



ADDENDUM X

PART A

LEVERAGE FACILITY AGREEMENT WHOLESALE CORPORATE CUSTOMERS ONLY

1. INTRODUCTION

1.1 If you apply, and IBA agrees, this Leverage Facility Agreement (the **Agreement**) will apply to you in addition to the Terms and form part of the contract between you and IBA in relation to the Loan.

1.2 To the extent of any inconsistency between this Agreement and the Terms, this Agreement prevails in relation to the provision and utilisation of the Facility.

1.3 You acknowledge and agree that all dealings in respect of Securities and Derivatives Products and the performance by IBA of its obligations under this Agreement and the Terms are subject to the *Corporations Act 2001* (Cth), the Market Integrity Rules, the Rules of the relevant Foreign Financial Market, and any other directions, decisions and requirements of the relevant Foreign Financial Market and their related entities and the customs, usages and practices of the relevant Foreign Financial Market and their related entities, as amended from time to time, insofar as they apply.

2. INTERPRETATION

2.1 In this Agreement, the following terms have the following meanings:

Derivatives Product means a derivative as defined in the Corporations Act and includes futures and options.

Director has the meaning given to term in section 9AC of the Corporations Act 2001.

Initial Margin means the amount of money that you must contribute towards a purchase of Financial Products.

Intermediary means a financial adviser or broker with which you have an arrangement for the provision of certain services in conjunction with your Account with IBA.

Leverage Facility or **Facility** means the facility via which IBA advances Loan Money and is offered in conjunction with a Margin Account.

Loan Money means the dollar amount you borrow, or are taken to borrow from us, and shown as (a) negative currency position(s) in IB System from time to time, regardless of currency, or amount thereof as the context requires, and includes for the sake of clarity any brokerage, fees, or commission included in the price paid to transact any Financial Product, any interest payable by you which is capitalised in such balance, or other proper charges paid by IBA on your behalf or that IBA advances at your instruction via the Facility pursuant and according to this Agreement which is reflected in such negative balance.

Maintenance Margin means the amount of money or other assets, in IBA's discretion, that you must maintain in your Account to hold positions in Financial Products.

Margin Account means an Account configured as a 'margin account' as reflected in IB System.

Margin Call refers to the situation where a Margin Account does not meet the Initial or Maintenance Margin requirements of IBA as determined by IBA.

Rules means the rules governing trading on any relevant Foreign Financial Market, as amended from time to time.

Securities Lending Agreement means the securities lending agreement as set out in Part B of this document between you and Interactive Brokers Australia Pty Ltd dated on or about the date of this Agreement.

Surcharge means an additional interest rate that may be applied by IBA.

Terms means the terms and conditions between you and Interactive Brokers Australia Pty Ltd in relation to an Account you hold with IBA.

Transaction means a transaction for the sale and purchase of a Financial Product(s).

2.2 Capitalised terms used in this Agreement that are not defined herein have the meanings given them in the Terms or the Securities Lending Agreement.

3. REPRESENTATIONS, WARRANTIES, AND ACKNOWLEDGEMENTS

3.1 You represent and warrant that:

- a. you are a corporation duly incorporated under the laws of a state or territory of Commonwealth of Australia which holds a valid ACN, ABN, or ABRN (as applicable) under the Corporations Act;
- b. you have full corporate power to enter into, and perform your obligations under, this Agreement and the Terms;
- c. you have taken all necessary corporate action to authorise the performance of your obligations under this Agreement and the Terms, and this Agreement and the Terms constitute legal, valid and binding obligations enforceable against you;
- d. your primary purpose in applying for the Facility is for investment purposes;
- e. you will use the Facility, if issued by IBA, in a manner consistent with this Agreement; and
- f. you have read the "Disclosure of Risks of Margin Trading and Automatic Liquidation" document provided separately by IBA.

3.2 You acknowledge and agree that:

- a. should any of clause 3.1 (a) to (f) cease to be true in any manner or if you cease to be a Wholesale Client with respect to the Facility, you must notify IBA immediately;
- b. IBA is entitled to accept instructions from any Director of you and agents appointed by you, unless you and IBA agree otherwise;
- c. IBA may disclose your information to any credit reporting agency for the purposes of assessing your credit worthiness;
- d. trading through a Margin Account is highly risky and may result in the loss of funds greater than those you have deposited into your account and that you have accepted the risks of borrowing and your obligations to IBA;
- e. the terms of this Agreement shall apply to each Margin Account you hold with IBA;
- f. IB may restrict you from changing the status of an Account configured as Margin Account to another status while there is Loan Money debit balance in relation to any Margin Account; and

- g. Capacity: when you apply for, and if you are issued with, the Facility:
 - i. IBA is not acting as your agent, nor is IBA acting as your agent if IBA advances money to you under the Facility (Loan Money). If IBA accepts your application for the Facility and if it lends funds to you under the Facility (Loan Money), IBA is your contractual counterparty and you and IBA act at arm's length and each in their own interests when doing so; and
 - ii. subject to the Securities Lending Agreement, IBA is holding all Financial Products of any kind in each Margin Account as security for any Loan Money debit balance in each Margin Account.

4. FACILITY

4.1 You acknowledge and agree that the Facility is only available if you are a Wholesale Client.

4.2 IBA will only provide the Facility in conjunction with a Margin Account in accordance with clause 6.

4.3 You may draw down or instruct IBA to pay amounts under the Facility from a Margin Account solely to acquire Financial Products or else to repay another credit facility (Loan Money), insofar as the credit provided under such other credit facility was applied wholly to the purchase of Financial Products, provided that you maintain sufficient assets in the Margin Account at all times to meet and remain in compliance with IBA's Initial Margin and Maintenance Margin requirements for the Loan Money and any other margin requirements under the Terms for such Account.

4.4 IBA will determine:

- a. the limit of the Facility in its sole discretion from time to time; and
- b. the Financial Products, if any, that it is prepared to advance money via the Facility to finance the acquisition(s) thereof.

4.5 You acknowledge and agree that if you cease to be a Wholesale Client in respect of the Facility and:

- a. at such time you have no Loan Money balance, you will not undertake and will omit from taking any action which results in there being a Loan balance under the Facility and IBA may in its discretion reject any request from you to undertake any Transaction which would, if undertaken, result in there being a Loan balance; and

- b. at such time there is a current Loan Money balance, you will not undertake and will omit from taking any action which results in any increase in such Loan balance and IBA is permitted to reject any instruction from you which results in the increase of the Loan balance and that you may only be permitted to undertake Transactions which result in reduction of the Loan Money balance.

4.6 Interest:

- a. IBA is entitled to charge you interest from time to time on any Loan Money balance(s) incurred through the use of a Margin Account and the Facility, in whatever currency such balances have been incurred, at the rates as applicable to your Margin Account from time to time.
- b. IBA may apply an interest Surcharge on part or whole of the entire balance Loan Money if you cease to be a Wholesale Client at any time.
- c. If applicable, the interest rate applicable to your Facility (including, if applicable any interest Surcharge) may be impacted by the arrangement you have with any Intermediary in relation to your Account with IBA. It is your responsibility to understand how your arrangements with any Intermediary in relation to your Account impacts the interest rate applicable to the Facility and it is your Intermediary's responsibility to disclose this information to you.
- d. Interest on the outstanding Loan Money balance will accrue on a daily basis and is capitalised with, and increases, the Loan Money balance on a monthly basis. If there is an Event of Default, accrued interest becomes immediately due and payable and may be accrued with any Loan Money debit balance.

4.7 Loan Money balance and Client Money:

- a. You direct IBA to apply, using commercially reasonable efforts, any amount received by IBA on your behalf in relation to a Margin Account to reduce the debit balance of any Loan Money in respect of that Margin Account on or around the date such amount is received by IBA in cleared funds. You agree that IBA will not generally, and is not required to, apply amounts received in respect of one Margin Account to reduce to the debit balance of a Loan Money in another Margin Account or other Account.
- b. IBA will only reduce the debit balance of a Loan Money under this clause 4.7 if the payment IBA receives for you and the Loan Money are in the same currency. You agree and acknowledge that IBA has no obligation to

reduce any Loan Money balance in a particular currency for any amounts received in a different currency.

- c. You acknowledge that as a result of the instruction noted in 4.7(a) above any amounts applied to reduce the debit balance of a Loan Money in respect of an Account will not be segregated or held in trust for you.
- d. This clause is without prejudice to any rights IBA may have if or in relation to exercising its rights of set-off under the Terms.

5. SECURITY INTEREST

5.1 Any Loan Money balance in a Margin Account is secured by all assets or rights of any kind held by or on behalf of IBA for you in accordance with Clause 17 of the Terms, subject to the Securities Lending Agreement.

5.2 For the avoidance of doubt, IBA will not accept a guarantor arrangement as valid security for any proposed or actual Loan Money balance on your Account.

6. MARGIN ACCOUNTS, MARGINS AND AUTOMATIC LIQUIDATION

6.1 This clause 6 applies in relation to a Margin Account and Facility.

6.2 IBA, acting reasonably, may do anything under this clause 6 by using commercially reasonable endeavours to provide notice to you, where possible, before doing anything under this clause 6. You understand that in no event will IBA be held liable for its failure to provide notice to you prior to IBA exercising its rights under this clause 6.

6.3 All Transactions within a Margin Account are subject to Initial Margin and Maintenance Margin requirements. IBA may modify such requirements at any time in IBA's sole discretion and acting reasonably. You are required to monitor your Account to ensure that it meets its Initial Margin and or Maintenance Margin at all times. IBA may reject any order if your account does not meet its Initial Margin and / or Maintenance Margin (or would not do so on execution of the Order). Formulas for calculating margin requirements on IBA's website are indicative only and may not reflect actual margin requirements.

6.4 IBA will generally not provide you prior notice of or time to rectify if your Account is in Margin Call. IBA will endeavour to issue electronic warnings to you via IB System to alert you to add additional assets to your Account if it does not meet any margin requirements (whether Initial or Maintenance Margin) at any time. In no event will IBA be held liable for its failure to provide notice to you of or time to address a Margin Call or if a Margin Account does not meet Initial or Maintenance Margin Requirements or is otherwise in margin deficiency.

6.5 If at any time your Account does not meet applicable Initial Margin or Maintenance Margin requirements specified by IBA, it may, without limiting its other rights, sell, close out or otherwise liquidate all or part of your positions in any of your accounts held with IBA or any international broker or Affiliate of IBA. This liquidation will usually occur automatically but notwithstanding the foregoing, IBA has no obligation to take any action if your Account does not meet the applicable Maintenance Margin requirements. IBA has no liability to you for any loss arising from any such liquidation.

6.6 For the avoidance of doubt, your right to redelivery of Securities under the Securities Lending Agreement is not a position and nothing in clause 6.5 affects your right to redelivery of Equivalent Securities pursuant to the Securities Lending Agreement.

6.7 You will be liable and must promptly pay IBA any amount owing to IBA arising from any such liquidation or remaining after any such liquidation. IBA has no liability to you for any loss arising from any such liquidation.

6.8 IBA may allow you to pre-request the order of liquidation of your assets in the event that you no longer meet the margin requirements, but you acknowledge that such requests are not binding on IBA and IBA retains sole discretion, acting reasonably, to determine the assets to be liquidated and the order of their liquidation.

6.9 You acknowledge that the market values/prices used to determine the equity in your Margin Account and/or sub account to calculate the Initial Margin or Maintenance Margin requirements, shall be determined by IBA in its sole discretion and may be varied without prior notice to you and may differ from the values/prices disseminated by Financial Markets or other market data sources. Among other things, IBA may calculate its own index values, exchange traded fund values or Derivatives values, and value securities or futures or other Financial Products based on bid price, offer price, midpoint or using some other method and may apply a haircut to such based on its determination of the price volatility.

6.10 IBA's margin requirements or risk control parameters may include leverage ratio limits or position size limits for securities, commodities, currencies or other Financial Products. If these limits are reached or exceeded, you may not be able to place new Orders and you authorise IBA to liquidate existing positions and/or enter into risk-reducing Transactions on your behalf without notice, in order to bring your Account back into compliance with the relevant limits. You acknowledge that IBA is under no obligation to do so.

6.11 You acknowledge that IBA and/or its Affiliates may take the other side of any liquidation transaction or enter into risk reducing transactions.

6.12 You must indemnify and reimburse and hold IBA harmless for any acts, omissions, costs, fees or liabilities associated with any liquidation undertaken by IBA.

6.13 Notwithstanding the above, if for any reason you fail to meet the Maintenance Margin requirements and IBA does not liquidate your positions but instead gives you notice to address a Margin Call via IB System, you must satisfy such call within any time specified or in the absence thereof a commercially reasonable time and in any manner specified by, or otherwise acceptable to, IBA. You acknowledge that even if notice of a Margin Call is issued and including if a time to rectify is specified, IBA does not waive any of its other rights against you, including the right to immediately liquidate positions in order to meet Maintenance Margin requirements.

PART B

SECURITIES LENDING AGREEMENT

1. INTRODUCTION

1.1 This Part B applies where you have a Facility pursuant to a Leverage Lending Facility Agreement entered into with us.

1.2 The parties intend that this document is a separate agreement (**Agreement**) known as a securities lending arrangement for the purposes of section 26BC(3)(a) of the 1936 Tax Act.

1.3 By this Agreement, you (**you** or **Lender**), as the lender, wish to grant to IBA (**IBA** or **Borrower**), as the borrower, the right to, from time to time, Borrow any Securities (including any Equivalent Securities) held by you in relation to a Margin Account, for IBA's own purposes and for its own benefit.

1.4 To the extent of any inconsistency between this Agreement and the Terms or the Leverage Facility Agreement, this Agreement prevails.

1.5 You acknowledge and agree that all dealings in respect of Securities and Derivatives Products and the performance by IBA of its obligations under these terms are subject to the *Corporations Act 2001* (Cth), the Market Integrity Rules, the Rules of the relevant Foreign Financial Market, and any other directions, decisions and requirements of the relevant Foreign Financial Market and their related entities and the customs, usages and practices of the relevant Foreign Financial Market and their related entities, as amended from time to time, insofar as they apply.

2. INTERPRETATION

2.1 In this Agreement:

- a. **1936 Tax Act** means the *Income Tax Assessment Act 1936*.
- b. **1997 Tax Act** means the *Income Tax Assessment Act 1997*.
- c. **Australian Taxpayer** means any person other than:
 - i. a person who is not a resident of Australia for the purposes of the Tax Act (whether that person is acting as a trustee, nominee or agent or in some other capacity) at the time a Distribution is paid; or

- ii. a person who is acting in the capacity of trustee, nominee or agent for a person who is not a resident of Australia for the purposes of the Tax Act at the time a Distribution is paid.
- d. **Borrowing Right** has the meaning given to that term in clause 4.1 below.
- e. **Distribution** has the meaning given to that term in section 995 1(1) of the 1997 Tax Act.
- f. **Distribution Statement** means a statement given in accordance with section 202-80 (as it may be finally amended under section 202-85) of the 1997 Tax Act.
- g. **Equivalent Securities** means, in respect of any Securities, Securities of an identical type, nominal value, description and amount to those Securities and which are part of the same issue and have the same rights as those Securities. If and to the extent that such Securities are partly paid or have been converted, subdivided, consolidated, redeemed, made the subject of a takeover, capitalisation issue, rights issue or event similar to any of the foregoing, the expression shall have the following meaning:
 - i. in the case of conversion, subdivision or consolidation the securities into which the borrowed Securities have been converted, subdivided or consolidated;
 - ii. in the case of redemption, a sum of money equivalent to the proceeds of the redemption;
 - iii. in the case of a takeover, a sum of money or securities, being the consideration or alternative consideration;
 - iv. in the case of a call on partly paid securities, the paid-up securities **provided that** the Lender shall have paid to the Borrower an amount of money equal to the sum due in respect of the call;
 - v. in the case of a capitalisation issue, the borrowed Securities **together with** the securities allotted by way of a bonus thereon;
 - vi. in the case of a rights issue, the borrowed Securities **together with** the securities allotted thereon, **provided that** the Lender has paid to the Borrower all and any sums due in respect thereof;
 - vii. in the event that a payment or delivery of Income is made in respect of the borrowed Securities in the form of securities or a certificate which may at a future date be exchanged for securities or in the event of an option to take Income in the form of securities or a certificate which may at a future date be exchanged for securities,

the borrowed Securities **together with** securities or a certificate equivalent to those allotted; and

- viii. in the case of any event similar to any of the foregoing, the borrowed Securities **together with** or replaced by a sum of money or securities equivalent to that received in respect of such borrowed Securities resulting from such event.
For the purposes of this definition, securities are equivalent to other securities where they are of an identical type, nominal value, description and amount and such term shall include the certificate and other documents of or evidencing title and transfer in respect of the foregoing (as appropriate).
- h. **Franked Distribution** has the meaning given to that term in section 995-1(1) of the 1997 Tax Act.
- i. **Franking Credit** has the meaning given to that term in section 995-1(1) of the 1997 Tax Act.
- j. **Income** means any dividends, interest or other distributions of any kind whatsoever with respect to any Securities.
- k. **Income Determination Period**, in relation to a particular loan of Securities, means, in relation to the Securities, the period commencing when the Securities cease to be registered in your name (or the relevant transferor) upon or before delivery of those Securities under this Agreement and ending when Equivalent Securities are registered in your name (or the relevant transferee) upon or following redelivery of those Equivalent Securities under this Agreement.
- l. **Income Payment Date**, in relation to any Securities, means the date on which Income is paid in respect of such Securities, or, in the case of registered Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income.
- m. **Leverage Facility Agreement** means the leveraged facility agreement as set out in Part A of this document entered into between you and us;
- n. **Securities** means "eligible securities" within the meaning of section 26BC(1) of the 1936 Tax Act which IBA is entitled to borrow from you under this Agreement and which may be or are the subject of a Loan pursuant to this Agreement and such term shall include the certificates or other documents of title (if any) in respect of the foregoing;
- o. **Tax Act** means the 1936 Act and the 1997 Tax Act.

- p. **Transfer of Distribution Statement**, in relation to Distributions, means a properly completed document in, or substantially in, a form which is acceptable for the purposes of section 216-30 of the 1997 Tax Act.
- q. **Utilisation Percentage** means, as a percentage of the value of the Loan Money, the amount of Securities that IBA may exercise its Borrowing Right in respect of and as at the date of this Agreement, such percentage is 110% of the Loan Money value subject to rounding; and
- r. Other capitalised terms that are not defined herein have the meanings given to them in clause 2.1 of the Leverage Facility Agreement in Annexure X or the Terms (in that order of priority).

3. REPRESENTATIONS, WARRANTIES, AND ACKNOWLEDGEMENTS

3.1 You represent and warrant that:

- a. you are a corporation duly incorporated under the laws of a state or territory of Commonwealth of Australia which holds a valid ACN, ABN, or ABRN (as applicable) under the Corporations Act;
- b. you have full corporate power to enter into, and perform your obligations under, this Agreement and the Terms;
- c. you have taken all necessary corporate action to authorise the performance of your obligations under this Agreement and the Terms, and this Agreement and the Terms constitute legal, valid and binding obligations enforceable against you;
- d. your primary purpose in entering into this Agreement is for investment purposes; and
- e. in respect of any assets, including Financial Products, in your Account that IBA may exercise the Borrowing Right:
 - i. they are not borrowed;
 - ii. unless pre-agreed with IBA, you do not presently owe any amounts of money in respect of such assets to any third party; and
 - iii. they are totally unencumbered by any mortgage, lien or other interest other than as contemplated under your Leverage Facility Agreement and the Terms.

3.2 You acknowledge and agree that:

- a. should any of 3.1(a) to (e) cease to be true in any manner or if you cease to be a Wholesale Client, you must notify IBA immediately;
- b. IBA is entitled to accept instructions from any Director of you and agents appointed by you, unless you and IBA agree otherwise;
- c. IBA may disclose your personal information to any credit reporting agency for the purposes of assessing your credit worthiness;
- d. you have accepted the risks of lending Securities to IBA;
- e. the terms of this Agreement shall apply to each Margin Account you hold with IBA and IBA shall be entitled to exercise the Borrowing Right in respect of any Securities held in any or all Margin Account(s) including an account for which there is, at the relevant time, no debit Loan Money balance; and
- f. **Capacity:** if IBA exercises its Borrowing Right in respect of any Security, you and IBA act at arm's length and each in their own interests when doing so; and,
- g. **Explanation of terminology:** In this Agreement, terms such "Lend", "Borrow", "Borrowed", "deliver" or "re-deliver" or similar in relation to a Security or Equivalent Securities, are used to reflect market standard terminology in relation to securities lending. Notwithstanding the use of such terms, all right, title and interest in and to Securities "borrowed" or "lent" in accordance with this Agreement ("title") shall pass from one contractual counterparty to the other free and clear of any liens, claims, charges or encumbrances or any other interest of the transferring contractual counterparty or of any third party (other than a lien routinely imposed on all securities in a relevant clearance system), the contractual counterparty obtaining such title being obliged to redeliver Equivalent Securities. Each transfer under this Agreement will be made so as to constitute or result in a valid and legally effective transfer of the transferring contractual counterparty's legal and beneficial title to the recipient.

4. BORROWING RIGHT AND ASSOCIATED PROVISIONS

4.1 You hereby grant to IBA the right and authorise it (without any further notice, consent, or reference), from time to time, to Borrow any Securities held by you in relation to a Margin Account, for IBA's own purposes and for its own benefit (each a **Borrowing Right**).

4.2 Exercise of Borrowing Right

- a. Upon the exercise of a Borrowing Right in respect of a Security:
 - i. such Security will become the absolute property of IBA free from any security interest and from any equity, right, title or interest of or for you; and
 - ii. you authorise and direct IBA to take such steps to deliver or credit the Security to IBA and execute such instruments of transfer or equivalent as IBA considers necessary or desirable to vest the full right, title and interest in and to that Security in IBA. For the purposes of this authorisation, you irrevocably authorise and appoint IBA, as your attorney (with full power of substitution), on your behalf and in your name or otherwise, at such time and in such manner as IBA thinks fit to do anything required to deliver or credit the Securities to IBA.
- b. You acknowledge and agree that IBA may hold any Securities borrowed by it under this Agreement through a nominee, provided that it does so on terms whereby IBA is absolutely entitled to those Securities as against the nominee.
- c. If any party holds Securities through a nominee, that party appoints the nominee as its agent for the purposes of this Agreement. Any acts undertaken by the nominee of a party in connection with any Securities in respect of which IBA has exercised its Borrowing Right, shall, for the purposes of this Agreement, be deemed to be acts of that party.
- d. IBA may exercise its Borrowing Right up to the Utilisation Percentage, subject to rounding up the amount of Securities Borrowed up to the nearest whole Security or marketable parcel of Securities (within the meaning of section 9 of the Corporations Act) as the as case may be.
- e. You further acknowledge that upon the exercise of the Borrowing Right, IBA may Lend such Security by way of transfer of full legal and beneficial interest to other such person(s) upon such terms as it thinks fit.

4.3 Delivery of Equivalent Securities

Upon the exercise of a Borrowing Right, IBA undertakes to redeliver Equivalent Securities in accordance with this Agreement by no later than eleven months and 20 days after the Borrowed Securities are delivered to IBA under this agreement.

4.3 Delivery of Equivalent Securities

You acknowledge that the market values/prices used to determine the value of Securities for the purposes of the Utilisation Percentage shall be determined by

IBA in its sole discretion and may be varied without prior notice to you and may differ from the values/prices disseminated by Financial Markets or other market data sources. Among other things, IBA may value Securities or futures or other Financial Products based on bid price, offer price, midpoint or using some other method and may apply a haircut to such based on its determination of the price volatility.

Voting rights, dividends, or other distributions

4.5 In respect of any Security which IBA has Borrowed:

- a. For the avoidance of doubt, you acknowledge that any right to vote attaching to a Security will only be exercisable by the person in whose name the Security is registered and your ability to exercise voting rights or participate in certain other corporate actions in respect of any Security which IBA has borrowed may be limited. IBA will use reasonable endeavours to act on, or, if IBA has itself lent out the Security to a third-party, pass-through instructions to the third party in respect of such voting rights or corporate action provided it is provided to IBA by the requisite time specified in IB System.
- b. Unless otherwise agreed, where Income is paid by the issuer in relation to any Securities on or by reference to an Income Payment Date on which such Securities are the subject of a loan under this Agreement, IBA shall, on the date of the payment of such Income, or on such other date as the contractual counterparties may from time to time agree, (the "**Relevant Payment Date**") pay you a sum of money (a "Compensatory Payment") equivalent to the amount that you would have been entitled to receive (after any deduction, withholding or payment for or on account of any tax made by the relevant issuer (or on its behalf) in respect of such Income) had such Securities not been loaned to IBA and been held by you on the Income Payment Date, irrespective of whether IBA received the same.
- c. Subject to paragraph (d) (unless otherwise agreed), where, in respect of any borrowed Securities, any rights relating to conversion, subdivision, consolidation, pre-emption, rights arising under a takeover offer or other rights, including those requiring election by the holder for the time being of such Securities, become exercisable prior to the redelivery of Equivalent Securities, then you or IBA, as the case may be, may, within a reasonable time before the latest time for the exercise of the right or option, give written notice to the other contractual counterparty that, on redelivery of Equivalent Securities, as the case may be, it wishes to receive Equivalent Securities in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice.

- d. Notwithstanding paragraph (c), where, in respect of any borrowed Securities, the relevant issuer company, trustee, government or government authority issues any right or option in respect of the borrowed Securities, IBA or you, respectively, must deliver or make available, as the case may be, to the other contractual counterparty on the date of such issue or on such other date as the contractual counterparties may from time to time agree:
 - i. the right, or option; or
 - ii. an identical right or option; or
 - iii. a payment equal to the value to you of the right or option; together with any such endorsements or assignments as shall be customary and appropriate.
- e. You direct IBA to apply, using commercially reasonable efforts, any Compensatory Payment payable to you by IBA to reduce the debit balance of any Loan Money in respect of your Margin Account.

4.6 Notifiable consideration

For the purposes of section 26BC(3)(d) of the 1936 Tax Act, the notifiable consideration in respect of any loan of Securities is dissected as follows:

- a. There is no fee.
- b. There is no adjustment for variations in the market value of the Securities.
- c. There is other consideration: the amount of any Loan Money balance advanced by IBA and applied by IBA whether directly or indirectly to facilitate your purchase of any Financial Product(s) and, as the case may be, the continued extension of such credit constituted by such Loan Money Balance during any period in which IBA has or has exercised its Borrowing Right in respect of a Security or Securities, and also clauses 4.3(a), 4.5(b), (c) and (d), and the definition of Equivalent Securities in clause 2.1.

4.7 Borrower to give Transfer of Distribution Statement to you re Franked Distributions

If:

- a. an Income Payment Date occurs during an Income Determination Period in relation to a particular loan of Securities;

- b. had you been the holder of those Securities on the relevant Income Payment Date, you would have received a Franked Distribution in respect of those Securities;
- c. you are an Australian Taxpayer; and
- d. your failure to receive a Franked Distribution is not due to any unreasonable act or omission by you or on your behalf;

then:

- e. the Borrower must either:
 - i. if section 216-10 of the 1997 Tax Act applies, as soon as practicable, and in any event within 10 Business Days after the relevant Income Payment Date, give to you a Transfer of Distribution Statement in respect of those Securities (which the Borrower is to be taken as having warranted is correct in all material respects and is effective for the purposes of section 216-30 of the 1997 Tax Act); or
 - ii. otherwise, on the 10th Business Day after the relevant Income Payment Date pay to you an amount equal to the Franking Credit allocated (or, under section 202-65 of the 1997 Tax Act, taken to have been allocated) to the Franked Distribution and specified in the Distribution Statement for that Franked Distribution.