



ADDENDUM [F]

MARGIN LENDING FACILITY AGREEMENT NATURAL PERSON CUSTOMERS ONLY

1) INTRODUCTION

- 1.1 This Agreement will apply to you in addition to the Terms and forms part of the contract between you and IBA in relation to the Margin Lending Facility.
- 1.2 To the extent of any inconsistency between this Addendum [F] and the Terms, this Addendum [F] prevails.
- 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 these Terms are subject to the Corporations Act, the Market Integrity Rules, the Rules of the relevant International Financial Market, and any other directions, decisions and requirements of the relevant International Financial Market and their related entities and the customs, usages and practices of the relevant International Financial Market and their related entities, as amended from time to time, insofar as they apply.

2) INTERPRETATION

- 2.1 In this Addendum [F], the following terms have the following meanings:

Agreement or **Margin Lending Facility Agreement** means this agreement.

Initial Margin means the amount of money or other assets that you must contribute towards a purchase of Securities.

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.

LVR means the ratio between the Margin Loan Balance and the market value of the Securities securing the Margin Lending Facility.

Maintenance Margin means the amount of money or other assets that you must maintain in your Account to maintain the Margin Loan.

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

Margin Call means a demand from IBA for you to deposit money into your Account, or as otherwise agreed with IBA, which is immediately due and payable.

Margin Lending Facility is the loan facility that IBA may make available to customers

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under this Addendum F in conjunction with a Margin Account.

Margin Loan means the loan the quantum of which is the Margin Loan Balance that IBA issues to you via the Margin Lending Facility from time to time.

Margin Loan Balance means the amount of money you borrow, or are taken to borrow, from us expressed as (a) negative currency position(s) for your Account in the IB System for your Account from time to time, regardless of currency 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 to and according to this Agreement.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Terms means the general terms and conditions between you and IBA in relation to an Account you hold with IBA.

Utilisation Percentage means the amount of Securities that IBA may pledge to an IBA Affiliate expressed as a percentage of the value of the Margin Loan, which as at the date of this Agreement is 100% of the Margin Loan Balance subject to the haircut.

2.2 Capitalised terms used in this Addendum [F] that are not defined herein, have the meanings given them in the Terms.

3) REPRESENTATIONS, WARRANTIES, AND ACKNOWLEDGEMENTS

3.1 You represent and warrant that:

- a) you are a natural person within the meaning of the Corporations Act;
- b) you have full authority to enter into, and perform your obligations under, this Addendum [F] and the Terms;
- c) your primary purpose in applying for the Margin Lending Facility is for investment purposes and you are not intending to use the Margin Lending Facility for personal, domestic or household purposes, or in respect of residential property;
- d) you will use the Margin Lending Facility solely to acquire Financial Products and, if IBA permits a withdrawal from the Account as against the Margin Lending Facility, to repay another margin lending facility (as that term is defined in section 761EA of the Corporations Act) which was provided to you wholly for the purchase of Financial Products;
- e) the assets deposited in your Account to act as security for the Margin Lending Facility are not borrowed and are unencumbered by any mortgage, lien or other interest (other than as contemplated under this Agreement or the Terms).

3.2 You acknowledge and agree that:

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- a) 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;
- b) you understand the risks of trading through a Margin Account and your obligations to IBA in connection with such trading;
- c) you have read the "Disclosure of Risks of Margin Trading and Automatic Liquidation" document provided by IBA which is available on IBA's website; and
- d) you have received and read IBA's Margin Lending Facility Product Disclosure Statement provided separately by IBA to you and which is also available on IBA's website.
- e) IBA may disclose your personal information to any credit reporting agency for the purposes of assessing your credit worthiness; and,
- f) If you apply for, or if IBA accepts your application for the Facility and if it lends funds to you under the Facility (Loan Money):
 - a. IBA is not your agent, but is your contractual counterparty; and
 - b. you and IBA act at arm's length and each in their own interests acting as lender or borrower, as the case may be, in respect of the Margin Lending Facility.

4) FACILITY

- 4.1 IBA will only provide the Margin Lending Facility in conjunction with a Margin Account in accordance with clause 18 of the Terms.
- 4.2 IBA will, in its sole discretion at any time, determine and may revise the following:
 - a) the limit of your Margin Lending Facility;
 - b) the Financial Products, if any, that it is prepared to advance money via the Margin Lending Facility to finance the acquisition(s) thereof; and
 - c) the Initial Margin or Maintenance Margin that IBA requires you to maintain in your Account to open or maintain a Margin Loan.
- 4.3 You may draw down or instruct IBA to pay amounts under the Margin Lending Facility from a Margin Account solely to acquire Financial Products or else to repay another credit facility, 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 Margin Loan and any other margin requirements under the Terms for such Account.
- 4.4 Interest:
 - a) IBA is entitled to charge you interest from time to time on any Margin Loan Balance(s) incurred through the use of a Margin Account and the Margin Lending Facility, in whatever currency such balances have been incurred, at the

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interest rates with IBAU Surcharge as applicable to your Margin Account from time to time as set out on IBA's website.

- b) If applicable, the interest rate(s) applicable to your Margin Loan Facility may be impacted by any arrangements 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 may impact the interest rate(s) applicable to the Facility and it is your Intermediary's responsibility to disclose this information to you.
- c) Interest on the outstanding Margin Loan Balance will accrue on a daily basis and is capitalised with, and increases, the Margin Loan 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 Margin Loan Balance.

4.5 Margin Loan Balance and Client Money:

- a) Subject to clause 4.5(b) below, you direct IBA to apply, using commercially reasonable efforts, any amount received by IBA on your behalf in relation to a Margin Account (including in relation to the Secured Property) to reduce the Margin Loan Balance in respect of the relevant Margin Account on or around the date such amount is received by IBA in cleared funds, and which is not otherwise owed to IBA. You agree that IBA is not required to apply amounts received in respect of one Margin Account to reduce any Margin Loan Balance in another Margin Account or other amounts owed in respect of another Account you hold with IBA.
- b) IBA will only reduce the Margin Loan Balance under clause 4.5(a) if the payment IBA receives for you and the Margin Loan Balance are in the same currency. You agree and acknowledge that IBA has no obligation to reduce any Margin Loan Balance in a particular currency for any amounts received in a different currency, whether by undertaking a foreign exchange transaction or otherwise.
- c) You acknowledge that as a result of the instruction in clause 4.5(a), any amounts applied to reduce the Margin Loan Balance in respect of a Margin Account will not be segregated or held in trust for you.
- d) This clause is without prejudice to any rights IBA may have in relation to exercising its rights of set-off under the Terms.

5) SECURITY INTEREST AND RELATED CALCULATIONS

- 5.1 Without prejudice to any rights under clause 17 of the Terms, you acknowledge that any Margin Loan Balance in your Account is secured by all assets of any kind held by or on behalf of IBA for you in accordance with clause 17 of the Terms. You further acknowledge that the rights articulated in this clause 5 of this Agreement are in addition to the rights and security interest IBA has under the Terms.
- 5.2 For the avoidance of doubt, IBA will not accept a guarantor arrangement as valid security for any debit balance on your Account.

5.3 You hereby acknowledge and agree that:

- a) IBA may grant a first priority lien and security interest with the power of sale (**Security Interest**) over any and all Financial Products, collateral and/or property, including all proceeds of the foregoing, held by or on behalf of IBA for your Account (**Secured Property**) up to the Utilisation Percentage in favour of any person nominated by IBA (**Secured Party**) in order to secure IBA's performance of any obligations and liabilities owed to the Secured Party in respect of any financing IBA has obtained from the Secured Party and used, in part, to support the Margin Loan to you;
- b) Notwithstanding clause 5.3 (a), you will retain a beneficial interest in the Secured Property which will be held on your behalf by IBA, subject to clause 5.3(d);
- c) The Secured Party may enforce its lien and security interest under clause 5.3(a) above in respect of the Secured Property in the event that IBA defaults under the agreement with the Secured Party, regardless of whether you are in default under this Agreement or the Terms;
- d) In the event that the Secured Party enforces its lien and Security Interest under clause 5.3(a) above through power of sale, it may deal with the Secured Property without regard to any interest you may have in the Secured Property, and you hereby acknowledge and agree that in the event of any such dealing your interest in those assets is extinguished and any person party to that dealing may take the assets free of any interest you may have had;
- e) You hereby instruct IBA to take any steps required to create, perfect (by control) and permit the enforcement of the Security Interest under this clause 5.3 of this Agreement, pursuant to the Applicable Laws and the laws of the state of New York, United States of America; and,
- f) IBA will only appoint a Related Body Corporate of IBA as a Secured Party.

5.4 You acknowledge and agree that:

- a) The Secured Party will, acting reasonably, agree and determine the value of the Secured Property,
- b) IBA will, subject to this Agreement and the Terms, calculate the value of the Margin Loan and the usage of the Utilisation Percentage from time to time, and this may be varied without prior notice to you,
- c) The values/prices used by IBA and/or the Secured Party, as the case may be, to determine the values of the Secured Property and the Margin Loan Balance, may differ from those disseminated by Financial Markets or other market data sources for Financial Products, foreign exchange rates, and other matters relevant to this Agreement. Among other things, IBA or the Secured Party may value or use prices for Securities or other Financial Products or foreign exchange rates 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.

5.5 PPS Act

You acknowledge that this clause 5 may create a security interest in favour of the Secured Party under the PPS Act and accordingly:

- a) without limiting the extent to which our security interest may be perfected by control or any other method under the PPS Act, IBA or the Secured Party may, at your cost, register one or more financing statements or financing change statements in relation to the Security Interest (if any) under the PPS Act;
- b) to the extent permissible, you waive your 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;
- c) you agree to provide IBA with all information that the Secured Party requires to ensure that any registration of its security interest on the PPS Register is, and remains, fully effective or perfected (or both), and that the security interest has the priority required by the Secured Party; and
- d) to the extent permitted under the PPS Act, the enforcement provisions in Chapter 4 of the PPS Act do not apply to this Agreement.

6) IBA'S RIGHTS TO VARY MARGIN REQUIREMENTS

6.1 Without prejudice to IBA's rights under clause 18 of the Terms, you acknowledge that:

- a) IBA may, at any time, increase the Initial Margin and Maintenance Margin requirements (together, the **Margin Requirements**) required for the Margin Loan and thereby decrease the LVR materially or reduce it to zero;
- b) IBA has no obligation to provide you notice prior to increasing its Margin Requirements and does not generally issue Margin Calls (consistent with clause 18 of the Terms);
- c) If IBA increases its Margin Requirements (and decreases its LVR) you may be in Default and IBA can take various actions as set out under the Terms without prior notice to you.
- d) Notwithstanding and without prejudice to the foregoing 6.1(b) and IBA's rights under the Terms,
 - (i) IBA may elect to give you prior notice of an increase in its Margin Requirements and the time by which IBA requires you to comply with the increased Margin Requirements at any time via email or via the IB System and,
 - (ii) If IBA specifies a time by or within which you must comply with IBA's increased Margin Requirements, you must meet such payment by the time specified by IBA.

6.2 If IBA gives you notice under clause 6.1(c) and you fail to meet such increased Margin Requirements by the time specified by IBA:

- (i) IBA may exercise its rights under clause 18 of the Terms including to sell or

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- liquidate assets and positions in your Account; and/or
- (ii) The Secured Party may exercise its Security Interest and right of sale in respect of the Secured Property, up to the applicable Margin Loan Balance in respect of your Margin Account.

7) ASSESSMENT

- 7.1 The provisions of this clause 7 only apply if you are a Retail Client within the meaning of section 761G of the Corporations Act ("**Retail Client**").
- 7.2 IBA will only issue you with a Margin Lending Facility in reliance on the exemption from the requirement to make an unsuitability assessment in Corporations Regulation 7.8.08B.
- 7.3 Prior to issuing you with a Margin Lending Facility in conjunction with a Margin Account, IBA will make enquiries into your financial position and any other matters at IBA's discretion. Unless you present IBA with a Statement of Advice from a licensed financial adviser that is not more than 90 days old and which recommends that IBA issue you with a Margin Lending Facility, IBA will take any steps that it deems necessary to verify your financial position and any other matters at IBA's discretion.
- 7.4 IBA will rely on the information and documentation that you provide and, if applicable, the Statement of Advice provided by your financial adviser, and is not liable for any loss, damage or harm suffered by you, arising from your use of the Margin Lending Facility, in the event of your fraud, or the fraud or negligence of your financial adviser, during your application for the Margin Lending Facility.

8) TIME IS OF THE ESSENCE

Time is of the essence under this Addendum and any notice given pursuant to this Addendum.