

BELL POTTER PORTFOLIO LENDING.

Brochure 5th June 2025
(includes Terms and Conditions)

Dated V250605
Issued by Bell Potter Capital Limited
ABN 54 085 797 735 AFSL 360457

CONTENTS

INTRODUCTION	3
ABOUT MARGIN LENDING	3
IS MARGIN LENDING RIGHT FOR YOU?	3
BEFORE APPLYING	3
INDIVIDUAL RETAIL INVESTORS - ADDITIONAL FINANCIAL INFORMATION REQUIRED	3
IMPACT OF GEARING	5
MARGIN LENDING IN ACTION	6
BUYING POWER	6
MARGIN CALLS	7
HOW FAR WILL MY PORTFOLIO HAVE TO FALL BEFORE I AM IN MARGIN CALL?	7
RISKS AND BENEFITS	8
RISKS	8
BENEFITS	8
DESIGNING YOUR FACILITY	9
FOR BORROWERS	9
FOR THIRD PARTIES	10
OPERATING YOUR ACCOUNT	10
TERMS AND CONDITIONS	11

DIRECTORY

Issued by Bell Potter Capital Limited
(Bell Potter Capital)
ABN 54 085 797 735
AFSL No. 360 457
www.bellpotter.com.au

BPC Securities Pty Limited
ACN 072 910 966 AFSL No. 297 851 is a
wholly owned subsidiary of Bell Potter
Capital and acts as Chess Sponsor for
margin lending clients.

BPC Custody Pty limited
ACN 006 600 746 is a wholly owned
subsidiary of Bell Potter Capital and
provides nominee services for margin
lending clients.

Bell Potter Capital Limited

Registered office
Level 29, 101 Collins St Melbourne
VIC 3000

Postal address
GPO Box 4718
Melbourne VIC 3001

Telephone
1800 061 327
8.30am to 5pm (Melbourne time)
toll free within Australia

Website
www.bellpotter.com.au

Email
lending@bellpotter.com.au

INTRODUCTION

Bell Potter Capital was established in 2005 and is part of the Bell Financial Group of companies (ASX:BFG).

Bell Potter Capital (we or us) has substantial experience in margin lending and associated services and a strong track record of success. This document introduces Bell Potter Portfolio Lending, our margin lending facility, which can be used with any stockbroking account.

ABOUT MARGIN LENDING

Is margin lending right for you?

We strongly recommend you speak to your adviser before entering into a margin loan facility. Even though Bell Potter Capital does not provide advice on whether margin lending is suitable for a particular investor, we will provide information to assist you in making that assessment.

Among other things you should consider and discuss with your adviser:

- Have you assessed your risk profile and tolerance for risk?
- Do you understand the impact gearing has on your risk profile?
- Do you have realistic financial goals?
- Do you understand how gearing may affect your financial outcomes?
- Do you have a clear understanding of margin lending and are you prepared should you receive a margin call notice?
- Do you have a good understanding of financial markets?
- Do you understand how to monitor your margin lending position?
- Have you read this document including the terms and conditions, the PDS and the Application Form?

Before applying

Read the following documents which can be obtained free of charge by calling us on 1800 061 327 or visiting our website:

- This Brochure and the Terms and Conditions;
- Bell Potter Portfolio Lending Product Disclosure Statement (PDS);
- Approved Securities List and the interest rate schedule available on our website; and
- Bell Financial Trust PDS and Additional Information.

Note that we do not provide financial or tax advice. Before deciding whether to apply for a margin loan, we recommend seeking guidance from a financial advisor or other professional advisor.

Individual retail investors – additional financial information required

We are required to assess whether a margin loan is unsuitable for individual retail investors when the facility is first opened and at any time a retail investor makes a request to increase the credit limit.

To enable us to carry out this assessment and determine a credit limit we require sufficient financial information. You can provide this by completing the relevant section on our application form or providing a Statement of Advice from your financial advisor. We may also require supporting documents to verify your financial information.

ABOUT MARGIN LENDING

FEATURE	FACTS AND BENEFITS
Minimum initial loan	None for variable loans \$25,000 for fixed loans
Minimum loan balance	None for variable loans \$25,000 for fixed loans
Minimum loan drawdown	None
Minimum loan repayment	None
Extensive list of Approved Securities	We accept a wide range of listed securities and unlisted managed funds as collateral for your loan We lend 100% against your investment in the Bell Financial Trust
Cash advances	Borrow for any business or investment purpose
Revolving line of credit	Repay or drawdown (subject to borrowing limits) at any time
Competitive interest rates on both loans and deposits	The current interest rate is available on the Bell Potter website: www.bellpotter.com.au or can be obtained by contacting Bell Potter Capital on 1800 061 327
Fees and charges	Bell Potter Capital does not impose any ongoing fees or charges on basic transactions. We may, however, charge fees where you request that we provide a specific service for you
Easy account opening	Streamlined identification check Integrated with Bell Financial Trust
EFT and dividend direction straight to your account	Your margin lending account has a BSB and account number - which means you can arrange for direct crediting of funds by EFT (eg receiving dividends) We also provide you with a BPay Biller Code and Reference Number so you can BPay from other cheque and savings accounts
Third party security	A third party can provide security for your loan
Option writing**	You can write covered calls to generate additional income
Flexible loan arrangements	Variable loan with interest monthly in arrears Prepaid fixed loans for any term up to 12 months
Margin call buffer	10% of geared value of securities and managed funds
Account management	Designated account manager
Monthly statements	You will receive a monthly statement, which will include details of any investment in the Bell Financial Trust that forms part of the facility

** Additional documentation is required to be completed before covered call writing can commence. Please call Bell Potter Capital on 1800 061 327 to obtain copies of the options documentation.

KEY CONCEPTS	
Margin loan	A margin loan is simply a loan facility secured by a portfolio of securities, managed funds and cash accounts. Just as the value of a portfolio will change with market prices, the amount we are prepared to lend against a portfolio will change with market prices.
Credit Limit	The maximum amount of credit that can be provided to you. You may apply for a change in credit limit.
Approved securities	Each security and managed fund on our approved list has a gearing ratio assigned.
Gearing ratio	Often called LVR (loan to value ratio), this is the percentage we apply to the value of each holding to calculate the geared value.
Geared value	We assess the amount we are willing to lend against your portfolio. It is generally calculated by applying the gearing ratio to the market value of each holding in the portfolio.
Buffer	10% of the geared value. The buffer ensures that small fluctuations in prices will not trigger a margin call. No buffer is provided on at-call investment or cash where the gearing ratio is 100%.
Available funds	Often called surplus, it is the amount by which the geared value exceeds the loan.
Margin call	If your loan exceeds the geared value plus the buffer we may require you to take immediate action. Action is usually required within 24 hours of notification that you are in margin call.
Term of the facility	There is no fixed term for the facility.
Secured assets - also known as collateral	As part of the facility you provide securities, managed funds and/or cash as collateral for the loan. You retain beneficial ownership of the securities, managed funds and at-call investment that you provide and control of dividends and other distributions, etc. unless there is an event of default.
Loan purpose	Under the facility, loans must be used for predominantly business or investment purposes.

IMPACT OF GEARING

Gearing (borrowing part of the purchase price) magnifies the impact of price changes on the value of an investor's equity. The table below uses a simple example to demonstrate the impact with both rising and falling prices. This example does not take into consideration any tax effects.

UNGEARED		10% RISE	10% FALL
Market value	\$30,000	\$33,000	\$27,000
Investor's equity	\$30,000	\$33,000	\$27,000
GEARED		10% RISE	10% FALL
Market value	\$100,000	\$110,000	\$90,000
Gearing ratio	70%	70%	70%
Gearing value	\$70,000	\$77,000	\$63,000
Loan balance	\$70,000	\$70,000	\$70,000
Investor's equity	\$30,000	\$40,000	\$20,000
% CHANGE IN INVESTOR'S EQUITY		33% RISE	33% FALL

Gearing also impacts the income and expenses of your portfolio allowing you to capture a greater flow of dividends offset by the cost of interest. In many cases, depending upon your own portfolio and level of gearing, the value of dividends and franking credits can match or exceed the cost of interest.

MARGIN LENDING IN ACTION

When compared to traditional lending facilities, margin lending is more flexible and dynamic. One of the most powerful features is that you can quickly capitalise on any increase in the value of your portfolio without needing to renegotiate your loan facility. This is commonly called Buying Power. You may however need to request an increase in your credit limit to utilise this additional borrowing capacity.

BUYING POWER

When a margin loan has available funds, these funds can be used to purchase additional securities. Provided you purchase approved securities, which form part of the secured portfolio, the securities themselves can be geared.

Market value	\$100,000
Gearing ratio	70%
Geared value	\$70,000
Loan balance	\$60,000
Available funds	\$10,000
Gearing ratio for purchase	70%
Buying power	\$33,333
Market value	\$133,333
Gearing ratio	70%
Geared value	\$93,333
Loan balance	\$93,333
Available funds	\$0

This facility has available funds of \$10,000 which gives the investor capacity to buy more shares.

Assume the investor buys shares with a gearing ratio of 70%.

The purchase is funded entirely by an increase in the loan using up the facility's surplus capacity.

$$\text{Buying power} = \text{Available Funds} / (1 - \text{Gearing Ratio})$$

MARGIN CALLS

The following table gives a number of scenarios, which explain the impact of gearing and price changes on a margin lending facility.

In Scenario 1, the facility has available funds and the investor can request cash advances and make further purchases.

In Scenario 2, the loan balance exceeds the geared value by less than the buffer. The investor is not required to take action, but we will not usually make a cash advance or fund further purchases.

In Scenario 3, the investor is in margin call and needs to restore the facility.

	SCENARIO 1	SCENARIO 2	SCENARIO 3
Market Value	\$100,000	\$80,000	\$70,000
Gearing Ratio	70%	70%	70%
Geared Value	\$70,000	\$56,000	\$49,000
Loan Balance	\$60,000	\$60,000	\$60,000
Available Funds	\$10,000	-\$4,000	-\$11,000
10% Buffer	\$7,000	\$5,600	\$4,900
Available Funds+Buffer	\$17,000	\$1,600	-\$6,100
Status	In surplus	In buffer	In margin call
Cash advances or new purchases funded from the loan	Yes	No	No

You can meet a margin call by providing additional security or reducing the loan balance.

HOW FAR WILL MY PORTFOLIO HAVE TO FALL BEFORE I AM IN MARGIN CALL?

For a facility which is fully geared (i.e. the loan = the geared value) a decline of 9.1% in the value of the portfolio will bring it into a margin call position. The table below shows falls in portfolio value that will put the portfolio into a margin call position. This example is simplified for the case of a single stock portfolio.

		CURRENT GEARING				
		40%	50%	60%	70%	75%
MAXIMUM GEARING ALLOWED	75%	51.5%	39.4%	27.3%	15.2%	9.1%
	70%	48.1%	35.1%	22.1%	9.1%	
	60%	39.4%	24.2%	9.1%		
	50%	27.3%	9.1%			
	40%	9.1%				

RISKS AND BENEFITS

Risks

In considering margin lending you need to consider the risks. Among these risks we highlight that:

- Gearing increases the risk of capital loss;
- If the value of your portfolio falls sufficiently, you may receive a margin call notice and must then either sell part of your portfolio, provide additional security or repay part of the loan. A margin call must be met within 24 hours of receipt of notice that you are in margin call;
- You pay interest on the margin loan and increases in interest rates will increase the amount of interest payable;
- We may change the gearing ratios at any time;
- You may need to sell a security in your portfolio at a time which otherwise does not suit your circumstances. It may for example cause you to realise a capital gain;
- Tax laws may change resulting in an adverse impact on your after tax position; and
- You are liable for the whole debt which may be more than the value of your portfolio.

Having established a margin portfolio the following factors tend to increase risk:

- Portfolio concentration;
- Lack of liquidity;
- A high level of gearing; and
- Lack of other financial resources such as income.

Having established a margin portfolio the following factors tend to decrease risk:

- Portfolio diversity;
- Liquidity;
- A low level of gearing; and
- Access to other financial resources.

Benefits

The benefits of margin lending can include:

- Increasing the potential for capital gain through gearing;
- Greater potential access to dividends including franking credits and deferred tax benefits;
- Access to the value of the portfolio without realising capital gains tax;
- Prepayment of interest to provide certainty and potentially accelerate tax deductions;
- The ability to write covered calls (using exchange traded options) to increase income; and
- By investing in additional securities, you have the ability to spread your investment risk across different sectors of the economy and different parts of the world. This can help you to better manage the risk that poor performance in one investment will reduce your total return.

Through gearing, you have the potential to create wealth and meet your financial goals more quickly. In particular, when it forms part of a comprehensive financial plan, gearing can assist to get the right balance of risk and return and to do so in a tax efficient manner.

DESIGNING YOUR FACILITY

We aim to give you the flexibility to establish a facility that meets your short and longer term needs. Your facility can contain a range of loan and deposit accounts including those belonging to you and any third parties.

You are not required to make regular payments and this gives you the flexibility to manage your cash flow. Please remember though that if you are in margin call you are required to promptly restore the facility.

With a Bell Potter Portfolio Lending facility you can utilise a range of loan accounts and at-call investments to best help you to meet your personal financial goals.

FOR BORROWERS

Variable loans

A variable loan account provides a revolving line of credit which you can repay or drawdown (subject to borrowing limits). Interest is calculated daily on the current loan balance and debited to your account at the end of each month. The interest rate is set by Bell Potter Capital and will vary from time to time with underlying market interest rates.

When you establish your facility we will always establish a variable loan account. Each variable loan account will be allocated a BSB and Account Number so that you can direct credit dividends or other EFT payments at your discretion.

Fixed loans

You can elect to pay a fixed amount of interest for a fixed period. The interest amount is paid in advance and is not refundable. You have certainty over the interest cost and paying interest in advance may assist your tax planning. You should seek your own independent tax advice.

At maturity, you can request a new fixed loan (for the same amount or a different amount) otherwise that balance will be transferred to your variable loan.

At-call Investments

When we establish your margin lending facility, we may also open an account in the Bell Financial Trust for you. The Bell Financial Trust is a registered managed investment scheme. Money invested in the Bell Financial Trust is lent to Bell Potter Capital by the responsible

entity. Please see the Product Disclosure Statement and Additional Information for more details on the Bell Financial Trust. The target market determination for the Bell Financial Trust can be obtained free of charge and is available at our website or by calling 1800 061 327.

You can elect to use the Bell Financial Trust as part of your Portfolio Lending facility and we will lend 100% against your investment. Funds held in the Bell Financial Trust will earn interest (current rates are available at our website or by calling 1800 061 327).

A Bell Financial Trust can be used to hold the proceeds of a fixed loan and thus provide security for your loan. It can also be used to keep funds separate from the loan for taxation and other reasons. You may for example use it to receive dividends or to separately identify funds used to meet margin call.

The flexibility of a combined facility

When we establish your margin lending facility, we will create a loan facility and, we can also open a separate linked investment in the Bell Financial Trust for you. Even though they are separate, we will administer them for you as if they were one combined facility, with a single BSB and account number. The benefit is simplicity. They will operate as if you have a single facility in that:

- if, at the close of a business day, you have a credit balance, you will accrue interest on that balance at the rate applicable to your investment in the Bell Financial Trust; and
- if, at the close of a business day, you have a debit balance, you will owe interest on that balance at the interest rate applicable to your margin loan facility.

You can use the same BSB and account number to make payments into and request withdrawals from your combined facility. This means that you can direct credit dividends or other payments to the linked accounts, at your discretion.

Current interest rates for both Bell Potter Portfolio Loans and Bell Financial Trust are available at our website.

At the end of each month the net amount of interest over that month is either credited or debited (as the case may be) to your linked account.

Examples:

1. You add \$25,000 into your combined facility when you have a margin loan of \$100,000. The effect is a partial repayment of your loan to reduce your loan balance to \$75,000.
2. You add \$50,000 into your combined facility when you have a loan of \$25,000. The effect is a full repayment of your loan and a \$25,000 addition to your investment in the Bell Financial Trust, giving a balance of \$25,000.
3. You withdraw \$25,000 from your combined facility when you have a credit balance of \$100,000. The effect is to reduce the balance in your investment in the Bell Financial Trust to \$75,000.
4. You withdraw \$50,000 from your combined facility when you have a credit balance of \$25,000. The effect is a full withdrawal of your investment in the Bell Financial Trust and a drawdown of your loan of \$25,000, giving a loan balance of \$25,000.

FOR THIRD PARTIES**Holding Sales Proceeds**

Where a third party wishes to sell shares held as collateral supporting the margin lending facility, the sale proceeds may need to remain as collateral. Establishing an investment in the Bell Financial Trust in the name of the third party will ensure the assets of the third party are kept separate from the borrower. This investment can be used to fund purchases for the third party, receive its dividends and becomes its transaction account.

OPERATING YOUR ACCOUNT**Monitoring your position**

It is important to monitor and understand your margin lending facility position. To do this you can:

- Look at your position on our website;
- Call 1800 061 327 to obtain factual information on your position; and
- Seek guidance from your financial or other professional adviser about your position and your personal financial objectives.

Monthly statements

It is important to carefully review your monthly statement when you receive it. Please check that all of your instructions have been accurately implemented and that there are no unauthorised transactions. If you have any questions or concerns please call us immediately on 1800 061 327.

TERMS AND CONDITIONS

INTRODUCTION

It is important that you carefully read and understand all the terms and conditions contained in this section. These *terms* are subject to *applicable law* and are legally binding as a contract between *Bell Potter Capital* and you. They may be varied from time to time as set out in Part L.

This section consists of the following Parts:

- Part A: Definitions and Interpretation
- Part B: Loan Facility Agreement
- Part C: Security Agreement
- Part D: Guarantee
- Part E: CHESS Sponsorship Agreement
- Part F: Nominee Agreement
- Part G: Representations, Warranties and Indemnities
- Part H: Power of Attorney
- Part I: Options Agreement
- Part J: Your Privacy, Credit Reporting and Tax Information
- Part K: AML/CTF Laws
- Part L: General

PART A: DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these *terms*, defined *terms* which are italicised have the following meanings unless otherwise stated:

AML Requirements means *AML/CTF Laws* and internal policies and procedures adopted by *Bell Potter Capital* to comply with the *AML/CTF Laws*.

AML/CTF Laws means any obligations imposed under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

amount owing means, at any time, the sum of:

- a. the *loan balance*; and
- b. any other amounts (including accrued but unpaid interest) that are owing by the *borrower* or any *guarantor* under any margin lending document (unless they have been added to the *loan balance*).

applicable law means all laws, regulations, regulatory instruments, guidelines and codes applicable to the services provided under these *terms* including but not limited to, the *Corporations Act*, *ASIC Market Integrity Rules*, *Market Operating Rules*, *ASX Clearing Rules*, *ASX Settlement Rules* and *AML/CTF Laws*.

application form means:

- (a) the form that the *borrower* and each initial *guarantor* completed (or, where the context requires, are to complete) to ask the *lender*, the *sponsor* and the *nominee* to enter into the *terms*; and
- (b) the form that any *guarantor* completes at a later time in order to provide a *guarantee* or grant a *security interest*.

Approved Market Operator means a Market Operator approved by *ASX Clear* as an *Approved Market Operator* and specified in the *ASX Settlement Rules Procedures*.

ASIC means the Australian Securities and Investments Commission.

ASIC Market Integrity Rules means the *ASIC Market Integrity Rules* (Securities Markets) 2017, as amended from time to time, and any other market integrity rules adopted by *ASIC* that apply to the *terms*.

ASX means the Australian Securities Exchange.

ASX Clear means ASX Clear Pty Ltd ACN 001 314 503.

ASX Clearing Rules means the operating rules of *ASX Clear* as amended from time to time.

ASX Clear security has the meaning given to the term “cover” in the *ASX Clearing Rules*.

TERMS AND CONDITIONS

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

ASX Settlement Rules means the ASX Settlement Operating Rules and any other operating rules, procedures, directions, decisions, requirements, customs, usages and practices of *ASX Settlement*, as amended from time to time.

ATO means Australian taxation office.

attorney means an attorney appointed under Part H.

authorised broker means any broker which the *borrower* has notified the *lender* is authorised by the *borrower* to provide contract notes for settlement by the *lender* (until the *borrower* notifies the *lender* otherwise).

authorised persons means:

- a. each person listed as an authorised persons in the *application form*, unless the *borrower* notifies the *lender* in writing that the person is no longer an authorised persons; and
- b. any other person the *borrower* notifies to the *lender* in writing is an authorised persons.

Bell Financial Group means Bell Financial Group Limited ACN 083 194 763.

Bell Financial Trust means Bell Financial Trust ARSN 164 391 119, registered managed investment scheme.

Bell Potter Capital means Bell Potter Capital Ltd ACN 085 797 735.

BFT funds means the current value of your *BFT unit*.

BFT unit means a unit in the *Bell Financial Trust*.

borrower means the person described as such in the *application form*.

buffer means, in respect of the *portfolio*, the amount nominated by the *lender* as the buffer from time to time.

business day means a day (other than: (a) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and (b) any other day which *ASX Clear* notifies *participants* is not a Business Day) on which banks are open for general banking business in Melbourne and trading is conducted on the *ASX*.

call option has the meaning given in the *ASX Clearing Rules*.

certificated security means a *marketable security* that is represented by a paper certificate.

Cboe means Cboe Australia Pty Ltd ACN 129 584 667.

CHESS security means a *marketable security* which has been registered with the Clearing House Electronic Sub-register System (CHESS) and allocated a Holder Identification Number (HIN).

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

covered call option means a *call option* that is written on the basis that the *marketable securities* which must be transferred on exercise of the *call option* are specifically

identified and held by or on behalf of the writer of the option at the time the option is written.

credit limit means the maximum amount that the *lender* is prepared to lend to the *borrower* under the *terms*, as notified by the *lender* to the *borrower* from time to time.

CRS means the Common Reporting Standard which is the standard set by the Organisation for Economic Co-operation and Development.

facility means the margin lending facility provided under the *terms*.

geared value means the value of the *portfolio* against which the *lender* may be prepared to make *loans* to the *borrower* as determined by the *lender* from time to time by reference to the *marketable securities* and other assets in the *portfolio* and notified to the *borrower*.

grantor means the *borrower* and each *guarantor*.

guarantee means a guarantee and indemnity from a *guarantor* to the *lender* on the *terms* of Part D or in such other form that the *lender* may require.

guarantor means each person that gives a *guarantee*.

in default means a circumstance where:

- a. any amount which is owing by the *borrower* or a *guarantor* under any of the *terms* is not paid on time;
- b. the *borrower* fails to take any rectification action required by the *lender* in response to a *margin call notice*;
- c. the *borrower* or any *guarantor* breaches any other provision of these *terms*;
- d. any statement or confirmation that the *borrower* or any *guarantor* makes in these *terms* is or becomes incorrect or misleading;
- e. the *borrower* or any *guarantor* is or becomes bankrupt, or any event occurs or any step is taken that might result in the *borrower* or any *guarantor* being bankrupt;
- f. the *borrower* or any *guarantor* is in liquidation or provisional liquidation or under administration or has a controller (as defined in the *Corporations Act*) or analogous person appointed to it or any of its property (or any step is taken to do any of these things);
- g. the *borrower* or any *guarantor* is taken under section 459F(1) of the *Corporations Act* to have failed to comply with a statutory demand;
- h. the *borrower* or any *guarantor* dies or becomes a person who the *lender* considers is incapable of managing his or her affairs;
- i. any provision of these *terms* is or becomes ineffective in any way, or is not registered or stamped in the way the *lender* requires; or
- j. the *borrower* or any *guarantor* acts as trustee of any trust and has not disclosed this to the *lender*.

in margin call has the meaning described in clause 5.1 of the *loan facility agreement*.

TERMS AND CONDITIONS

IRS means the US Internal Revenue Service.

lender means *Bell Potter Capital Limited* ACN 085 797 735.

linked account means the *borrower's Bell Financial Trust* account or such other account nominated by the *borrower* and agreed by the *lender*.

loan means a loan made or to be made under the *loan facility agreement*.

loan balance means, at any time, the principal amount then outstanding under the *loan facility agreement*, including any amount that the *lender* has added to the loan balance in accordance with the *terms*.

loan facility agreement means the margin loan facility agreement on the *terms* of Part B between the *borrower* and the *lender* as contemplated in the *application form*.

margin call notice means a notice given by the *lender* under clause 5.2 of the *loan facility agreement*.

margin lending account means the account the *lender* opens on the *borrower's* behalf that records transactions on the *facility*.

Market Operating Rules means the operating rules of ASX or Cboe (as the context requires) as amended from time to time.

marketable security means:

- a. a share in a body corporate or an interest in a managed investment scheme;
- b. a right to subscribe for securities and options over unissued securities;
- c. a convertible note, debenture, bond, bill of exchange, certificate of deposit and promissory note; and
- d. anything else the *lender* nominates as a *marketable security* for the purposes of this definition.

master priority deed means the master priority deed between ASX Clear and the *lender* in relation to the lodgement of collateral by or on behalf of margin lending clients (including the *grantor*).

new rights means any present or future right in respect of a share or other *marketable security* that is subject to a *security interest* in favour of the *lender* that results from:

- (a) any substitution, conversion, redemption, forfeiture, cancellation, reclassification, consolidation or subdivision of that *marketable security*; or
- (b) a reduction of capital, liquidation or scheme of arrangement.

nominee means BPC Custody Pty Limited ACN 006 600 746, or any other person that the *lender* nominates.

nominee agreement means the nominee agreement on the *terms* of Part F between the *grantor* and the *nominee* that the *lender* requires in connection with the *facility*.

options agreement means any options agreement on the *terms* of Part I between the *grantor*, *lender* and any other

person that the *lender* requires in connection with options forming part of, or granted over, *secured property*.

our website means www.bellpotter.com.au or such other website as notified in writing to the *grantor* from time to time.

outstanding settlement means any *loan* that the *lender* has committed to make but has not yet made.

participant means, in the *sponsorship agreement*, the *sponsor*.

participant sponsored holder means, in the *sponsorship agreement*, the *grantor*.

principal means the person who has granted a power of attorney under Part H.

portfolio means all the *marketable securities* and other property over which a *security interest* is granted to the *lender*.

PPS Act means the Personal Property Securities Act 2009 (Cth).

Privacy Act means the Privacy Act 1988 (Cth).

secured money means:

- a. for the *borrower*, the *amount owing*; and
- b. for any other *grantor*, the amount it owes the *lender* under its *guarantee*.

secured party has the meaning given to that term in the *PPS Act*.

secured property means, for a *grantor*:

- a. any *marketable securities* that the *grantor* purchases or refinances using a *loan*, from the time of the purchase or refinancing;
- b. any *BFT unit* in which the *grantor* has an interest;
- c. any other *marketable securities* in which the *grantor* has an interest that the *lender* tells the *grantor* is *secured property* for the purpose of a *security interest* granted by the *grantor* to it, from the time the *lender* does this;
- d. any *new rights*, from the time the *grantor* becomes entitled to them; and
- e. anything else the *lender* nominates as *secured property* for the purposes of this definition.

security agreement means a security agreement on the *terms* of Part C between a *grantor* and the *lender* granting a *security interest* to the *lender* over the *secured property* in the form that the *lender* requires.

security interest means:

- a. a security interest that is subject to the *PPS Act*;
- b. any other mortgage, pledge, lien or charge; or
- c. any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

TERMS AND CONDITIONS

sponsor means BPC Securities Pty Limited ACN 072 910 966, or any other person that the *lender* nominates.

sponsorship agreement means any sponsorship agreement on the *terms* of Part E between the *grantor* and the *sponsor* that the *lender* requires in connection with the *facility*.

tax means a tax or duty, however imposed and by whatever name called, including any additional or penalty tax or duty.

terms means:

- a. the *loan facility agreement*, each *security agreement*, each *guarantee*, any *sponsorship agreement*, any *nominee agreement*, any *options agreement* and each other agreement created between the *borrower* or a *guarantor* with the *lender*, the *participant* or the *nominee* by the acceptance of the *lender*, the *participant* or the *nominee* (as applicable) of a duly completed *application form* on the terms of the following documents:
 - i. this Part A (Definitions and Interpretation) and Part L (General);
 - ii. Part B to Part K of this document, as applicable;
 - iii. the *application form*;
- b. each other document or agreement contemplated by or required in connection with any of the above or the transactions which they contemplate; and
- c. each document or agreement that amends, supplements, novates, restates or replaces any of them.

us or **we** or **our** means *Bell Potter Capital*.

uncertificated security means:

- a. a *CHESS security*; or
- b. a *marketable security* that is registered in any other electronic register that the *lender* approves.

1.2 Interpretation

In these *terms*, unless the context indicates a contrary intention:

- a. a reference to these *terms* or to any deed, agreement, document or instrument includes respectively these *terms* or that deed, agreement, document or instrument as amended, novated, supplemented, varied or replaced from time to time;
- b. a reference to any statute, rule or other law, or to any sections or provisions thereof includes any statutory modification or re-enactment or any statutory provision substituted therefore and all ordinances, by-laws, regulations and other statutory documents issued thereunder;
- c. the singular includes the plural and vice versa;
- d. the word 'person' includes a firm, a body corporate, an unincorporated association and a statutory authority;
- e. a reference to any party includes a reference to that party's executors, administrators, successors, substitutes and permitted assigns and any person taking by way of novation;

- f. a reference to any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of persons is a reference to any one or more of them;
- g. where any word or phrase is given a defined meaning, any other part of speech or other grammatical form in respect of the word or phrase has a corresponding meaning;
- h. headings are inserted for convenience only and do not affect the interpretation of these *terms*; and
- i. a reference to a clause or a part is, unless the context otherwise indicates, a reference to a clause or a part in these *terms*.

If any term or part of these *terms* is invalid or not enforceable in accordance with its *terms*, all other *terms* or parts which are self-sustaining and capable of separate enforcement without regard to the invalid or unenforceable term or part will be and continue to be valid and enforceable in accordance with its *terms*.

1.3 If there is more than one borrower

If the *borrower* is made up of more than one person:

- a. the *borrower's* obligations in relation to these *terms* and the *amount owing* apply to each of those persons individually and to any two or more of them together;
- b. if any one or more of those persons exercise a right under these *terms*, the rest of them will be bound as well;
- c. if the *lender*, the *sponsor* or the *nominee* deals with any of those persons, it will be taken to have dealt with all of them; and
- d. in all other respects, a reference to the *borrower* in these *terms* is a reference to those persons individually.

1.4 Effect of legislation

Under these *terms*, any legislation that adversely affects any of the *borrower's* obligations, or exercise of a right or remedy by the *lender*, the *sponsor* or the *nominee*, is excluded to the full extent permitted by law.

PART B: LOAN FACILITY AGREEMENT

1. Background to the Loan Facility Agreement

The *borrower* has asked the *lender* to make the *facility* available on these *terms*.

2. How the borrower can ask for a loan

2.1 Asking for a loan

The *borrower* may request a *loan* for any investment or business purpose acceptable to the *lender*. The *borrower* may ask the *lender* to make a *loan* by providing, or having a person authorised by the *borrower* (including any *authorised broker*) provide, the following information to the *lender*:

- a. the amount of the *loan*;
- b. the date on which the *borrower* would like the *lender* to make the *loan*;

TERMS AND CONDITIONS

- c. details of how the *borrower* would like the *loan* to be made; and
- d. any other details required by the *lender*.

2.2 No obligation to make a loan

The *borrower* acknowledges that the *lender* is not obliged to make a *loan*, even if the *borrower* asks for it in accordance with clause 2.1.

2.3 How the lender will make loans to the borrower

If the *lender* agrees to make a *loan*, the *lender* may do so by advancing the amount of the *loan* in accordance with the payment instructions given by the *borrower* or a person authorised by the *borrower* (including any *authorised broker*). The *borrower* acknowledges that to the extent that the *borrower* has the right to a cooling off period, that entitlement is waived if the *borrower* exercises its right to request a *loan* under the *facility*.

2.4 The lender may change the credit limit

The *borrower* may only request a *loan* if, after the *loan* is made, the *amount owing* does not exceed the *credit limit*. The *lender* may change the *credit limit* at any time in its discretion. If the *lender* changes the *credit limit* by reducing it to zero, the *borrower* will no longer be able to use the *facility* and will need to repay the *amount owing* on demand from the *lender*.

3. Interest and fees

3.1 Interest

- a. Subject to sub-clause (b), the *loan balance* will accrue interest in arrears at the rate the *lender* nominates from time to time in its discretion.
- b. The *borrower* may ask to prepay interest on a *loan* for any period. If the *borrower* asks to do this and the *lender* agrees, the *lender* will calculate the amount of interest to be prepaid, and the *borrower* must pay the relevant amount on the day the *lender* specifies.
- c. The *lender* will debit the interest under sub-clause (a) or (b) to the *borrower's margin lending account* (so that it becomes part of the *loan balance*) at intervals nominated by the *lender*.

3.2 Fees

The *borrower* must pay fees as the *lender* nominates from time to time in its discretion. The *borrower* irrevocably authorises the *lender* to debit those fees, and any fees owing to the *nominee* or the *sponsor*, to the *borrower's margin lending account* (so that they become part of the *loan balance*) on their due date for payment.

4. Repayment of loans

4.1 Sale of marketable securities

If any *marketable securities* in the *portfolio* are sold, the *borrower* must ensure that the sale proceeds:

- a. are used to reduce the *amount owing*;

- b. are used immediately to purchase other *secured property*; or
- c. continue to form part of the *secured property*.

4.2 The borrower may repay at any time

The *borrower* may repay part or all of the *amount owing* at any time. If the *borrower* repays only part of the *amount owing*, the *borrower* must ensure that the *loan balance* exceeds the minimum balance as nominated by the *lender* from time to time.

4.3 The lender can require the borrower to repay at any time too

The *lender* can also require the *borrower* to repay on demand part or all of the *amount owing* at any time, whether or not the *borrower* or any *guarantor* is *in default*. (The *lender* can also require the *borrower* to do so under clause 5.)

4.4 What happens if the borrower does not repay

If the *borrower* does not repay any of the *amount owing* at the time required by this clause, the *lender* may recover it by exercising the *lender's* rights under these *terms* (for example, by selling *marketable securities* in the *portfolio*).

4.5 Prepaid interest

- a. Except in the circumstances described in sub-clause (b), if the *borrower* repays all or any part of a *loan* on which it prepaid interest, the *lender* is not obliged to refund any of the prepaid interest.
- b. If the *borrower* repays all or any part of a *loan* on which it prepaid interest because the *lender* requires the *borrower* to do so under clause 4.3 and none of the *borrower* or any *guarantor* is not *in default*, the *lender* will refund the *borrower* a pro rata proportion of the prepaid interest on that *loan* (adjusted for any adverse interest rate movements).

5. Margin call

5.1 When the borrower is in margin call

The *borrower* is *in margin call* if the sum of the *loan balance* and any *outstanding settlements* is more than the sum of the *geared value* and the *buffer*.

5.2 The lender may give a margin call notice

If the *borrower* is *in margin call* and the *lender* requires the *borrower* to take action to rectify this, the *lender* will give a *margin call notice* to the *borrower* specifying the date and time by which the *borrower* must take action. The *lender* will generally require the *borrower* to rectify a *margin call* by 4.30pm Melbourne time on the next *business day* after the *borrower* has received notice that it is *in margin call*, however the *lender* may require the *borrower* to act sooner. It is the *borrower's* responsibility to ensure that the *borrower's* contact details for receiving *margin call notices* are up to date. The *lender* is entitled to rely upon and use the contact details held on the *lender's* file for the *borrower* in issuing *margin call notices* to the *borrower*.

TERMS AND CONDITIONS

5.3 What the borrower must do if it receives a margin call notice

If the *lender* gives the *borrower* a *margin call notice* the *borrower*, by the date and time specified in the *margin call notice*, must ensure that the sum of the *loan balance* and any *outstanding settlements* is reduced to an amount which is not greater than the *geared value*. The *borrower* may do this by such means as it chooses, including by:

- a. repaying part or all of the *loan balance*;
- b. providing the *lender* with additional *security interests* acceptable to the *lender*;
- c. selling part or all of the *portfolio*, and using the proceeds of sale to repay part or all of the *loan balance*;
- d. doing anything else required by the *lender* to ensure that the *borrower* is no longer *in margin call*; or
- e. doing more than one of these things.

5.4 What the lender may do if the borrower does not respond to a margin call notice

If the *borrower* does not take the necessary action under clause 5.3 to ensure that it is no longer *in margin call* by the date and time specified in the *margin call notice*, without limiting the *lender's* rights to take any other action it is empowered to take under the *terms* including under any *guarantee* or any *security agreement*, the *lender* may sell such part of the *portfolio* as the *lender* believes in its discretion is necessary to make the sum of the *loan balance* and any *outstanding settlements* an amount which is not greater than the *geared value*.

6. Making payments

The *borrower* must pay any amount that it has to pay to the *lender* under any of the *terms* as the *lender* directs from time to time:

- a. in immediately available funds; and
- b. without deduction or withholding for *tax* and without any set-off or counterclaim, unless required by law. If a deduction or withholding is required by law, the *borrower* must deduct or withhold the required amount and pay an additional amount so that the *lender* receives the amount it would have received had no such deduction or withholding been required.

If the *lender* receives a payment toward the *amount owing* (no matter who makes the payment), the *lender* can apply that payment against the *amount owing* as the *lender* sees fit.

7. Obligation to provide certain information

The *borrower* must:

- a. give the *lender* on request any relevant information that the *lender* asks for in relation to the *borrower* or any *guarantor*; and
- b. tell the *lender* straight away if it or a *guarantor* is *in default*.

PART C: SECURITY AGREEMENT

1. Background to the security interest

The *grantor* agrees to grant this *security interest* on the *terms* of this *security agreement* so that the *lender* will enter into these *terms* and make *loans*.

2. The security interest

2.1 The grantor gives the security interest

The *grantor* agrees to grant a *security interest* to the *lender* over all the *secured property* to secure the punctual payment of the *secured money*.

2.2 The grantor must pay the secured money

The *grantor* must pay the *secured money* when it is due. If all the *secured property* is sold and the amount that the *lender* receives is not enough to pay off all the *secured money*, the *grantor* must pay the *lender* the amount of the shortfall.

2.3 Releasing the security interest

The *security interest* created under clause 2.1 is a continuing security for all the *secured money*. It continues until the *lender* releases it under this clause. It will not be satisfied or discharged by any other action.

The *lender* agrees to release the *security interest* created under clause 2.1 on request if all the *secured money* is paid in full.

If the *lender* releases the *security interest* because the *lender* received an amount on account of the *secured money* and the *lender* subsequently pays that amount to another person under any law relating to insolvency, then the *lender* may exercise all the *lender's* rights in relation to the *security interest* as if the *lender* had never received the amount and the release will be treated as having no effect. The *grantor* must immediately do anything (including the signing of documents) required by the *lender* to restore to the *lender* any *guarantee* or *security interest* to which it was entitled immediately before the *lender* received the amount.

3. Default

3.1 What the lender may do if the borrower or a guarantor is in default

The *lender* may enforce the *security interest* created by clause 2.1 if the *borrower* or a *guarantor* is *in default* by:

- a. exercising the *lender's* rights to sell the *secured property* under clause 3.2;
- b. exercising any other right that a *secured party* or owner of property similar to the *secured property* may exercise; or
- c. dealing with the *secured property* in the same way as the *grantor* could do if there were no *security interest* over the *secured property*.

The *lender* may take possession of the *secured property* in order to do this, and do anything else that the *lender* thinks is necessary or desirable to help the *lender* do these things.

TERMS AND CONDITIONS

3.2 Selling the secured property

If the *borrower* or a *guarantor* is *in default*, the *lender* may sell the *secured property* at any time and in any way that the *lender* decides.

The *lender* may use any proceeds of sale to reduce the *amount owing*.

3.3 The lender may act in the grantor's name

The *lender* may do the things described in this clause 3 in the *lender's* name (as applicable) or in the *grantor's* name.

4. The secured property

4.1 Basic promises about the secured property

The *grantor* promises that it will own the *secured property*, and no other person will have an interest in the *secured property*, from when it becomes *secured property* until it is sold in accordance with the *terms*, unless the *lender* agrees differently.

4.2 Restrictions on what the grantor may do with the secured property

The *grantor* must not sell or agree to sell the *secured property* unless the *lender* agrees. If the *lender* agrees that the *grantor* may sell the *secured property*, the *grantor* must pay the *lender* the money the *grantor* receives from the sale to reduce the *amount owing* or for any other purpose approved by the *lender*.

The *grantor* must not grant or allow to exist a *security interest* over the *secured property* in favour of anybody other than the *lender* unless the *lender* agrees.

The *grantor* must not enter into or agree to enter into any option, forward or other derivative pursuant to which the *grantor* is or may be required to dispose of the *secured property* (including any *covered call option*) unless the *lender* agrees.

The *grantor* must not do or fail to do anything if this could affect either the value of the *secured property* or the *lender's* rights as a *secured party*.

The *grantor* irrevocably directs the *lender* to take any action that the *lender* considers appropriate if the *grantor* breaches an obligation in this clause 4.2 (or the *lender* believes that the *grantor* is likely to breach an obligation in this clause 4.2), whether or not the *borrower* or a *guarantor* is *in default*.

4.3 What the grantor must do with CHESS securities

This clause applies to any *CHESS securities* included in the *secured property*.

- a. The *grantor* must make sure that the *CHESS securities* are registered in the *grantor's* name or the name of the *nominee*, as the *lender* requires from time to time.
- b. The *grantor* must make sure that arrangements satisfactory to the *lender* are put in place so that the *grantor* cannot transfer or otherwise deal in the *CHESS securities* without the *lender's* consent. The *grantor* must make sure that the sponsoring broker of any *CHESS securities* is the *sponsor*.

- c. The *grantor* must make sure that the *lender* or a person who has agreed to act on the instructions of the *lender* is able to initiate or control the sending of electronic communications by which the *CHESS securities* could be transferred or otherwise dealt with.
- d. The *grantor* must not give any instructions to the *sponsor* unless the *lender* agrees that the *grantor* can give those instructions. The *grantor* acknowledges that the *lender* can give the *sponsor* instructions on the *grantor's* behalf.

4.4 What the grantor must do with other uncertificated securities

If any *uncertificated securities* included in the *secured property* are not *CHESS securities*, then the *grantor* must:

- a. make sure that the *uncertificated securities* are registered in the name of the *nominee*.
- b. make sure that arrangements satisfactory to the *lender* are put in place so that the *grantor* cannot transfer or otherwise deal in the *uncertificated securities* without the *lender's* consent, and must do anything else reasonably required by the *lender* as *secured party*.
- c. make sure that the *lender* or the *nominee* is able to initiate and control the sending of instructions by which the *uncertificated securities* could be transferred or otherwise dealt with, and that the *nominee* has agreed to act on the instructions of the *lender* in doing so.
- d. not give any instructions to the *nominee* unless the *lender* agrees that the *grantor* can give those instructions. The *grantor* acknowledges that the *lender* can give the *nominee* instructions on the *grantor's* behalf.

4.5 What the grantor must do with certificated securities

If any *certificated securities* are included in the *secured property*, then the *grantor* must ensure that:

- a. the *lender* holds any certificate or other document evidencing title to the *certificated securities*; and
- b. the *nominee* is registered by the issuer as the registered owner of the *certificated securities* (and has agreed to act on the instructions of the *lender* in transferring or otherwise dealing with the *certificated securities*, or the *lender* holds a blank transfer form (in a form approved by the *lender*) properly executed by the *grantor* in respect of that *certificated security*).

The *grantor* authorises the *lender* to initiate a conversion of *certificated securities* to *uncertificated securities* if that class of securities is or becomes eligible for registration.

4.6 What the grantor must do with BFT funds

This clause applies to any *BFT funds* relating to a *BFT unit* included in the *secured property*. The *grantor* authorises the *lender* to initiate and control the sending of all instructions by which any *BFT funds* could be transferred or otherwise dealt with. The *grantor* must not send any of these instructions unless the *lender* agrees that the *grantor* can send those

TERMS AND CONDITIONS

instructions. The *grantor* must not dispose of any *BFT unit* included in the *secured property* unless the *lender* agrees.

4.7 PPS Act

- a. The *grantor* acknowledges that the *lender* may register one or more financing statements or related financing change statements in relation to the *lender's security interests*. If permitted by the *PPS Act*, the *grantor* waives the *grantor's* right under section 157 of the *PPS Act* to receive notice of any verification statement relating to the registration of any such financing statement or any related financing change statement.
- b. The *grantor* and the *lender* agree not to disclose information of the kind mentioned in subsection 275(1) of the *PPS Act*, except in the circumstances required by paragraphs 275(7)(b) to (e) of the *PPS Act*. The *grantor* agrees that the *grantor* will only authorise the disclosure of information under paragraph 275(7)(c) of the *PPS Act* or request information under paragraph 275(7)(d) of the *PPS Act*, if the *lender* approves. Nothing in this clause will prevent any disclosure by the *lender* that it believes is necessary to comply with its other obligations under the *PPS Act*. To the extent that it is not inconsistent with this clause constituting a "confidentiality agreement" for the purposes of paragraph 275(6)(a) of the *PPS Act*, the *grantor* agrees that the *lender* may disclose information of the kind mentioned in subsection 275(1) of the *PPS Act* to the extent that the *lender* is not doing so in response to a request by an "interested person" (as defined in subsection 275(9) of the *PPS Act*).
- c. Without limiting clause 1.4 of Part A, to the extent the law permits:
 - (i) for the purposes of subsections 115(1) and 115(7) of the *PPS Act*:
 - the *lender* need not comply with sections 95 or 118, subsection 121(4), sections 125 or 130, paragraph 132(3)(d), or subsection 132(4) of the *PPS Act*; and
 - sections 142 and 143 of the *PPS Act* are excluded;
 - (ii) for the purposes of subsection 115(7) of the *PPS Act*, the *lender* need not comply with section 132 and subsection 137(3);
 - (iii) if the *PPS Act* is amended after the date of the *security agreement* to permit the *grantor* and the *lender* to agree to not comply with or to exclude other provisions of the *PPS Act*, the *lender* may notify the *grantor* that any of these provisions is excluded, or that the *lender* need not comply with any of those provisions, as notified to the *grantor* by the *lender*.
- d. If the *lender* exercises a right, power, authority, discretion or remedy in connection with the *security agreement*, that exercise is taken not to be an exercise of a right, power, authority, discretion or remedy under the *PPS Act* unless the *lender* states otherwise at the time of exercise. However, this clause does not apply to a right,

power, authority, discretion or remedy which can only be exercised under the *PPS Act*.

- e. The *grantor* must do anything, and must ensure that its employees and agents do anything, that the *lender* may reasonably require to give full effect to any *security agreement*. This includes perfecting and protecting any *security interest* intended to be created by or pursuant to any *security agreement*, and executing any document.
- f. If a term used in this clause has a particular meaning in the *PPS Act*, it has the same meaning in this clause.

4.8 Remedies cumulative

The rights, powers, authority, discretions or remedies provided to the *lender* under this *security agreement* are in addition to, and do not exclude or limit, any right, power, authority, discretion or remedy provided by law.

PART D: GUARANTEE

1. Guarantee

- a. The *guarantor* irrevocably and unconditionally *guarantees* to the *lender* that the *borrower* will pay the *amount owing* to the *lender* when due.
- b. If the *borrower* does not pay the *amount owing* or any part of it when due, the *guarantor* must, on demand by the *lender*, pay the amount payable by the *borrower* (or that part demanded) to the *lender*, whether or not the *lender* has made a demand on the *borrower*.

2. Indemnity

The *guarantor*, as a separate and independent obligation, irrevocably and unconditionally indemnifies the *lender* against, and must pay the *lender* on demand the amount of, any loss which the *lender* may suffer because:

- a. the *borrower* does not pay the *amount owing* to the *lender* when due or does not perform an obligation under any of the *terms* when due; or
- b. the *amount owing* (or any part of it) is unrecoverable or any liability to pay the *amount owing* is unenforceable against the *borrower* or any *guarantor*, whether or not the *lender* knew or ought to have known about the unenforceability.

3. The lender's rights and how the lender may exercise them

3.1 Continuing security

The *guarantor* agrees that this *guarantee* is a continuing security which:

- a. will only be discharged if the *lender* agrees in writing (and not, for example, by the payment of any of the *amount owing*);
- b. applies to the present and future balance of the *amount owing*; and
- c. will not be affected:

TERMS AND CONDITIONS

- (i) by the insolvency of the *borrower* or any *guarantor*;
- (ii) if the *lender* obtains, releases or varies any other *security agreement* or *guarantee*;
- (iii) by any arrangement that the *lender* makes with the *borrower*, any other *guarantor* or any other person;
- (iv) by any change or replacement of these *terms*;
- (v) if the *amount owing* is not recoverable from the *borrower* or any other person for any reason;
- (vi) by any default, misrepresentation, negligence, misconduct, consent, delay, mistake or other action or inaction of any kind by or on behalf of the *lender* or any other person; or
- (vii) by any other matter or thing which under the laws relating to sureties may release the *guarantor* or render the obligations of the *guarantor* unenforceable.

3.2 Payments under insolvency

The *guarantor* agrees that if any payment made to the *lender* by or on behalf of the *borrower* or the *guarantor* is subsequently avoided, or is repaid by the *lender*, under any law relating to insolvency or the protection of creditors, then:

- a. that payment will not discharge the relevant liability of the *guarantor*; and
- b. the *lender* must be placed in or restored to the position the *lender* would have been in but for that payment.

3.3 Exclusion of subrogation and other rights

Until the *lender* has received all the *amount owing* and is satisfied that it will not have to repay any money received in connection with the *amount owing*, the *guarantor* must not (either directly or indirectly):

- a. claim or attempt to exercise any right of set-off or other right which might reduce or discharge the *guarantor's* liability under any of the *terms*; or
- b. claim or attempt to exercise a right of subrogation or contribution against the *lender*.

3.4 The lender may enforce under this guarantee first

The *lender* may demand payment or exercise any other right under this *guarantee* without first:

- a. demanding payment from or proceeding against the *borrower* or any other *guarantor* or any other person; or
- b. enforcing any other right, power, remedy or *security interest*, and the *guarantor* waives any right it has or may have to require the *lender* to do so.

PART E: CHESS SPONSORSHIP AGREEMENT

Clearing House Electronic Subregister System

The Clearing House Electronic Subregister System (CHESS) is the computer system used by the ASX to facilitate clearing and settlement of trades in shares, and to electronically register the title (ownership) of shares on the CHESS subregister.

Holding your shares on the CHESS subregister is efficient and convenient.

To register your shares on the CHESS subregister, you arrange with a sponsoring broker to *sponsor* you on CHESS and sign a *sponsorship agreement*. You are then allocated with a unique holder identification number (HIN) which identifies you as the holder of shares on the CHESS subregister.

Under this Part E (CHESS *Sponsorship agreement*), you are appointing BPC Securities Pty Ltd to *sponsor* you on CHESS on the terms and conditions set out below.

1. Background

- a. The *participant sponsored holder* has entered into, or will enter into, a *security agreement* with the *lender*.
- b. The *participant sponsored holder* wishes to appoint the *participant*, on the terms and conditions set out in this agreement, as the controlling participant for any financial products which the *lender* notifies the *participant* from time to time are subject to the *security interest* created by the *security agreement*.

2. Interpretation

Any term used in this *sponsorship agreement* which is defined in the ASX Settlement Operating Rules has the meaning given in the ASX Settlement Rules unless the context requires otherwise. If the *participant sponsored holder* requires a copy of these definitions, the *participant* will supply them on request. By accepting this appointment, the *participant* is bound by the *terms* of this *sponsorship agreement*. By agreeing to advance a *loan*, the *lender* is bound by the *terms* of this *sponsorship agreement*.

3. Mandatory provisions

3.1 Appointment as controlling participant

The *participant sponsored holder* appoints the *participant* as its controlling participant upon the *terms* of this *sponsorship agreement* and the ASX Settlement Rules in relation to those approved financial products which form part of the *secured property*.

3.2 Participant rights

- a. Where the *participant sponsored holder* authorises the *participant* to buy financial products, the *participant sponsored holder* will pay for those financial products within 3 *business days* of the date of purchase.
- b. Subject to clause 12.1, the *participant* is not obliged to transfer financial products into the participant sponsored holding, where payment for those financial products has not been received, until payment is received.
- c. Where a contract for the purchase of financial products remains unpaid, after the *participant* has made a demand of the *participant sponsored holder* to pay for the financial products, the *participant* may, subject to clause 12.1, sell those financial products that are the subject of that contract at the *participant sponsored holder's* risk.

TERMS AND CONDITIONS

and expense and that expense will include brokerage and stamp duty.

- d. Where the *participant* claims that an amount lawfully owed to it has not been paid by the *participant sponsored holder*, the *participant* has the right to refuse to comply with the *participant sponsored holder's* withdrawal instructions, but only to the extent necessary to retain financial products of the minimum value held in a participant sponsored holding (where the minimum value is equal to 120% of the current market value of the amount claimed).

3.3 Participant sponsored holders rights

- a. Subject to clauses 3.2(c), 3.2(d) and 12.1, the *participant* will initiate any transfer, conversion or other action necessary to give effect to withdrawal instructions within two (2) *business days* of the date of the receipt of the withdrawal instructions.
- b. Except in accordance with clause 12.1, the *participant* will not initiate any transfer or conversion into or out of the participant sponsored holding without the express authority of the *participant sponsored holder*.

3.4 Regulatory regime

The *participant sponsored holder* acknowledges that:

- a. the regulatory regime which applies to the *participant* is the regulation of the clearing and settlement facility operated by ASX Settlement and ASX Clear under the *Corporations Act*, the *ASX Settlement Rules* and the *ASX Clearing Rules* and the regulation of financial services licensees under the *Corporations Act*;
- b. information about the status of the *participant* (as a financial services licensee and a *participant*) can be obtained from the ASIC and ASX Settlement; and
- c. the *participant sponsored holder* may lodge a complaint against the *participant* or any claim for compensation with the ASIC, ASX Settlement, or the Australian Financial Complaints Authority (AFCA).

3.5 Claims for compensation

The *participant sponsored holder* acknowledges that:

- a. no compensation arrangements apply to the *participant sponsored holder*;
- b. if the *participant* breaches a provision of this *sponsorship agreement* and the *participant sponsored holder* makes a claim for compensation pursuant to that breach, the ability of the *participant* to satisfy that claim will depend on the financial circumstances of the *participant*;
- c. the *participant sponsored holder* is not entitled to make a claim under the statutory compensation arrangements specified in the *Corporations Act* and *Corporations Regulations*.

4. Supply of information

The *participant sponsored holder* will supply all information and supporting documentation which is reasonably required to permit the *participant* to comply with the registration requirements, as are in force from time to time, under the ASX Settlement Rules.

5. Exchange traded options, pledging and sub-positions

5.1 Cover for positions in options market

Where the *participant sponsored holder*, with the consent of the *lender*, arranges with ASX Clear to lodge financial products in a participant sponsored holding as cover for positions in the Australian Options Market and the *participant sponsored holder* informs the *participant* of the arrangement, the *participant sponsored holder* and the *lender* authorise the *participant* to take whatever action is reasonably required by ASX Clear in accordance with the ASX Settlement Rules to give effect to that arrangement.

5.2 Giving effect to interests in financial products

In relation to any financial products in the participant sponsored holding, which are subject to a *security interest* in favour of the *lender*, the *participant sponsored holder* authorises the *participant* to take whatever action is reasonably required by the *lender* in accordance with the ASX Settlement Rules (including any actions specified in clause 12.1) to give effect to that arrangement.

5.3 Sub-positions

The *participant sponsored holder* acknowledges that where, in accordance with this *sponsorship agreement* and/or the *participant sponsored holder's* instructions, the *participant* initiates any action which has the effect of creating a sub-position over financial products in the participant sponsored holding, the right of the *participant sponsored holder* to transfer, convert or otherwise deal with those financial products is restricted in accordance with the *terms* of the ASX Settlement Rules related to sub-positions.

5.4 Interest of ASX Clear

Nothing in this *sponsorship agreement* operates to override any interest of ASX Clear in the financial products.

6. Fees and notice

- a. The *participant sponsored holder* must pay all brokerage fees and associated transactional costs within the period prescribed by the *participant*.
- b. The *participant* must, prior to imposing a fee or charge in direct relation to the control of CHES holdings under this *sponsorship agreement* and in accordance with ASX Settlement Rules 7.1.6 and 7.1.7.
 - (i) provide notice of all new or altered fees to the *participant sponsored holder*; and
 - (ii) prior to controlling a CHES holding on behalf of another person, provide the person with notice of all fees and charges.

TERMS AND CONDITIONS

7. Mandatory notifications and acknowledgements

7.1 Responsibility of Approved Market Operator

The *participant sponsored holder* acknowledges that if the *participant* is not a market *participant* of an *Approved Market Operator*, neither the *Approved Market Operator* nor any related party of the *Approved Market Operator* has any responsibility for supervising or regulating the relationship between the *participant sponsored holder* and the *participant*, other than in relation to the *ASX Settlement Rule* relating to *sponsorship agreements*.

7.2 Claims by participant sponsored holder

The *participant sponsored holder* acknowledges that if a transfer is taken to be effected by the *participant* under section 9 of the *ASX Settlement Rules* and the source holding for the transfer is a participant sponsored holding under this *sponsorship agreement*, then:

- a. the *participant sponsored holder* may not assert or claim against *ASX Settlement* or the relevant issuer that the transfer was not effected by the *participant* or that the *participant* was not authorised by the *participant sponsored holder* to effect the transfer; and
- b. unless the transfer is also taken to have been effected by a market *participant* of an *Approved Market Operator* or a clearing participant of *ASX Clear* the *participant sponsored holder* has no claim arising out of the transfer against the compensation arrangements applicable to the *Approved Market Operator* or the Clearing Participant of *ASX* under the *Corporations Act* and *Corporations Regulations*.

7.3 Breach by participant

In the event that the *participant* breaches any of the provisions of this *sponsorship agreement*, the *participant sponsored holder* may refer that breach to any regulatory authority, including *ASX Settlement*.

7.4 Suspension of participant

In the event that the *participant* is suspended from participation in the settlement facility (subject to the assertion of an interest in financial products controlled by the *participant* by the liquidator, receiver, administrator or trustee of that *participant*):

- a. the *participant sponsored holder* has the right, within 20 *business days* of *ASX Settlement* giving notice of suspension and with the written consent of the *lender*, to give notice to *ASX Settlement* requesting that any participant sponsored holding's be removed either:
 - (i) from the *CHESS Subregister*; or
 - (ii) from the control of the suspended *participant* to the control of another *participant* approved by the *lender* with whom they have concluded a valid *sponsorship agreement* pursuant to *ASX Settlement Rule 12.19.10*; or

- b. where the *participant sponsored holder* does not give notice under sub-clause (a), *ASX Settlement* may, with the written consent of the *lender*, effect a change of controlling participant under *ASX Settlement Rule 12.19.11* and the *participant sponsored holder* and the *lender* is deemed to have entered into a new *sponsorship agreement* with that *participant* on the same terms as are contained in this *sponsorship agreement*. Where a *participant sponsored holder* is deemed to have entered into a *sponsorship agreement*, the new *participant* must enter into a *sponsorship agreement* with the *participant sponsored holder* and the *lender* within 10 *business days* of the change of controlling participant.

7.5 Explanation of agreement

The *participant sponsored holder* acknowledges that before the *participant sponsored holder* executed this *sponsorship agreement*, the *participant* provided the *participant sponsored holder* with an explanation of the effect of this *sponsorship agreement* and that the *participant sponsored holder* understood the effect of this *sponsorship agreement*.

The *participant sponsored holder* acknowledges that before the *participant sponsored holder* entered into this *sponsorship agreement*, the *participant* was prepared to make available the full terms and conditions of the agreement upon the request of the *participant sponsored holder* and to inform the *participant sponsored holder* of the contact details of a representative of the *participant*, who is able to explain the effect of this *sponsorship agreement*.

7.6 Death or bankruptcy of participant sponsored holder

The *participant sponsored holder* acknowledges that in the event of the death or bankruptcy of the *participant sponsored holder*, a holder record lock will, subject to clause 12.1, be applied to all participant sponsored holdings in accordance with the *ASX Settlement Rules*, unless the *participant sponsored holder's* legally appointed representative or trustee elects, with the consent of the *lender*, to remove the participant sponsored holdings from the *CHESS Subregister*.

7.7 Continuation of agreement

The *participant sponsored holder* acknowledges that in the event of the death of the *participant sponsored holder*, this *sponsorship agreement* is, subject to clause 12.1, deemed to remain in operation, in respect of the legally appointed representative authorised to administer the *participant sponsored holder's* estate and the *lender*, subject to the consent of the legally appointed representative, for a period of up to 3 calendar months after the removal of a holder record lock applied pursuant to clause 7.6.

8. Joint holdings only

8.1 Death of one joint holder

The *participant sponsored holder* acknowledges that in the event of the death of one of the holders, the *participant* must transfer all holdings under the joint holder record into new holdings under a new holder record in the name of the surviving *participant sponsored holder*, and that this

TERMS AND CONDITIONS

sponsorship agreement will remain valid as between the surviving *participant sponsored holder*, the *participant* and the *lender* for the new holdings under the new holder record.

8.2 Bankruptcy of one joint holder

The *participant sponsored holder* acknowledges that in the event of the bankruptcy of one of the holders the *participant* will:

- a. unless either the *lender*, or the legally appointed representative of the bankrupt *participant sponsored holder* with the consent of the *lender*, elects to remove the participant sponsored holdings from the CHES Subregister, establish a new holder record in the name of the bankrupt *participant sponsored holder*, transfer the interest of the bankrupt *participant sponsored holder* into new holdings under the new holder record and request that *ASX Settlement* apply a holder record lock, subject to clause 12.1, to all holdings under that holder record; and
- b. establish a new holder record in the names of the remaining *participant sponsored holder* and transfer the interest of the remaining *participant sponsored holder* into new holdings under the new holder record.

9. Change of controlling participant

9.1 Participant change notice

If the *participant sponsored holder* and the *lender* receive a participant change notice from the controlling participant and the participant change notice was received at least 20 *business days* prior to the date proposed in the participant change notice for the change of controlling participant, the *participant sponsored holder* and the *lender* are under no obligation to agree to the change of controlling participant, and may choose to do any of the things set out in clauses 9.2 or 9.3.

9.2 Right to terminate

The *lender*, or the *participant sponsored holder* with the consent of the *lender*, may choose to terminate this *sponsorship agreement* by giving withdrawal instructions under the *ASX Settlement Rules* to the controlling participant indicating whether the *participant sponsored holder* wishes to:

- a. transfer its participant sponsored holding to another controlling participant; or
- b. transfer its participant sponsored holding to one or more issuer sponsored holdings.

9.3 Novation

If the *participant sponsored holder* with the consent of the *lender* does not take any action to terminate this *sponsorship agreement* in accordance with clause 9.2, and does not give any other instructions to the controlling participant which would indicate that the *participant sponsored holder* or the *lender* does not agree to the change of controlling participant then, on the effective date, this *sponsorship agreement* will have been taken to have been novated to the new controlling

participant and will be binding on all parties as if, on the effective date:

- a. the new controlling participant is a party to this *sponsorship agreement* in substitution for the existing controlling participant;
- b. any rights of the existing controlling participant are transferred to the new controlling participant; and
- c. the existing controlling participant is released by the *participant sponsored holder* and the *lender* from any obligations arising on or after the effective date.

9.4 Effective date of novation

The novation in clause 9.3 will not take effect until the *participant sponsored holder* and the *lender* has received a notice from the new controlling participant confirming that the new controlling participant consents to acting as the controlling participant for the *participant sponsored holder* and the *lender*. The effective date may as a result be later than the date set out in the participant change notice.

9.5 Implied consent

The *participant sponsored holder* and the *lender* will be taken to have consented to the events referred to in clause 9.3 by the doing of any act which is consistent with the novation of this *sponsorship agreement* to the new controlling participant (for example by giving an instruction to the new controlling participant), on or after the effective date, and such consent will be taken to be given as of the effective date.

9.6 Continuation in certain circumstances

This *sponsorship agreement* continues for the benefit of the existing controlling participant in respect of any rights and obligations accruing before the effective date and, to the extent that any law or provision of any agreement makes the novation in clause 9.3 not binding or effective on the effective date, then this *sponsorship agreement* will continue for the benefit of the existing controlling participant until such time as the novation is effective, and the existing controlling participant will hold the benefit of this *sponsorship agreement* (to the extent it relates to a holding transferred to the new controlling participant) on trust for the new controlling participant.

9.7 Transitional provisions

Nothing in this clause 9 will prevent the completion of CHES transactions by the existing controlling participant where the obligation to complete those transactions arises before the effective date and this *sponsorship agreement* will continue to apply to the completion of those transactions, notwithstanding the novation of this *sponsorship agreement* to the new controlling participant under this clause 9.

10. Termination

10.1 Termination events

Subject to the *ASX Settlement Rules*, this *sponsorship agreement* will be terminated upon the occurrence of any of the following events:

- a. by notice in writing from:

TERMS AND CONDITIONS

- (i) the *lender*;
 - (ii) the *participant sponsored holder* with the consent of the *lender*; or
 - (iii) the *participant*,
- to the other parties to this *sponsorship agreement*;
- b. upon the *participant* becoming insolvent;
 - c. upon the termination or suspension of the *participant*;
 - d. upon the *lender*, or the *participant sponsored holder* with the consent of the *lender*, giving withdrawal instructions under ASX Settlement Rule 7.1.10(c) to the controlling participant.

10.2 Effective date of termination

Termination under clause 10.1(a) will be effective upon receipt of notice by the other parties to this *sponsorship agreement*.

10.3 New sponsorship agreement

Upon termination under clause 10.1(b) or 10.1(c), the *participant sponsored holder* and the *lender* must immediately enter into, with a *participant* approved by the *lender*, a new *sponsorship agreement* in respect of the participant sponsored holding upon substantially the same terms as are contained in this *sponsorship agreement*.

11. Variation

Should any of the provisions in this *sponsorship agreement* be inconsistent with the provisions in the ASX Settlement Rules, the *participant* may, by giving the *participant sponsored holder* and the *lender* not less than 7 business days written notice, vary this *sponsorship agreement* to the extent to which in the *participant's* reasonable opinion it is necessary to remove any inconsistency.

12. Rights of lender

12.1 Instructions from lender

Despite anything to the contrary contained in this *sponsorship agreement*, the *participant sponsored holder* irrevocably authorises and instructs the *participant* and, until the *participant* receives a notification from the *lender* under clause 12.2, the *participant* agrees with the *participant sponsored holder* and the *lender* that the *participant* must:

- a. deal with the financial products covered by this *sponsorship agreement* only on the instructions, and with the consent, of the *lender* (without seeking the consent of the *participant sponsored holder*);
- b. transfer the title to any of the financial products covered by this *sponsorship agreement* upon receiving the instructions of the *lender*;
- c. issue the appropriate CHESS transfer message to ASX Settlement upon receiving the instructions of the *lender* to receive or deliver or transfer financial products covered by this *sponsorship agreement*;
- d. in respect of any sale of financial products covered by this *sponsorship agreement* which has been instructed or consented to by the *lender*, remit to the *lender* or

as it may direct the proceeds of sale promptly upon receipt without any deduction other than its normal sale commission; and

- e. if so instructed by the *lender*:
 - (i) accept a takeover offer for any of the financial products covered by this *sponsorship agreement*; and
 - (ii) initiate a change in the sponsorship of the financial products covered by this *sponsorship agreement*, without reference to the *participant sponsored holder* and irrespective of:
- f. any dispute with the *participant sponsored holder*;
- g. any direction not to comply with the instructions of the *lender* by the *participant sponsored holder*; or
- h. the death or bankruptcy of the *participant sponsored holder*.

The *participant* and the *participant sponsored holder* agree that this *sponsorship agreement* enables the *participant* to initiate or control the sending of electronic messages or other electronic communications by which the financial products covered by this agreement could be transferred or otherwise dealt with, and that the *participant* has agreed to act on the instructions of the *lender* in doing so.

12.2 Discharge

The *lender* undertakes that, once the *security interest* created by the *security agreement* has been discharged in full, it will notify the *participant* that this *sponsorship agreement* is to be terminated.

12.3 Provision of information

The *participant* must, upon the request of the *participant sponsored holder* or the *lender* and at the cost of the *participant sponsored holder* obtain and provide to the *participant sponsored holder* or (as the case may require) the *lender* statements of holding balances and any other information which the *participant* is reasonably able to obtain in relation to the financial products covered by this *sponsorship agreement* from ASX Settlement, any relevant issuers or other persons.

13. Binding sponsorship agreement

The *participant sponsored holder*, by submitting a duly completed *application form*, agrees to and is bound by this *sponsorship agreement*, and expressly instructs the *participant* not to provide the *participant sponsored holder* with a hard copy of this *sponsorship agreement* (unless the *participant sponsored holder* requests it). The *participant* agrees to provide to the *participant sponsored holder* a hard copy of this *sponsorship agreement* on request by the *participant sponsored holder*.

TERMS AND CONDITIONS

PART F: NOMINEE AGREEMENT

1. The grantor appoints the nominee

1.1 Appointment

The *grantor* offers to appoint the *nominee* on the *terms* of this *nominee agreement* to hold, on the *grantor's* behalf, any *secured property* that the *lender* requires to be held by the *nominee* in connection with the *facility*. The *nominee* may accept this appointment at any time by accepting a transfer of *secured property*.

The *nominee's* appointment continues until the *security interest* created by the *security agreement* is fully discharged (unless the *lender* agrees otherwise). By agreeing to advance a *loan*, the *lender* is bound by this *nominee agreement*.

1.2 Nominee may use agents

The *grantor* agrees that the *nominee* may:

- a. use an agent, broker or any other person to perform its obligations under this *nominee agreement*; and
- b. delegate any of its powers and authorities to any person.

2. What the nominee is authorised to do

The *grantor* irrevocably authorises and directs the *nominee*:

- a. to act only on instructions (including verbal instructions) in relation to the *secured property* from a representative of the *lender*;
- b. to complete and execute all documents needed to register *secured property* in the name of the *nominee* as directed by the *lender*;
- c. to hold *certificated securities* and other documents on the *lender's* behalf;
- d. unless instructed otherwise by the *lender*, to deposit promptly in the *grantor's margin lending account* all money that the *nominee* receives on behalf of the *grantor* (for example, proceeds of sale and dividends);
- e. when instructed by the *lender*, to:
 - (i) acquire *secured property* as *nominee* of the mortgagor;
 - (ii) settle buy or sell orders placed by the *grantor* and approved by the *lender*;
 - (iii) transfer title to any *secured property* to any person nominated by the *lender*;
 - (iv) redirect any amount payable to the *grantor* to any person nominated by the *lender* by instructing the relevant payer; and
 - (v) exercise voting rights or any other power, right or remedy relating to the *secured property*; and
- f. without limiting any of the powers described above, to do all things necessary or desirable to give effect to the *security interest* and the *lender's* rights as *secured party*, as directed by the *lender*.

The *grantor* acknowledges that the *nominee* is not obliged to act on instructions from the *grantor* (including instructions on the exercise of voting rights).

3. Control of the secured property

The *grantor*, the *nominee* and the *lender* agree that:

- a. this *nominee agreement* allows the *nominee* to initiate and control the sending of instructions by which any *uncertificated securities* in the *secured property* can be transferred and otherwise dealt with, and to transfer and otherwise deal with any *certificated securities* in the *secured property*; and
- b. the *nominee* has agreed in doing so to act on the instructions of the *lender*.

4. Nominee to notify grantor

The *nominee* may, but need not, notify the *grantor* of matters that come to its attention concerning any *secured property* held by the *nominee*.

5. Nominee's fees and expenses

The *grantor* agrees to pay the *nominee's* fees for acting as *nominee*, as specified by the *nominee* from time to time.

6. Disclosure

The *grantor* and the *lender* each acknowledges that the *nominee* may be required (including under applicable legislation) to provide information about the *grantor's* interest in the *secured property*. The *grantor* and the *lender* each authorises the *nominee* to do this without needing to notify the *grantor* or the *lender*.

7. Change of nominee

If the *lender* decides to nominate a new *nominee*, the *grantor* irrevocably authorises and directs the outgoing *nominee* to do all things necessary to transfer *secured property* to the incoming *nominee*.

PART G: REPRESENTATIONS, WARRANTIES AND INDEMNITIES

1. Representations and warranties of each grantor

Each *grantor* represents and warrants to *Bell Potter Capital* and its related bodies corporate that:

- a. all the information in the *application form* is accurate;
- b. the *terms* are binding in all respects on each *grantor*;
- c. it does not act as the trustee of any trust, except as disclosed in writing to *Bell Potter Capital*;
- d. it is not *in default*;
- e. it is, and at all times will be, in a position to perform all their obligations under these *terms* and can meet all commitments (financial and otherwise) on their part arising out of dealings under these *terms* or business conducted on their behalf;

TERMS AND CONDITIONS

- f. the *borrower* will rely on their own skill and judgement, or that of their financial adviser, when placing any order with to buy or sell *marketable securities* and, to the extent permitted by law, the *borrower* will assume full responsibility for those decisions;
- g. the *loans* to be provided to the *borrower* by the *lender* under the *facility* are to be applied wholly or predominantly for investment or business purposes (or for both purposes);
- h. if the *borrower* has appointed an *authorised persons*, that it agrees that each *authorised persons* may act on its behalf to do anything that it can do under or in connection with the *terms*. Any action that an *authorised persons* (or a person that the *lender* believes in good faith is an *authorised persons*) takes on its behalf in relation to these *terms* is binding on it;
- i. each transaction that it undertakes related to these *terms* is lawful and that it is not a person with whom the *lender* is not lawfully entitled to deal pursuant to any statute, law, rule or regulation within or outside Australia;
- j. it holds all licences and authorisations required by any *applicable law* to engage in the activities contemplated by these *terms*;
- k. it is not subject to bankruptcy and are not insolvent or under administration;
- l. it will provide all information which the *lender* may, from time to time, reasonably require for the purpose of compliance with its obligations under *applicable law*;
- m. the entry into the contracts represented by these *terms*, and the performance of their obligations under these *terms*, have been duly and validly authorised by all necessary corporate action on its part and these *terms* constitute its valid and binding obligations;
- n. if it is a natural person, that they are over the age of 18 years; and
- o. if it is a body corporate, it is duly incorporated and validly existing under the law.

Each of the above representations and warranties are given at the time the *grantor* becomes bound by these *terms* and are repeated on each day until the *amount owing* is repaid in full and the *facility* has been terminated. The *grantor* must notify the *lender* immediately in writing if any of the above representations and warranties ceases to be true at any time.

2. Representations and warranties of each authorised persons

By acting on behalf of another person (*principal*) in connection with these *terms*, the *authorised persons* also represents and warrants, both on their own behalf and on behalf of the *principal*, that the *authorised persons*:

- a. is authorised by the *principal* to place orders, enter into the transactions and otherwise act on behalf of the

principal;

- b. is authorised to enter into these *terms* on behalf of the *principal* and perform, or procure the performance by the *principal*, of any transaction entered into on behalf of the *principal*;
- c. the *principal* has full legal capacity, power, authority and all required approvals to enter into these *terms* and any transaction contemplated herein;
- d. the *principal* has the power and authority to perform its obligations under these *terms*, and these *terms* constitute valid and binding obligations of the *principal*; and
- e. the *authorised persons* has identified and will identify each *principal* and will retain all documentation required to verify the identity of such persons in accordance with the *AML Requirements* and will provide the *lender* with copies of such documentation on request.

Each of the above representations and warranties are given at the time the *authorised persons* becomes bound by these *terms* and are repeated at all times thereafter for so long as the *authorised persons* is bound by these *terms*. The *authorised persons* must notify the *lender* immediately in writing if any of the above representations and warranties ceases to be true at any time.

3. Representations and warranties for trustees

By acting as the trustee of a trust in connection with these *terms*, the trustee also represents and warrants that:

- a. the trust has been duly constituted and is validly existing in compliance with all *applicable law* and the trust deed has been duly executed and duly stamped if required, in each case in accordance with the laws of each State and Territory of Australia (if applicable) or the trustee's governing jurisdiction;
- b. the trust deed and its constituent documents give the trustee the power to carry on all of the business activities conducted by the trustee, including the execution, delivery and performance under these *terms*;
- c. each of the trustee's obligations under, and the transactions contemplated by, these *terms* constitute binding obligations and are completely and lawfully enforceable against the trustee and the trust's property;
- d. the trustee is the only trustee of the trust and no action has been taken or is proposed to remove the trustee as trustee of the trust;
- e. there is no conflict of interest on the trustee's part in entering into these *terms* and performing their obligations under them or the transactions contemplated by them;
- f. the trustee has an unrestricted right to be, to the extent permitted by *applicable law*, fully indemnified or exonerated out of the trust's property in respect of any losses or liabilities incurred by the trustee and the trust's

TERMS AND CONDITIONS

property is sufficient to satisfy that right of indemnity or exoneration.

Each of the representations and warranties are given at the time the trustee becomes bound by these *terms* and are repeated at all times thereafter for so long as the trustee is bound by these *terms*. The trustee must notify the *lender* immediately in writing if any of the above representations and warranties ceases to be true at any time.

4. Indemnity from each grantor

The *grantor* agrees to indemnify the *lender*, the *sponsor* and the *nominee* and each of their directors, officers, employees and agents against all claims, losses, costs, charges and expenses (including taxes) suffered or incurred (whether directly or indirectly) in connection with:

- a. any instructions given by the *borrower*, a *guarantor*, an *authorised persons* or any other person authorised to act on behalf of any of them (or a person that the *lender*, the *sponsor* or the *nominee* believes in good faith is the *borrower*, a *guarantor*, an *authorised persons* or any other person authorised to act on behalf of any of them);
- b. the *borrower* or a *guarantor* being in default; or
- c. the exercise or attempted exercise of rights at law or in equity or under these *terms*, whether or not the *borrower* or a *guarantor* is in default.

PART H: POWER OF ATTORNEY

1. Appointment of attorney

- a. The power of attorney in this Part H is irrevocable and is provided by each *borrower* and *grantor* as security for the *secured property*.
- b. Each person named as a *borrower* or *grantor* (referred to in this Part H as the *principal*) irrevocably appoints the *lender* and each of its delegates and sub-delegates separately to be its *attorney* (each referred to in this Part H as an *attorney*) to do on the *principal's* behalf, in the name of the *principal* or the *attorney*, anything which the *attorney* considers should be done to:
 - (i) give instructions to the *sponsor*, the *nominee* or any other person in relation to *secured property*;
 - (ii) perfect any *security interest* given by the *principal* in favour of the *lender*;
 - (iii) do anything which the *principal* is required to do but has failed to do under the *terms*;
 - (iv) do anything necessary to sell or otherwise dispose of any *secured property*;
 - (v) do anything necessary to give effect to any rights, powers or discretions arising under the *terms*;
 - (vi) following enforcement of a *security interest*, do anything in relation to the *secured property* that the *principal* could do;
 - (vii) exercise any power, right or discretion of the *principal* under the *terms*.

- c. Without limiting paragraph (b) above, the *principal* agrees that any *attorney* appointed under this clause 1 may exercise any right, power, authority, discretion or remedy of the *lender* arising under the *terms*.
- d. The *principal* ratifies and confirms whatever any *attorney* does or purports to do following its appointment under this clause 1.

2. Protection of third parties

- a. No person dealing with the *lender* or *attorney* is obliged to enquire:
 - (i) whether the *attorney* is properly appointed;
 - (ii) whether the *security interest* is enforceable;
 - (iii) whether any right, power, authority, discretion or remedy arising under the *terms* is exercisable or is being properly exercised; or
 - (iv) how any money paid to the *lender* or *attorney* is to be applied.
- b. No person dealing with the *lender* or *attorney* is affected by any actual or constructive notice that the exercise of any right, power, authority, discretion or remedy arising under the *terms* was unnecessary or improper.

PART I: OPTIONS AGREEMENT

1. Background

- a. The *grantor* wishes to be able to write *covered call options* over *marketable securities* forming part of the *secured property*.
- b. The *lender* has agreed to consider requests by the *grantor* to write *covered call options* over *marketable securities* forming part of the *secured property* on the *terms* of this Part I.
- c. This document is supplementary to, and must be read in conjunction with, the *security interest* granted by the *grantor* under the *security agreement* and the other *terms*.

2. Asking to write covered call options

The *grantor* may notify the *lender* that it wishes to write a *covered call option* over *marketable securities* forming part of the *secured property* by providing the *lender* with:

- a. details of the clearing participant (who must be acceptable to the *lender*) that will have the clearing obligations in respect of the *covered call option* that the *grantor* proposes to write;
- b. a *grantor* acknowledgement in the form required by the *lender* duly executed by the *grantor* given to ASX Clear and to the *lender* (as required under the *master priority deed*); and
- c. details of the proposed *covered call option*, including the *secured property* in respect of which the *grantor* proposes to write the *covered call option*.

TERMS AND CONDITIONS

If notified of the *grantor's* request in accordance with this clause 2 the *lender* may, in its absolute discretion, agree to the *grantor* writing the proposed *covered call option* on the *terms* of this Part I.

The *grantor* acknowledges that the *lender* is not obliged to let the *grantor* write a *covered call option* in relation to any *marketable securities* forming part of the *secured property*. The *grantor* may not write *covered call options* in relation to any *marketable securities* forming part of the *secured property* unless the *lender* permits it to do so in accordance with the *terms* of this Part I.

3. What the grantor must do

The *grantor* must ensure that:

- a. the clearing participant has established a separate account in the name of the *grantor* in respect of *covered call options* to be written by the *grantor*; and
- b. any amount received in connection with a *covered call option* (including any option premium and any amount received on the exercise of the option) is paid in accordance with the *lender's* instructions.

4. What the lender is authorised to do

If the *lender* agrees that the *grantor* may write a *covered call option*, the *grantor* irrevocably authorises and directs the *lender* in relation to that *covered call option* to:

- a. lodge *marketable securities* forming part of the *secured property* with ASX Clear or the clearing participant in connection with the *covered call option*;
- b. pay any amount required to be paid to ASX Clear or the clearing participant in connection with the *covered call option*, including under the *master priority deed*;
- c. give any instructions to the clearing participant in relation to the *covered call option* that the *grantor* may give, including:
 - (i) instructions to wholly or partly close out the *covered call option*; and
 - (ii) payment instructions in relation to any amount payable to the *grantor* in connection with the *covered call option* (including any option premium and any amount received on the exercise of the option);
- d. do anything else that the *grantor* may do in relation to the *covered call option* or any other part of the *secured property*,

in each case, in order to give effect to the *lender's* rights under the *security interest* and to fulfil the *grantor's* obligations under the *security interest*.

If the *lender* agrees that the *grantor* may write a *covered call option*, the *borrower* irrevocably authorises and directs the *lender* to debit to the *borrower's margin lending account* (so that it becomes part of the *loan balance*) any amount paid by the *lender* under clause 4(b).

5. What the nominee is authorised to do

If the *lender* agrees that the *grantor* may write a *covered call option*, the *grantor* irrevocably authorises and directs the *nominee* (without limiting the other authorities and directions given in the *nominee agreement*) to:

- a. write *covered call options* in the *nominee's* name over *secured property* if instructed to do so by the *lender*;
- b. lodge *marketable securities* forming part of the *secured property* as collateral with ASX Clear or the clearing participant in connection with any *covered call option*; and
- c. pay any amount received in connection with a *covered call option* (including any option premium and any amount received on the exercise of the option) in accordance with the *lender's* instructions.

6. Acknowledgements given by the grantor

The *grantor* acknowledges that, under the *master priority deed*, the ASX Clear security ranks ahead of the *security interest* and any amount received by the *lender* on enforcement of the *security interest* must be applied first against any amount secured under the ASX Clear security.

7. Amendments to the security interest

- a. The *grantor* and the *lender* agree that any transfer, sale or realisation of the *secured property* by ASX Clear under the ASX Clearing Rules or pursuant to the ASX Clear security will automatically effect a release of that property from the *security interest*.
- b. The *grantor* must ensure that any proceeds of a transfer, sale or realisation of the *secured property* that are in excess of the amount required to discharge the ASX Clear security are paid in accordance with the *lender's* instructions.

PART J: YOUR PRIVACY, CREDIT REPORTING AND TAX INFORMATION

1. Your privacy

- a. You agree that information we collect about you is collected for these purposes (as relevant) to:
 - (i) assess your application for a *facility*;
 - (ii) process transactions in connection with the *margin lending account* on your behalf and to provide related facilities and services, such as settlement, sponsorship, lending and nominee services (as required); and
 - (iii) ensure compliance with these *terms* and with all applicable legal or regulatory requirements.
- b. You authorise *us* to use and disclose the information for these purposes. You also consent to *us*:
 - (i) using or disclosing the information as required by the regulatory requirements;

TERMS AND CONDITIONS

- (ii) using (or a related body corporate using) the information to develop future strategies and services, and to market those services;
 - (iii) disclosing the information to issuers of financial products or providers of financial services marketed by *us*;
 - (iv) disclosing your tax file number (if supplied) in connection with the performance of functions under the tax laws;
 - (v) disclosing the information to any regulatory authority empowered to obtain such information;
 - (vi) disclosing your information (including your tax file number and *Bell Financial Trust* account details at your request) to share registries, issuers of financial products and the ASX in connection with the payment of dividends, distributions or other corporate actions.
- c. If at any time you do not wish your information to be used for marketing purposes, you can ask *us* in writing to stop using your information for that purpose.
 - d. You consent to the recording of your telephone conversations with *us* and *our* representatives.
 - e. In addition to the ways for using personal information mentioned above, we may also collect, use and store your credit reporting information.

2. Credit reporting consent

- a. Each person named as a *borrower* or a *guarantor* consents to the *lender* obtaining credit information in order to assess an application for a *facility*. The *borrower* and the *guarantor* each consents to the *lender*:
 - (i) obtaining a credit report from a credit reporting agency in relation to personal credit provided by a bank or other financial institution (and providing information about it to a credit reporting agency for this purpose);
 - (ii) obtaining a report in relation to the *borrower's* or the *guarantor's* commercial activities or commercial creditworthiness from a business which provides information about the commercial creditworthiness of a person in relation to personal credit provided by a bank;
 - (iii) obtaining a report from a credit reporting agency and other information in relation to the *borrower's* or the *guarantor's* commercial credit activities; and
 - (iv) giving or obtaining information about the *borrower's* or the *guarantor's* arrangements to other credit providers where that information is obtained from a credit report.
- b. The *borrower* and the *guarantor* each acknowledges that this information may include personal information about the creditworthiness, credit standing, credit history or credit capacity of the *borrower* or the *guarantor*.

3. Provision of your Tax File Number (TFN)

- a. *Our* collection of your TFN is authorised, and its use and disclosure strictly regulated by tax laws and the *Privacy Act*. You do not have to provide *us* with your TFN and declining to do so is not an offence. If you do provide *us* with your TFN or Australian Business Number (ABN), we may disclose your TFN to any investment body where you invest in their products/ services through *us*. We may do this until you revoke your quotation of your TFN or ABN. However, if you do not provide *us* with your TFN or ABN (or claim an exemption), *tax* may be withheld by the investment bodies from income due to you at the highest marginal rate (plus Medicare levy) before it is paid to you. For more information about the use of TFNs, please contact the Australian Taxation Office.
- b. If you have previously provided your TFN to any of *our* related bodies corporate, you agree that we can handle (collect, use and disclose) your TFN for the purposes of providing it to any issuer of *secured property*.

4. Foreign tax residents

4.1 FATCA AND CRS

- a. We are required to comply with obligations under Australia's participation in Automatic Exchange of Information (AEOI) regimes concerning the automatic exchange of financial account information with foreign jurisdictions, as set out in the Taxation Administration Act 1953. These regimes are known as the Foreign Account Tax Compliance Act (FATCA) in the case of exchange by Australia with the United States of America (U.S.), and the Common Reporting Standard (CRS) in the case of exchange by Australia with other countries that have implemented the *CRS*.
- b. A core requirement of the Australian legislation implementing FATCA and the *CRS* is that *Bell Potter Capital* must collect and report specified information to the Australian Taxation Office (ATO). The ATO then exchanges the information with its relevant automatic exchange partners to fulfil Australia's international obligations.

4.2 You agree and acknowledge:

- a. We will request that you provide certain information about yourself, including your country of tax residence and your taxpayer identification number (if applicable);
- b. You will provide *us* with all the information or assistance we may request at any time, (whether as part of the application process or otherwise) to ensure that we are able to comply with *our* obligations under FATCA and *CRS*, including personal information as defined in the *Privacy Act*.
- c. We may refuse your application for a *facility* or suspend or close your *facility* if you do not provide *us* with the information in paragraphs (a) and (b) above.

TERMS AND CONDITIONS

PART K: AML/CTF LAWS

1. You agree and acknowledge:

- a. You will provide *us* with any information and assistance required to facilitate *our* compliance with the *AML/CTF Laws* in Australia and foreign jurisdictions; and
- b. You must not knowingly do anything to cause *us* or any other entity in the *Bell Financial Group* to breach the *AML Requirements*. You agree to immediately notify *Bell Potter Capital* if you are aware of anything that would cause any of the entities in the *Bell Financial Group* to breach the *AML/CTF Laws*;
- c. We may need to disclose your 'personal information' (as defined in the *Privacy Act*) to comply with *our AML Requirements*. You agree and consent to the disclosure of all personal information for the purposes of these *terms*;
- d. We will not be liable for any loss, costs or damage (of any kind) incurred by you as a result of any action that we take, pursuant to the *terms* of these *terms*, which either delays your account being opened or results in your account being locked, suspended or closed, where we deem such action to be necessary for *our* compliance with the *AML Requirements*. You will be liable for any losses, costs and expenses incurred by *us* if we are found liable to a person in connection with any action we undertake pursuant to this clause.

2. Representations

You warrant and represent that, you are not aware and have no reason to suspect that:

- a. any *secured property* is derived from or related to money laundering, financing of terrorism or the commission of an offence ("Illegal Activities"); and
- b. proceeds of investments made in connection with your *margin lending account* will be used in connection with Illegal Activities.

3. Changes in your Personal Information

Notwithstanding any other provision in these *terms*, you agree to advise *us* promptly in writing if there are any changes to your personal information, such as:

- a. for an individual, a change of name (for example on marriage or by deed poll) or any change of residential address;
- b. for a company, any change of business name, change of shareholders or change of directors or company secretary;
- c. for a trustee, any change of trustee, addition of a settlor, or addition of a beneficiary or class of beneficiary; and
- d. for a partnership, any change to the partners.

4. Identity Verification

In order to process your application more efficiently, we may wish to verify your identity electronically. To do this, we may collect, hold, use and disclose your personal information with other entities in the *Bell Financial Group* as well as *our* service providers. This is described further in *our* Privacy Policy, available at *our website*. If you are not successfully verified electronically, you will need to supply alternative identification approved by *us*.

PART L: GENERAL

1. Notices and other communications

- a. You acknowledge and agree that all correspondence from *us* will be sent to you electronically unless we agree otherwise.
- b. Unless otherwise specified in these *terms*, notices, certificates, consents, approvals, requests and other communications to *us* in connection with these *terms* must be by email or a message to your mobile telephone (unless we agree otherwise).
- c. You agree to provide *us* with the following current contact details:
 - (i) postal address;
 - (ii) valid and functioning email address;
 - (iii) mobile telephone number,

and to notify *us* within fourteen (14) days of any change to your contact details. We will be unable to accept notification of changes to contact details solely by email and we will require additional information for verification purposes.

- d. Unless otherwise specified in these *terms* any notice, certificate, consent, approval, request or other communication in connection with these *terms* may be given to you by:
 - (i) email or a message to your mobile telephone;
 - (ii) displaying information on *our website* (after notifying you by electronic communication that the information is available for retrieval on *our website* and the nature of this information); or
 - (iii) in the case of a notification of a *margin call notice*, telephoning your mobile number (including leaving the margin call details on any voicemail on that number); and
 - (iv) delivering it personally or by post to your postal address (if we have agreed to do so);
- e. A communication given to your *authorised persons* is taken to be given to you. Communications to *us* from a company must be signed by an *authorised persons* or a director.
- f. For the purposes of these *terms* a communication is taken to be given:

TERMS AND CONDITIONS

- (i) in the case of an email or message to your mobile telephone – the date that it is sent unless the sender has received a report that indicates there was a failure in delivering the communication;
 - (ii) in the case of anything we publish on *our website*, on the date of publication;
 - (iii) in the case of a communication given personally – on the date it bears or the date it is received, whichever is the later; or
 - (iv) in the case of a communication sent by post – on the date it bears or the date when it would have been delivered in the ordinary course of post, whichever is the later.
- g. We will send you statements of account for your *facility* each month. We may:
- (i) choose to vary the frequency of the statements we provide to you; or
 - (ii) vary the means by which we make statements available to you.

We will give you notice if we do either of these things.

2. Variation

Unless otherwise specified in Part A to Part L, we may vary these *terms* by giving you notice of the variation in the following manner:

- a. where the variation is in *our* reasonable opinion, material, by giving you at least 30 days' written notice (e.g. by including the information on the statement of account or by email);
- b. where the variation is not, in *our* reasonable opinion, material, or where required to meet legal requirements or regulatory guidance, by giving you at least 14 days' written notice, such notice to be given by:
 - (i) posting notice of the changes on *our website*; or
 - (ii) any other form of written notice including email.

3. Termination

Unless otherwise specified in Part A to Part L, either party may terminate these *terms* by giving the other party not less than 7 *business days*' notice, in writing. Termination by the *borrower* will be subject to all outstanding obligations under these *terms* and any relevant *security interest* being duly discharged.

4. Linked account

If you have provided *us* with authority to directly debit and credit your *linked account*, we will automatically debit funds from your *linked account* to satisfy any amount which is payable by you in accordance with these *terms* and also directly deposit into that account.

In addition, we will have access to your *linked account* for the purposes of verifying the available balance and other account details and you authorise *us*, and the issuer of that account to provide information to each other in relation to that account for the purposes of the above authority granted to *us*.

5. Assignment

5.1 You agree and acknowledge:

- a. your rights under these *terms* are incapable of being assigned (whether at law, in equity or otherwise) or made the subject of any encumbrance, *security interest*, trust or fiduciary obligation without the prior written consent of the *lender*, which consent may be withheld by the *lender*, acting reasonably. Any action which purports to do any of these things without the *lender's* prior written consent is void;
- b. where such assignment does not prejudice your rights under these *terms*, the *lender* may assign or otherwise deal with its rights under these *terms* without your consent for legitimate business purposes including business reconstruction, amalgamation, sale or securitisation;
- c. where such assignment may prejudice your rights under these *terms*, the *lender* may assign or otherwise deal with the *lender's* rights under these *terms* by providing you with at least ten (10) *business days*' written notice;
- d. the *lender* may disclose to any person taking a transfer or assignment or considering taking a transfer or assignment, any relevant personal or other information or documents that person or entity reasonably requires.

6. Security of the borrower's account

- a. You represent that you will not instruct (whether in writing or verbally) any unauthorised person to issue instructions on your account.
- b. You acknowledge that if you become aware of any unauthorised instructions or trading on your account, you will contact *us* or your financial adviser as a matter of urgency.
- c. You acknowledge that we are entitled to rely on, and you will be liable for, any instruction provided for your margin loan account that appears to have been duly authorised by you. However, we will not be entitled to rely on an instruction provided for your margin loan account if:
 - (i) you have previously advised *us* that you suspect unauthorised activity on your margin loan account; or
 - (ii) the instruction was fraudulently provided by *our* employee.

7. Governing law

These *terms* are governed by the laws of New South Wales, and you submit to the exclusive jurisdiction of the courts of New South Wales.

8. Dispute resolution

Bell Potter Capital Ltd welcomes feedback and values complaints. We are committed to providing high quality services and products so if you are dissatisfied, please let *us* know.

TERMS AND CONDITIONS

8.1 Lodging a Complaint

You can lodge a complaint by doing one of the following:

By Phone: Contact your Account Manager on 1800 061 327.

By Email: BPC@bellpotter.com.au

By Post: General Manager
Bell Potter Capital Ltd
GPO Box 4718
MELBOURNE VIC 3001

8.2 What happens once you have lodged a complaint?

We will acknowledge receipt of your complaint, normally by the next *business day* and we aim to resolve your complaint as quickly as possible. More detailed information about *our* Internal Dispute Resolution policy is available at www.bellpotter.com.au.

8.3 What if the issue is not resolved?

If you are not happy with *our* response, you can lodge your complaint with the Australian Financial Complaints Authority (AFCA). AFCA is the external dispute resolution scheme established by the Commonwealth Government to provide independent financial services complaint resolution that is free to consumers.

8.4 AFCA's contact details are:

Australian Financial Complaints Authority

Website: www.afca.org.au

By Phone: 1800 931 678 (free call)

By Email: info@afca.org.au

By Post: Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001

