee under this Addendum.

9. Other payments

If the Bank gives a notice to the Client, the Client must immediately pay to the Bank:

(a) any amount outstanding under this Addendum, including the outstanding Loan;

(b) the difference between the Loan and the acquisition amount of the Relevant Securities (inclusive of brokerage, stamp duty and GST);

(c) any costs that the Bank incurs terminating or closing out any Put Options; and

(d) any other costs due or payable in connection with any Put Options.

10. Client's failure to pay

(a) If the Client fails to pay any amount notified by the Bank to be due and payable, the Bank has all the rights as prescribed under the LSA

(b) The Client agrees and acknowledges that it is responsible for monitoring its exposure under the Put Option and monitoring all relevant Expiry Dates. The Bank may, for its own benefit, monitor the Expiry Dates, but is under no obligation to notify theClient of a pending Expiry Date.

(c) Failure by the Bank to notify the Client under this clause 10 of Part A does not in any way affect the Bank's rights under this Addendum or the LSA, including its right to make a Margin Call.

11. ACH Derivatives Client Agreement – Minimum Terms

If the Client purchases Put Protection, the Client enters into the terms of this clause 11 as a Client Agreement with MEL, and any related body corporate of the Bank that the Bank may nominate from time to time, on the following terms for the purposes of better securing the Bank's rights under this Addendum and the LSA in relation to the Secured Property (including in respect of Put Options):

(a) Approved Market Operator Application of ACH's operating rules

The Client and MEL agree that the terms of their relationship underthis clause 11 in respect of Options and any dealings between them concerning Options are subject to, and that they are bound by, the rights of the Bank under this Addendum and the LSA, the Corporations Act, the ACH Clearing Rules, the ASX Market Rules and the procedures, customs, usages and practices of ACH, the ASX, and their related entities, as amended from time to time, in so far as they apply to Options.

(b) Client provide information

(i) The Client will take all reasonable steps to deliver information or documentation to MEL, or cause information or documentation to be delivered to MEL concerning Options which are requested by a person (including the Bank) having a right to request such information or documentation.

(ii) MEL is authorised to produce the information or documentation to the person making the request.

(c) Client acknowledgements

(i) The Client acknowledges:

(A) that they have read and understood the documents (if any) given to them under Rule 7.1.1(b) of the ACH Clearing Rules;

(B) that dealing in Options incurs a risk of loss as well as a potential for profit;

(C) it has given consideration to its objectives, financial situation and needs and has formed the opinion that dealing in Options is suitable for its purposes; and

(D) that the Bank may instruct MEL and the Broker with respect to dealing in Options under this facility. It is understood by both the Client and MEL that no advice is given on behalf of these transactions and the purpose of the transaction is to maintain the security interest of the Bank.

(d) Nature of MEL's obligations and rights of Client

(i) Notwithstanding that MEL may act in accordance with the instructions of, or for the benefit of, the Client, the Client acknowledges that any Options contracts arising from any order submitted to the ASX by MEL, is entered into by MEL as principal.

(ii) Upon registration of an Option contract with ACH in the name of MEL, the Client acknowledges that MEL incurs obligations to ACH as principal, even though the Option may have been entered into on the Client's instructions.

(iii) The Client acknowledges that any benefit or right obtained by MEL upon registration of a Option contract with ACH by novation under the ACH Clearing Rules or any other legal result of registration is personal to MEL and the benefit of that benefit, right or legal result does not pass to the Client.

(iv) The Client has no rights, whether by way of subrogation or otherwise, against the ASX or ACH in relation to any dealings by the Bank, MEL (or any other Broker) in Option Contracts.

(v) MEL is not required to act in accordance with the Client's instructions, where to do so would constitute a breach of the terms of:

(A) this Addendum, the LSA, or any direction or instruction given by the Bank to MEL; or

(B) the ACH Clearing Rules, the ASX Market Rules or the Corporations Act.

(e) MEL taking opposite position

The Client acknowledges that MEL or the Bank may, in certain circumstances permitted under the Corporations Act and the ACH Clearing Rules or the ASX Market Rules, or the LSA or this Addendum, take the opposite position in an Options contract,either acting for another client or on its own account.

(f) MEL may call for funds or security

(i) MEL may call for payment of money or the provision of other security which MEL considers, in its absolute discretion, appropriate in connection with the obligations incurred by MEL in respect of Options entered into for the account of the Client under the terms of this clause 11.

(ii) The time by which the Client must pay any amount called or provide security is of the essence and, the Client must pay the amounts, or provide the relevant security, within 24 hours of the call for payment.

(g) Default

If:

(i) the Client fails to pay, or provide security for, amounts payable to MEL or fails to perform any obligation arising pursuant to the exercise or settlement of an Option;

(ii) a guarantee or other security provided by the Client to MEL is withdrawn or becomes ineffective and other replacement security acceptable to MEL and the Bank is not provided; or

(iii) any other event occurs which MEL, the Bank and the Client have agreed in this clause 11 entitles MEL to take action under this clause 11.1(g),

MEL may, in addition to any other rights which they may have against the Client, without giving prior notice to the Client, take any action, or refrain from taking action, which it considers reasonable in the circumstances in connection with Options registered in the Client Account of the Client (including, without limitation, Options arising from those contracts transacted) and, without limitation, MEL may,and the Bank may instruct the MEL to:

(A) enter into one or more transactions to effect the close out of one or more Options in accordance with the ACH Clearing Rules;

(B) exercise one or more Options in accordance with the ACH Clearing Rules and; or

(C) exercise any other rights conferred by the LSA, this Addendum, the ACH Clearing Rules, the ASX Market Rules, or the Client Agreement or perform any other obligations arising under the ACH Clearing Rules, the ASX Market Rules, or the Client Agreement in respect of those Options,

and the Client must account to MEL and the Bank as if those actions were taken on the instructions of the Client and, without limitation, is liable for any deficiency and is entitled to any surplus which may result.

(h) Commissions and fees

The Client must pay to MEL and the Bank commissions, fees, taxes and charges in connection with dealings in Options for the Client at the rates determined by the Bank from time to time and notified to the Client in writing.

(i) Tape recording of conversations

The Client acknowledges that MEL and the Bank may record telephone conversations between the Bank, MEL and the Client. If there is a dispute, the Client has the right to listen to any recording of those conversations.

(j) Appointment of ACH and others as agent

The Client irrevocably appoints severally ACH, and every director, manager and assistant manager for the time being of ACH, at the option of ACH (as applicable) to do all acts and execute all documents on the Client's behalf for the purpose of exercising the powers conferred on ACH under Rule 15.

(k) Termination of Client Agreement

Subject to the rights of the Bank to appoint a substitute participant for the purposes of this clause 11, either the Client or MEL may terminate the Client Agreement in this clause 11 by giving notice in writing to the other. Termination of this clause 11 will be effective upon receipt of the notice by the other party.

(l) Effect of termination

(i) Termination does not affect the existing rights and obligations of the Client or MEL prior to termination.

(ii) Upon termination of the Client Agreement in this clause 11, and subject to the rights of the Bank, MEL will close out all Options held by MEL for the account of the Client, unless, in accordance with a direction from the Client (but subject to the Bank's prior consent), those contracts are transferred to another broker in accordance with the ACH Clearing Rules or the ASX Market Rules.

(m) Revised terms prescribed by ACH

If ACH prescribes amended minimum terms for a Client Agreement for the purposes of the ACH Clearing Rules (the "New Terms"), to the extent of any inconsistency between these minimum terms

and the New Terms, the New Terms will override the terms of the Client Agreement in this clause 11 and apply as if the Client and MEL had entered into an agreement comprising the New Terms.

(n) MEL to provide Client with copy of changes

MEL or the Bank will provide a copy of the New Terms to the Client as soon as practicable after ACH prescribes the New Terms.

(o) Client funds and property

(i) Subject to the rights of the Bank under the LSA and this Addendum, MEL must deal with any money and property paid or given to MEL in accordance with the Corporations Act and the ACH Clearing Rules.

(ii) The Client acknowledges that the Client's monies and the monies of other clients of MEL may be combined and deposited by MEL in a trust account or clients' segregated account.

(iii) The Client acknowledges that all monies credited to the clients' segregated account maintained by MEL may be used by MEL to meet the default of any client of MEL.

(p) Change of broker

(i) The Client may receive a Participant Change Notice from MEL to notify the Client that MEL, at the direction of the Bank, proposes to change brokers for the Client's account. MEL will send the Participant Change Notice to the Client no later than 20 days prior to the date proposed as the date for the change of Broker ("Effective Date"). Subject to the Bank's rights to nominate a substitute participant or Broker for the purposes of this clause 11, the Client is under no obligation to agree to the change of Broker, and may choose to do any of the things set out below:

(A) The Client may choose to terminate the Client Agreement in this clause 11 in accordance with its terms or by giving instructions to MEL, indicating that the Client wishes(subject to the Bank's prior consent) to transfer its Options contracts to another Broker;

(ii) If the Client does not take any action to terminate this Client Agreement and does not give any other instructions to MEL which would indicate that the Client does not agree to the change of Broker then, on the Effective Date, the Client Agreement in this clause 11 will have been taken to be novated to the new Broker and will be binding on all parties (subject to the consent of the Bank) as if, on the Effective Date:

(A) the new Broker is a party to the Client Agreement in this clause 11 in substitution for MEL;

(B) any rights of MEL are transferred to the new Broker; and

(C) MEL is released by the Client from any obligations arising on or after the Effective Date.

(iii) The novation not take effect until the Client has received a notice from the new Broker confirming that the new Broker consents to acting as the Broker for the Client. The Effective Date may as a result be later than the date set out in the Participant Change Notice.

(iv) The Client will be taken to have consented to the events referred to above by the doing of any act which is consistent with the novation of the Client Agreement in this clause 11 to the new Broker (for example by giving an instruction to the new Broker), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.

(v) The Client Agreement continues for the benefit of MEL 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 not binding or effective on the Effective Date, then the Client Agreement in this clause 11 will continue for the benefit of MEL until such time as the novation is effective, and MEL will hold the benefit of the Client Agreement on trust for the new Broker.

(vi) Nothing in this clause will prevent the completion of Options contracts by the MEL where the obligation to complete those transactions arises before the Effective Date and the Client Agreement in this clause 11 will continue to apply to the completion of those transactions, notwithstanding the novation of the Client Agreement to the new Broker under this clause.

Part B – Covered Calls

1. Covered Calls

(a) Subject to the LSA and this Addendum, the Bank hereby consents to the Client writing Covered Call Options in respect of Eligible Securities held by the Client (or the Nominee) under the LSA.

(b) Subject to the LSA, this Addendum and the Master Priority Deed, any transfer, sale or realisation of the Secured Property by the ACH under the Rules or pursuant to any ACH Security will automatically effect a release of that property from the Security Interest granted in favour of the Bank under the LSA and this Addendum.

(c) The Covered Call Options:

(i) may only be written in respect of Securities which:

(A) are or will be wholly owned by the Client; and

(B) part of the Secured Property; and

(ii) must be written on a date when the Market Value of the Eligible Security is below the proposed exercise price of the Covered Call Option;

(iii) must be written with an exercise price which is greater than the exercise price of any Put Option which has been purchased (or which may be purchased in the future) in relation to the underlying Eligible Securities;

(iv) must be written by the Client and executed by the Broker in accordance with the instructions (if any) of the Bank;

(v) may only be written by the Client in circumstances where the Client has sufficient Secured Property to be able to satisfy the Covered Call Option contract.

(d) The Client must strictly comply with the Client Agreement and its obligations under the Rules.

2. Client's Obligations

(a) The Client may only write Covered Call Options to which the Bank has given its prior consent.

(b) The client may only write Covered Calls Options if the expiry date of the call option is less than 6 months from the date the call option is written (unless the Client has obtained prior written approved from the Bank).

(c) The Client directs and authorises the Bank to lodge Eligible Securities forming part of the Secured Property with the ACH or with the Issuer of the OTC option as Collateral if required by either the Broker under the Client Agreement or the ACH immediately upon the receipt by the Bank of an ACH Security Form in respect of any Covered Call Option the Client writes with the Broker.

(d) The Client, at the request of the Bank or the Broker, must immediately deposit or lodge with the Broker acceptable collateral as and when required under the Client Agreement to enable the Broker to meet its obligations under the Rules.

(e) Any Premium payable to the Client in connection with a Covered Call Option will be paid into an account at the instructions of the Client unless:

(i) the Client is in default under the LSA or this Addendum; or

(ii) the Client has failed to issue any instructions relating to the Premium, in which case the Premium will be paid to the Bank in reduction of the Loan.

(f) The Borrower must pay the Bank:

(i) the fee specified by the Bank in consenting to the Client entering into the Covered Call Option or as notified to the Borrower from time to time; and

(ii) the costs and expenses incurred by the Bank in connection with this Addendum, including any taxes, duties, fees or fines the Bank has to pay or amounts the ACH requires the Bank to pay in connection with the lodgement of Secured Property with the ACH or are otherwise payable under the Master Priority Deed.

(g) The Client declares, as a continuing representation, that no Security Interest, or other interest or trust of any third party, other than that held by the Bank or ACH, exists in relation to the Eligible Securities and such Eligible Securities are held in the same name as the account the Client has with the Broker.

(h) The Client agrees:

(i) that in determining the value of the Secured Property on any date in connection with the obligations of the Client under the LSA, the value of that Secured Property will be reduced by the aggregate cost necessary to buy back any Covered Call Option for which that Secured Property has been provided as collateral; and

(ii) that in respect of any Eligible Securities the subject of a Covered Call Option, where applicable under the terms of the LSA, the Bank will not be obliged to lend an amount in excess of the lesser of the:

(A) Market Based Limit of those Eligible Securities; and

(B) the Exercise Price relating to the Covered Call Option, as adjusted by the Lending Ratio; and

(iii) where applicable, the Bank will be entitled to make a Margin Call under the LSA in the event of a breach of clause 2(g)(ii) of Part B of this Addendum by requiring a payment to be made by the Client to ensure compliance with its obligations under this Addendum and the LSA; and

(iv) the Bank will be entitled to issue instructions to the Broker relating to any Secured Property, any Covered Call Option and any matter connected with this Addendum, and the Client will not give any instructions to the Broker which are inconsistent with any instruction given by the Bank to the Broker; and (v) to indemnify the Bank against any loss, claim, cost or expense the Bank incurs in connection with:

(A) any payment or judgment the Bank makes under clause 3(a)(i) of Part B; and

(B) any payment that the Bank makes to ACH under the terms of the Master Priority Deed; and

(C) any payment the Bank makes to the Broker under the terms of any agreement between the Bank and the Broker relating to the Covered Call Option; and

(vi) that the indemnity set out in clause 2(g)(v) of Part B is continuing and will survive the expiry or termination of this Addendum. It is not necessary for the Bank to incur any expense or make any payment before enforcing its right of indemnity under this clause 2(g)(v) of Part B.

(i) The Client acknowledges that the Bank may receive copies from the Broker of any information given to the Client in relation to the Client Account.

3. Directions and payments by the Bank

(a) The Client agrees:

(i) if the Bank receives an ACH Security Form from the Broker, the Bank may, without being obligated to do so:

(A) instruct the Sponsor under the LSA and/or the Broker under the Addendum to lodge any Securities with the ACH; and/or

(B) provide cash security cover to the ACH or the Broker to lodge with the ACH, in support of the Client's obligations under the Client Agreement or Covered Call Options;

(ii) the Bank is authorised to do all things necessary to buy back any Covered Call Option at the Client's expense and sell the relevant Eligible Securities if:

(A) an event of default occurs under the LSA; or

(B) the Client is in default under this Addendum; or

(C) the Bank determines that such action is necessary to preserve or avoid a deterioration of its rights and remedies under the LSA or this Addendum;

(iii) subject to clause 2(d) of Part B, proceeds of sale or distributions payable to the Client in connection with a Covered Call Option that have been paid to the Bank will be credited to the Loan;

(iv) the Client authorises and directs the Bank, without obligating the Bank to do so, to:

(A) pay any amount owing to the ACH under or in connection with the Master Priority Deed; and

(B) pay the Broker any amount the Client owes the Broker under the Client Agreement.

(b) The Client acknowledges that any amounts payable under clause 3(a) of Part B will be added to the Loan.

4. Use of Nominee

(a) If the Bank requires:

(i) any Covered Call Option to be written by; or

(ii) Eligible Securities to be held by,

the Nominee, the Client authorises the Nominee, as agent of the Client, to enter into a Client Agreement with the Broker.

(b) As agent of the Client, the Nominee may:

(i) give instructions to the Broker in relation to any Covered Call Option the Client has written or the Client Account maintained by the Broker; or

(ii) complete an ACH Acknowledgment in relation to any Securities it holds on behalf of the Client or the Client Account.

(c) The Client indemnifies the Nominee against, and must pay it on demand for, all losses, claims, costs and expenses it suffers or incurs in acting as nominee under this Addendum.

Part C – Short Trade Addendum

1. Loans of Securities

(a) To borrow Loan Securities, the Client must submit a Borrowing Request to the Bank.

(b) Upon acceptance by the Bank of a Borrowing Request, which is at the Bank's absolute discretion, the Bank will, as soon as practicable, lend Loan Securities to the Client, and the Client will borrow Loan Securities from the Bank in accordance with the terms of this Addendum and with the Rules.

(c) The Bank will, as soon as practicable after receipt of any Borrowing Request, notify the Client (or the Client's broker or other representative) (either orally or in writing via regular statements of account) of the Short Position Margin applicable to the transaction, the Fee payable by the Client to the Bank, whether the Collateral offered by the Client is sufficient for the transaction and any other changes to the Borrowing Request which the Bank deems appropriate in its absolute discretion.

(d) The Client may reduce the amount of Loan Securities referred to in, or otherwise vary a Borrowing Request if:

(i) the Client has notified the Bank of such reduction or variation two clear Business Days prior to the Settlement Date, unless otherwise agreed between the Parties; and

(ii) the Bank has accepted such reduction or variation.

2. Delivery of Securities

(a) The Client may sell some or all of the Loan Securities within 24 hours of submitting an approved Borrowing Request or during the period otherwise agreed with the Bank.

(b) The Client must advise the Bank by facsimile transmission in the form prescribed by the Bank within the period specified in the Borrowing Request of the details of any sale of Loan Securities.

(c) The Client must:

(i) instruct its broker that the Bank will be settling any transaction for the sale of Loan Securities through CHESS;

(ii) ensure that the confirmation relating to the sale is sent by facsimile transmission to the Bank no later than 3 Business Days before the proposed settlement; and

(iii) ensure, by instructing its broker, that on settlement the proceeds from the sale by the Client of any Loan Securities are to be remitted to the Bank utilising CHESS.

(d) Provided that the Client has a sufficient undrawn Credit Limit and has posted sufficient Collateral under clause 5 of Part C, the Bank will take all action necessary to procure the delivery of Loan Securities either to the Client or the broker notified under clause 2(a) of Part C to enable the Client to settle its sale of Loan Securities in a timely manner.

(e) Any Loan Securities will be deemed to have been delivered by the Bank to the Client when delivered to the Broker or the Client under the Rules.

(f) Subject to the terms of this Addendum, the Client may borrow Loan Securities from the Bank as often as the Client requests under this Addendum. However, at any time the aggregate of the value of any Loan Securities must not exceed the Credit Limit under the Short Trade arrangements. If at any time the Bank determines at its discretion that there is, or is likely to be, insufficient Collateral, the Bank will notify the Client that additional Collateral is required in accordance with clause 5 of Part C.

(g) The Bank and its related bodies corporate are not liable for any loss the Client may suffer because the price of any Loan Securities the Client plans to sell changes during the time the Bank takes to arrange for the loan of the Loan Securities to the Client or to forward any communications on the Client's behalf.

(h) If the Broker fails to settle a trade, the Client agrees to pay to the Bank all of the costs and expenses reasonably incurred by the Bank as a result of such failure.

(i) The Client authorises the Bank and its related bodies corporate as and when required under this Addendum to:

(i) reduce the Credit Limit available under the Short Trade arrangements in this Part C by the value of the Loan Securities borrowed under this Addendum;

(ii) draw down under the Facility the amount of any Collateral required from time to time;

(iii) draw down under the Facility the amount of any transaction fees, costs and expenses (including costs and expenses incurred in relation to any failure of the Broker to settle a confirmation or in relation to a buy-in under clause 6(f) of Part C incurred in relation to this Addendum);

(iv) draw down under the Facility any other amount payable by the Client to the Bank;

(v) settle any sale of the Loan Securities on the Client's behalf with the Broker specified in the Borrowing Request;

(vi) draw down under the Facility any amount required to be paid by the Client to the Bank equivalent to any Income to any of the Loan Securities;

3. Title, Distributions and Voting

(a) The Parties must execute and deliver all necessary documents and give all necessary instructions to transfer all right, title and interest in:

(i) any Loan Securities borrowed pursuant to clause 2 of Part C;

(ii) any Equivalent Loan Securities redelivered pursuant to clause 6 of Part C;

(iii) any Collateral delivered pursuant to clause 5 of Part C;

absolutely from one Party to the other, on delivery or redelivery of the same in accordance with this Addendum, free from all liens, charges, equities and encumbrances.

(b) (Distribution and Corporate Action)

(i) Unless otherwise agreed, if any Income is paid in relation to any Loan Securities, the Client must, on the Income Payment Date, or on such other date as the Parties may from time to time agree, pay and deliver a sum of money equivalent to that Income to the Bank, irrespective of whether the Client received the Income. The amount payable to the Bank by the Client will be grossed up for any franking credits included in the Income paid in relation to the Loan Securities. Unless otherwise agreed with the Client, the Bank may debit the Loan under the LSA for the value of cash plus the franking credit referable to that Income on an Income Payment Date or such later date as the Bank may determine.

(ii) If prior to the repayment of the Loan Securities there occurs:

(A) a takeover offer, takeover announcement, restructure or reconstruction of capital which affects or applies to the Loan Securities; or

(B) a bonus issue, stock split, consolidation, scheme of arrangement or other arrangement under which any Rights vest in or accrue to the holder of the Loan Securities; or

(C) a rights issue or any other entitlement or right of the holder of the Loan Securities arises to subscribe for or otherwise acquire any further Securities or any allotment of further Securities; or

(D) a special dividend, return of capital, share buyback or other distribution which includes or applies to any of the Loan Securities; or

(E) a call on partly paid Loan Securities; or

(F) any other change with respect to the Loan Securities; or

(G) an event in clause 13 of the LSA; or

(H) any other event resulting in the Bank being unable to, or unable to continue to, hedge its exposure; or

(I) any other event which the Bank determines to be similar in effect to the events described in paragraphs (A) to (H),

then the Bank may at its discretion vary the Short Position Margin, vary the Loan Securities or take any other action the Bank considers necessary, in its absolute discretion, including:

(1) requesting further Collateral from the Client;

(2) requesting the immediate redelivery of the Equivalent Loan Securities;

(3) giving notice that the Bank wishes to receive Equivalent Securities or Alternative Collateral in such form which will arise if any rights arising under this clause 3(b) of Part C are exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice; or

(4) requesting the delivery of any rights, shares, distributions and entitlements to the Bank to reduce the Loan outstanding under the LSA.

(iii) The Client authorises the Bank to complete and execute, as the Client's attorney, any documents that are necessary to transfer or deliver funds or rights, shares, distributions and entitlements to the Bank or to make any payments the Bank thinks fit under this clause 3(b) of Part C.

(iv) Any payment to be made by the Client under this clause 3(b) of Part C will be made in a manner to be agreed by the Parties.

(c) Notwithstanding clause 3(b) of Part C, if in respect of any Collateral, the relevant issuer, company, trustee or government authority issues any right or option in respect of the Collateral the Bank must deliver or make available (as the case may be) to the Client on the date of such issue or on such other date as the Parties may from time to time agree:

(i) the right or option; or

(ii) an identical right or option; or

(iii) a payment equal to the value to the Bank (as determined by the Bank in its absolute discretion) of the right or option, together with any such endorsements or assignments as the case may be customary and appropriate.

(d) Any voting rights attaching to the relevant Loan Securities, Equivalent Loan Securities or Collateral will be exercisable by the persons in whose name they are registered, or in the case of Loan Securities, Equivalent Loan Securities or Collateral in bearer form by the persons by or on behalf of whom they are held, and not necessarily by the Client or the Bank (as the case may be).

(e) The Parties acknowledge that all right, title and interest to the Loan Securities and/or the Collateral passes to the transferee Party absolutely and the transferor Party retains no right, title or interest in the Loan Securities or Collateral, as the case may be, except a contractual right to have Equivalent Securities or Alternative Collateral re-delivered.

4. Fees

The Borrower must pay a fee to the Bank in respect of each transaction involving the borrowing of Loan Securities in an amount specified from time to time by the Bank.

5. Collateral

(a) The Client undertakes to deliver to or to deposit with the Bank or its nominee:

(i) Collateral of the kind specified in the relevant Borrowing Request or as otherwise agreed between the Parties; and

(ii) appropriate instructions for transfer or instruments of transfer duly stamped (if necessary) and such other instruments as may be requisite to vest title to the Collateral in the Bank simultaneously with delivery of the Loan Securities, in accordance with this clause 5 of Part C.

(b) The parties agree that any Income paid in relation to any Collateral will be for the benefit of the Bank and will not be paid or delivered to the Client.

(c) Global Margining

(i) The Client must at all times deliver to or deposit with the Bank or its nominee Collateral with a Value equal to the aggregate of the Required Collateral Values in respect of all outstanding Loan Securities.

(ii) If at any time the aggregate Value of the Collateral in respect of all Loan Securities outstanding under this Addendum exceeds the aggregate of the Required Collateral Values in respect of all such Loan Securities, the Client may request the Bank to repay or re-deliver the excess Collateral and the Bank must repay or deliver the excess Collateral to the Client within 7 Business Days of receipt of the Client's request.

(iii) If at any time the aggregate Value of the Collateral in respect of all Loan Securities outstanding under this Addendum falls below the aggregate of Required Collateral Values in respect of all such loans then:

(A) the Bank will notify the Client that additional Collateral is required; and

(B) the Client must (immediately on demand) provide such further Collateral to the Bank which will eliminate the deficiency.

(d) The Client may not assign, transfer or otherwise dispose of, or mortgage, charge or otherwise encumber, or otherwise deal with its rights in respect of any Collateral without the prior written consent of the Bank.

(e) If the Collateral includes other Securities and the Bank, in its absolute discretion agrees, then:

(i) the provision of those Securities as Collateral is by way of a loan of securities under this Addendum to which section 26BC(3)(a) of the Tax Act may apply (provided Alternative Collateral is redelivered within 12 months of the original disposal time); and

(ii) For the purposes of Section 26BC(3)(d) of the Tax Act, the notifiable consideration does not include:

(A) a fee;

(B) an adjustment for variations in the market value of the Collateral or Alternative Collateral;

(C) any other consideration (see clauses 3(b) and 3(c) of Part C).

6. Redelivery of Equivalent Loan Securities

(a) The Client undertakes to redeliver Equivalent Loan Securities to the Bank not later than 11 calendar months from the date of delivery by the Bank of the original Loan Securities to the Client.

(b) Where the Client has borrowed the same type of Loan Securities under more than one Borrowing Request, upon redelivery of Equivalent Securities by the Client the Bank will nominate which loan of Loan Securities the Equivalent Securities will be terminating.

(c) Subject to the terms of the relevant Borrowing Request, the Bank may call for the redelivery of all or any Equivalent Loan Securities at any time by giving notice to the Client. The Client must redeliver such Equivalent Loan Securities not later than the expiry of such notice in accordance with the Bank's instructions.

(d) If the Client does not redeliver Equivalent Loan Securities in accordance with such call, the Bank may elect to continue the loan of the Loan Securities. If the Bank does not elect to continue the loan, the Bank may by written notice to the Client elect to terminate the relevant loan. If the notice of termination does not specify the time of termination, then it will take effect immediately from the time of dispatch of that notice by the Bank. Upon such termination taking effect, then an Event of Default under clause 13.1 of the LSA will be deemed to have occurred.

(e) If, as a result of the failure of the Client to redeliver Equivalent Loan Securities to the Bank in accordance with this Addendum, a "buy-in" is exercised against the Bank or a comparable loan with any other person of up to the same number of Equivalent Loan Securities is required to be repaid by the Bank, then the Client must account to the Bank for the total costs and expenses reasonably incurred by the Bank as a result of such transaction.

(f) Subject to the terms of the relevant Borrowing Request, the Client may at any time terminate particular Loan Securities and redeliver all and any Equivalent Loan Securities due and outstanding to the Bank in accordance with the Bank's instructions.

7. Termination of course of dealings by notice

Each Party may bring the course of dealing contemplated under Part C of this Addendum to an end by giving not less than 10 Business Days notice in writing to the other Party (which specifies the date of termination), subject to an obligation to ensure that all borrowings of Loan Securities which have been entered into but not discharged at the time such notice is given are duly discharged in accordance with this Addendum and with the Rules.

Part D - General

1. Securities Owner and Director

(a) The Borrower consents to any Securities Owner entering into this Addendum and/or entering into any transactions as contemplated by this Addendum (even if that Securities Owner does not formally execute this Addendum) and the Borrower confirms that its obligations under the LSA, including under clauses 12 and 17 of the LSA, are continuing and extend and apply to the Client's obligations under this Addendum.

(b) Any Securities Owner who buys Put Options, writes Call Options or utilises Short Trade in accordance with this Addendum, whether or not they formally execute this Addendum, shall be deemed to have agreed to the terms of this Addendum and to have acknowledged and confirmed that its obligations under the LSA, including under clauses 12 and 17 of the LSA, are continuing and extend and apply to the Client's obligations under this Addendum.

(c) The Securities Owner and the Director consent to the Borrower and any other Securities Owner entering into this Addendum and buying Put Options, writing Call Options or utilising Short Trade in accordance with this Addendum, whether or not any of them formally execute this Addendum, and acknowledges and confirms that its obligations under the LSA, including under clauses 12 and 17 of the LSA, are continuing and extend and apply to the Client's obligations under this Addendum.

2. Instructions from Broker or other representative

The parties acknowledge that the terms of clauses 1.6 and 1.7 of the Loan and Security Agreement will also apply to any instructions that may be provided by a Broker or other representative of a Client to the Bank in relation to any matter relating to this Addendum.

3. Default

Failure by the Client to act in accordance with any term of this Addendum or any instruction of the Bank, within the time specified, will be a breach of this Addendum and an event of default under clause 13.1 of the LSA.

4. Severance

If any provision of this Addendum is declared by any judicial or other competent authority to be void or otherwise unenforceable, that provision will be severed from this Addendum and the remaining provisions of this Addendum will remain in full force and effect. This Addendum will be amended by the Parties in such reasonable manner so as to achieve, without illegality, the intention of the Parties with respect to the severed provision.

5. Waiver

The failure, delay, relaxation or indulgence on the part of any Party in exercising any power or right conferred upon that Party by this Addendum does not operate as a waiver of that power or right, nor does any single exercise of any power or right preclude any other or further exercise of it or the exercise of any other power or right under this Addendum.

6. Further assurances

Each Party must do, sign, execute and deliver and must procure that each of its employees and agents does all acts and signs, executes and delivers, all deeds, documents and other instruments reasonably required of it or them by notice from the other party effectively to carry out and give full effect to this Addendum and the rights and obligations of the Parties under them.

7. Variation

The parties agree that this Addendum is an addendum to and a variation of the LSA, and any reference to "this Agreement" in the LSA shall be interpreted as referring to the LSA as amended by and incorporating this Addendum.

8. Set-off

Clause 19 of the LSA applies to this Addendum with the necessary amendments.

9. Notices

The notice requirements specified in the LSA will be applicable to this Addendum.

10. Frustrated contract

The Frustrated Contracts Act 1978 (New South Wales) does not apply to this Addendum.

11. Governing Law

This Addendum is shall be governed by and construed in accordance with the laws of the State by which the LSA is governed.

12. Interpretation

(a) In this Addendum, unless the context otherwise requires:

ACH means Australian Clearing House Pty Limited (ACN 001 314 503).

ACH Acknowledgment means the acknowledgment signed by the Client set out in the relevant Schedule to the Master Priority Deed to be entered into between the ACH and the Bank in relation to the priority of interests in the Secured Property or such other documents or acknowledgments the ACH requires from the Client in connection with such priority arrangements from time to time.

ACH Clearing Rules means the operating rules (including any relevant procedures, guidance notes or policies) made by ACH as in force from time to time.

ACH Security means the Securities required to be lodged with, or withdrawn from, the ACH being collateral for a Put Option or Covered Call Option, as the case may be.

ACH Security Form means a Form C3A or any other notice required by the ACH which is received from the Broker and sets out the Securities required to be lodged with, or withdrawn from, the ACH being collateral for a Covered Call Option.

Alternative Collateral means Collateral having a Market Value equal to the Collateral delivered pursuant to clause 3 of Part B and provided by way of substitution for Collateral originally delivered or previously substituted in accordance with this Addendum.

American-Style for a Put Option means a put option for which an exercise notice may be submitted by the Client at any time on or before the Expiry Date of the Put Option.

ASTC means the ASX Transfer and Settlement Corporation, approved under the Corporations Act 2001 (Commonwealth of Australia) to operate CHESS.

ASTC Settlement Rules means the operating rules (including any relevant procedures, guidance notes or policies) made by ASTC as in force from time to time.

ASX means Australian Securities Exchange Limited (ACN 008 624 691).

ASX Market Rules means the operating rules (including any relevant procedures, guidance notes or policies) made by ASX as in force from time to time.

ASX Traded Shares means any shares or other securities issued by any corporation or any unit trust which are granted official quotation or admitted to trading status by ASX.

Borrowing Request means a request made verbally or in writing (or both), as amended (if necessary) and approved by the Bank, by the Client to the Bank pursuant to clause 1(a) of Part C specifying as necessary:

(a) the description, title and amount of the Loan Securities required by the Client;

(b) the description (if other than Australian currency) and amount of any Collateral to be provided;

(c) the proposed Settlement Date;

(d) the duration of such loan (if other than indefinite) and subject to the requirements of the Tax Act;

(e) the mode and place of delivery, which will if relevant, include the bank, agent, clearing or settlement systems and account to which delivery of the Loan Securities and any Collateral is to be made;

(f) the Short Position Margin in respect of the transaction; and

(g) the Fee.

Broker means the clearing participant (as that term is defined in the Rules), who must be previously approved by the Bank, that enters into a Client Agreement to buy and/or sell Exchange Traded Options with the Client or the Client's agent.

Covered Call Option means call option or any other type of option contract that the Bank may approve for the purpose of this Addendum from time to time.

Cash Collateral means Collateral that takes the form of a payment of currency.

CHESS means the clearing house electronic sub-register system to be operated by ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

Client means the Borrower and the Securities Owner (if any) and the Director (if any).

Client Account means the account the Client has with the Broker.

Client Agreement has the meaning in the Rules and, where the context requires, means:

(a) the Client Agreement entered into between the Broker and the Client, or the Broker and the Nominee on the Client's behalf (as the case may be); or

(b) the agreement entered into between the Client and MEL on the terms of clause 11 of Part B.

Collateral means:

(a) Cash Collateral;

(b) ASX Traded Shares;

(c) such other securities or financial instruments or deposits of currency as agreed between the Parties from time to time, or any combination of them which are delivered by the Client to the Bank in accordance with this Addendum and includes the certificates or other documents of title (if any) and transfer in respect of the foregoing (as appropriate) and Alternative Collateral; and

(d) for the purpose of clause 3 of Part B, includes Alternative Collateral.

Credit Limit means the amount which the Bank may notify in its absolute discretion from time to time in respect of the borrowing of Loan Securities under the Short Trade feature in this Addendum.

Equivalent Loan Securities means securities of an identical type, nominal value, description and amount to particular Loan Securities borrowed and such term will include the certificate and other documents of or evidencing title and transfer in respect of the foregoing (if appropriate).

Exchange Traded Put Option means American-Style Put Options (which allows the Client to require another person to purchase the Relevant Securities at a nominated exercise price) traded on an exchange.

Exercise Price means the price indicated in an Option contract at which the buyer can exercise the Option to acquire the underlying Securities.

Expiry Date means the date a Put Option expires.

Income means any dividends, interest or other distributions of any kind whatever with respect to any Loan Securities or Collateral (including franking credits).

Income Payment Date in relation to any Loan Securities or Collateral, means the date on which Income is paid in respect of such Loan Securities or Collateral, or, in the case of registered Securities or Collateral, the date by reference to which particular registered holders are identified as being entitled to payment of Income.

Loan Securities means "eligible securities" within the meaning of section 26BC(1) of the Tax Act which the Client is entitled to borrow from the Bank in accordance with the Rules and which are the subject of a loan pursuant to this Addendum and that term includes the certificates or other documents of title (if any) in respect of the foregoing.

LSA means the Macquarie Investment Lending Loan and Security Agreement (March 2007 or any subsequent version) between, amongst others, the Bank and the Borrower.

Margin Call Clause means clause 5 of the LSA.

Master Priority Deed means the deed of priority to be entered into between the Bank and the ACH in relation to the priority of interests in Securities lodged with the ACH as Collateral.

MEL means Macquarie Equities Limited (ABN 41 002 574 923).

Nominee has the meaning ascribed to that term in the LSA and includes the person appointed to act as the Client's nominee for the purposes of this Addendum.

OTC Call Option means an American or European-Style over the counter sold call option (which allows the issuer of the option to require the client to sell the Relevant Securities at a nominated exercise price), the terms of which are agreed between the Client and issuer of the OTC Call Option.

OTC Put Option means an American-Style over the counter bought Put Option (which allows the Client to require the issuer of the option to purchase the Relevant Securities at a nominated exercise price), the terms of which are agreed between the Client and issuer of the OTC Put Option.

Parties means the Bank or the Client and "Party" will be construed accordingly.

Product Disclosure Statement or PDS means the offer document provided by the issuer of a Put Option or the Covered Call Options to the Client.

Premium means the premium payable for a Put Option or Covered Call Option (as the case may be).

Put Option means an OTC Put Option or an Exchange Traded Put Option (as the case may be).

Relevant Security means on any day and in respect of a Put Option, those Eligible Securities held by the Client and mortgaged under the LSA, which are the subject of a Put Option as adjusted and varied under this Addendum.

Required Collateral Value means the amount derived by multiplying the aggregate Value of the Loan Securities by the applicable Short Position Margin.

Rules means the ASX Market Rules, the ASTC Settlement Rules or the ACH Clearing Rules (as the case may be), including any procedures, guidance notes, policy or rules thereunder, as amended or substituted from time to time.

Secured Property has the meaning given to that term in the LSA and includes the Collateral, any Put Options and any Covered Call Options.

Securities has the meaning given to that term in the LSA and includes the Loan Securities.

Settlement Date means the date upon which Loan Securities are or are to be transferred to the Client in accordance with this Addendum.

Short Position Margin means the percentage specified in the Borrowing Request or as otherwise specified by the Bank.

Short Trade means the scrip lending facility provided in relation to Loan Securities pursuant to Part C of this Addendum

Tax Act means the Income Tax Assessment Act 1997 (Cth) incorporating by reference the Income Tax Assessment Act 1936 (Cth) as amended from time to time.

(a) In this Addendum, unless the context otherwise requires:

(i) words importing the singular include the plural and vice versa;

(ii) references to a clause or Part is to a clause or Part of or to this Addendum;

(iii) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;

(iv) words defined in this Addendum have the same meaning as under the LSA, except that in the event of any inconsistency between a word defined under this Addendum and the LSA, the word defined under this Addendum will prevail;

(v) any discretion conferred in favour of the Bank under this Addendum may be exercised by the Bank absolutely;

(vi) references to any document (including the LSA) include any variation or replacement to that document; and

(vii) references to any party to this Addendum include references to its respective successors and permitted assigns.

(b) This Addendum may not be construed adversely to a party only because that party was responsible for preparing it.

(c) This Addendum will operate as a Deed.

Macquarie Trading Power

Application to be completed by all applicants

When completing this form please print in CAPITAL LETTERS
Should you have any questions, please call our Account Management Team on Freecall 1800 656 819 between 8.00am to 6.00pm (AEST).

MACQUARIE

Broker/Adviser name

Company Name

Email address

Telephone - Work

I give permission for an experienced member of the Account Management Team to contact my client directly to confirm any incomplete details in this Application Form (please tick)

ADVISER/BROKER DETAILS

Place stamp here

1A. Borrower's Name (Individual, Director of Corporate Borrower or Trustee, Individual Trustee)

Title Mr Mrs Miss Dr Other

First Name

Middle Name

Surname

1B. Additional Borrower (Individual, Director of Corporate Borrower or Trustee, Individual Trustee)

Title Mr Mrs Miss Dr Other

First Name

Middle Name

Surname

2. Margin Loan Facility Number:

Margin Loan Facility Number

OR If you have recently applied for a Macquarie Margin Loan and do not yet have a Facility Number, please tick this box

3. Power of Attorney:

I/We hereby irrevocably and by way of security appoint Macquarie Bank Limited ABN 46 008 583 542 and each of its officers, employees, agents and solicitors, and any assignee of or successor to the rights of Macquarie Bank Limited under the Addendum Agreement for Put Protection, Covered Calls and Short Trade Facilities ("Addendum Agreement") separately (the "Attorney") as the true and lawful agent and Attorney in fact of each of:

- The Borrower;
- The Securities Owner; and
- The Director (with full power of substitution, delegation and revocation as the Attorney may deem expedient),

- To sign and deliver, on behalf of the Borrower, the Securities Owner and the
- Director the Addendum Agreement, in the form which is attached to the application.
- To instruct the issuer or manager of any Put Options, Covered Call Options and/or Loan Securities (as the case may be) or Broker or any other person with respect to any dealing with the Securities.
- To do any other act or thing which, in the opinion of the Attorney, is necessary or desirable in connection with the Addendum Agreement or the Securities or the protection or perfection of the interests of Macquarie or the exercise of the rights, powers and remedies of Macquarie.

  I/We hereby further authorise the Attorney to do the following with respect to any of the documents referred to above:
- Complete any blanks;
- Make any amendments or additions thereto;
- Do, execute and perform any other deed, matter, act or thing which in the opinion of the Attorney ought to be done, executed or performed to perfect the document and make it effective; and
- To attend to the completion, stamping or registration of all related and ancillary documentation.
- To do (either in the name of the Borrower or the Securities Owner (as the case may be) or the Attorney) all acts and things:
  - that the Borrower or the Securities Owner (as the case may be) is obliged to do under the Addendum Agreement; or
  - which the Borrower or the Securities Owner have authorised Macquarie to undertake on their behalf including to apply for and redeem or sell any or all of the Securities and to take up or dispose of any rights or other entitlements accruing from time to time in respect of any Securities; or
  - which the Borrower or Securities Owner have authorised Macquarie to undertake on their behalf including the signing of any document amending or supplementing the Addendum Agreement, and the establishment of any account and the undertaking of any transactions on that account.
- I/We declare that anything done by the Attorney pursuant to the powers given to the Attorney will be binding on me/us as if those acts had been done by me/us. I/We agree to indemnify the Attorney against any loss or costs it suffers or incurs in exercising the powers specified above. The Attorney may exercise the powers granted above even if it involves a conflict of duty or conflict of interest.

cont. next page

4. Third Party Securities Owner(s):

What is the third party name?

First Name

Middle Name

Surname

Holder Identification Number

5. Acknowledgements:

By signing below you are applying for all features contained in Trading Power, whether you intend to activate them or not.
If you prefer not to apply for all of the Trading Power features, please indicate below by ticking the relevant box(es) which features you wish to apply for:

☐ **Short Selling** ☐ **Covered Calls** ☐ **Put Protection** ☐ **Cash Cover (the terms of this feature are set out in your Margin Lending Loan and Security Agreement)**

If you have already applied for Covered Calls or Put Protection and we have received your documentation, you still need to complete this agreement as it replaces prior agreements.

I/We acknowledge and declare that:

- I/We have read and understood the terms and conditions of the Addendum Agreement and the Risk Disclosure Statement contained in the brochure titled ["Macquarie Bank Limited – Trading Power"] dated May 2007 from which I/we obtained this application form.
- Any loan provided to me pursuant to this application will be applied wholly or predominantly for business or investment purposes.
- I/We authorise Macquarie to provide information on the status of this facility to my nominated financial adviser, usual stockbroker or authorised Secondary Contact.
- If my application is approved, the Addendum Agreement will be signed on my/our behalf pursuant to the Power of Attorney.
- I/we acknowledge that Macquarie:
  - is not obliged to give, and has not given, any advice or recommendation with regard to the suitability or utilisation of Put Protection, Covered Calls, Cash Cover or Short Trade (as the case may be) for our individual requirements;
  - is not obliged to give, and does not take responsibility for the provision of ongoing advice or representations to the suitability of Put Protection, Covered Calls, Cash Cover or Short Trade (as the case may be).
- I/we acknowledge that Macquarie is not issuing, offering to issue or offering to arrange the issue of a put option or call option to me/us and that it is my/our responsibility to acquire a put option or call option if I/we choose.

6. Borrower's signature(s):

Executed in accordance with section 127(1) of the Corporations Act by authority of its directors:

Signature 1

Date / /

Name

For and on behalf of the company by authority of the directors.
Please indicate your corporate title (if applicable):

☐ Director ☐ Sole Director and Secretary ☐ Trustee

Signature 1

Date / /

Name

For and on behalf of the company by authority of the directors.
Please indicate your corporate title (if applicable):

☐ Director ☐ Sole Director and Secretary ☐ Trustee

1800 656 819

1800 673 484

investmentlending@macquarie.com

www.macquarie.com.au/lending

Macquarie Investment Lending
GPO Box 4294
Sydney NSW 1164

FORWARD thinking

MACQUARIE

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