multiplying your investments to multiply your returns

CALL OPTIONS SUPPLEMENTARY TERMS AND CONDITIONS AND APPLICATION FORMS
The terms and conditions of this share option plan are set out below. You agree to be bound by the terms and conditions when you sign and return to us an application form.

Under the terms and conditions of this share option plan you are able to write call options. From time to time we may make available to you other securities in which you may invest in accordance with the terms and conditions of this share option plan.

The terms and conditions are supplementary to and should be read together with the facility agreement. Words printed like this are explained in Part V.

PART I - SHARE OPTION PLAN

1 Description of the share option plan

1.1 This share option plan enables you and each third party security provider (if any) to write call options in respect of securities held by you or the third party security provider respectively (or the nominee for either you or the third party security provider respectively), under a sponsorship agreement.

1.2 This share option plan may only be utilised by you or the third party security provider (the “option participant”) in accordance with the procedures outlined in this agreement and any other procedures which we may notify you of from time to time.

2 How to use this plan

2.1 A request to use this share option plan may be made by providing us with a notice. The notice must:

(a) nominate to us the ACH clearing participant that the option participant wishes to use for the purposes of entering into derivative products (such ACH clearing participant to be acceptable to us in our absolute discretion); and

(b) be accompanied by:

(i) an ACH Acknowledgement duly signed by the option participant; and

(ii) any other document required by the ACH of which we notify you and the third party security provider from time to time.

2.2 We may agree to the terms of a notice given in accordance with clause 2.1 in our absolute discretion however we will not agree to the terms of any such notice unless you have complied with each part of clause 9 of this agreement.

3 Options

3.1 You and each third party security provider may only use this share option plan for the purpose of writing specific covered call options.

3.2 Call options:

(a) may only be written in respect of securities which:

(i) are part of the mortgaged property and are wholly owned by the option participant in the same name as the option participant’s client account with the ACH clearing participant; or

(ii) the option participant has purchased through the ACH clearing participant in the same name as the option participant’s client account with the ACH clearing participant and we have made a determination that there are sufficient funds in your loan account to settle the relevant purchase confirmation note; and

(b) must be written by the option participant and executed by the relevant ACH clearing participant in accordance with the procedures.

3.3 You and the third party security provider each direct and authorise us or the nominee (as the case may be) to lodge securities forming part of the mortgaged property with the ACH as collateral if required by either the clearing participant under the client agreement or the ACH (as the case may be) immediately upon the receipt by us of an ACH security form in respect of any option you or the third party security provider (as the case may be) write with the ACH clearing participant.

3.4 If we, the nominee or the ACH clearing participant requests, you or the third party security provider (as the case may be) must deposit or lodge with the ACH clearing participant such acceptable collateral as and when required under the client agreement to enable the ACH clearing participant to meet its obligations under the ASX rules to provide cover.

3.5 You and each third party security provider agree that:

(a) in the event you are in default under any of the documents, we may do all things necessary to buy back any option at your expense and sell the securities relating to that option;
(b) if we receive an ACH security form from the ACH clearing participant, we may instruct the general settlement participant under the sponsorship agreement to lodge any securities with ACH or we may instruct the ACH clearing participant for lodgement with the ACH in support of the option participant’s obligations under the client agreement or options; and

c) we may give the ACH clearing participant instructions in relation to any option you or the third party security provider (as the case may be) have written on your or the third party security provider’s loan account.

4 Payments

4.1 You or the third party security provider (as the case may be) must, by the time specified in the client agreement or, if no time is specified, within 24 hours:

(a) pay to the ACH clearing participant any amount which the ACH clearing participant asks you or the third party security provider to pay under rule 14.7.1 of the ACH clearing rules; or

(b) provide security for the amounts referred to in clause 4.1(a) in a form acceptable to the clearing participant.

4.2 If you are unable to comply with your obligations under clause 4.1, you or the third party security provider (as the case may be) must notify us immediately.

4.3 The option participant must do all that is necessary to ensure that any premium payable to the option participant in connection with a call option is paid directly into the option participant’s client account.

4.4 Under this agreement you are obliged to pay us:

(a) our costs incurred in connection with this agreement, including any taxes, duties, fees or fines we have to pay or amounts the ACH requires us to pay in connection with the lodgement of mortgaged property with the ACH; and

(b) any fee that we specify from time to time is due and payable in relation to provision of this share option plan;

4.5 You and the third party security provider:

(a) each agree that any premium payable to you in connection with an option that has been paid to us will be credited to your loan account; and

(b) each authorise and direct us to:

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

(ii) provide cash security cover to the ACH or the ACH clearing participant to lodge with the ACH (as the case may be) in respect of any option you or a third party security provider write;

(iii) pay the ACH clearing participant any amount you or a third party security provider owes the ACH clearing participant under the client agreement; and

(iv) pay the ACH clearing participant any amount required to reduce any debit balance in the option participant’s client account to nil,

and acknowledge that any such amount and any amounts payable under clause 4.4 (including any such amounts payable by or on behalf of a third party security provider) will be debited directly to your loan account.
PART II - WARRANTIES AND UNDERTAKINGS

5 Warranties and undertakings that you make

5.1 You and each third party security provider make the following confirmations, acknowledgments, warranties and undertakings at the date of this share option plan, and each time you utilise this share option plan:

(a) you confirm all representations, warranties, declarations and acknowledgements you have made in a client agreement;
(b) you are able to fulfil all obligations under the client agreement;
(c) you solely own any acceptable collateral lodged or deposited with the ACH or an ACH clearing participant in accordance with the terms of this share option plan and any securities included in that acceptable collateral are held in the same name as the relevant option participant’s client account with the ACH clearing participant;
(d) no-one else has any rights affecting any acceptable collateral (such as other mortgages or the rights of a beneficiary under a trust);
(e) you are bound by the ASX rules and by the procedures, customs, usages and practices of ASX insofar as they apply to derivative products traded on ASX on your behalf;
(f) you and each relevant third party security provider has received from your ACH clearing participant or by other means, read and understood a copy of the current explanatory booklet published by ASX in respect of each derivative product;
(g) you have:
   (i) read and understood the risk disclosure statement provided to you by the broker which outlines risks in addition to those contained in this share option plan; and
   (ii) you acknowledge that we have not prepared any of the explanatory booklet or the risk disclosure statement; and
   (iii) you do not rely on the explanatory booklet or risk disclosure statement as a complete explanation of the risks involved in options trading;
(h) you acknowledge that we have not provided you with personal recommendations or advice based on your investment objectives, financial position and particular needs. This means that you do not rely on any advice that we have given you and that you make your own decisions or seek advice from your financial adviser on whether the security or product suits your needs. We will not be liable for any advice given if the security or product does not suit your needs; and
(i) you agree that this agreement is a document for the purposes of the facility.

5.2 You and each third party security provider agrees:

(a) not to give any instructions to the ACH clearing participant which are inconsistent with any instructions given by us to the ACH clearing participant;
(b) to ensure that no-one else obtains any rights over acceptable collateral lodged or deposited by either of you with the ACH or the ACH clearing participant (as the case may be) under the terms of this agreement;
(c) that for the purposes of determining the value of the mortgaged property on any date in connection with the borrower’s obligations under the facility, the value of the mortgaged property will be reduced by the aggregate of:
   (i) the cost to buy back any call option for which that mortgaged property has been provided as collateral; and
   (ii) the option gearing ratio in respect of that mortgaged property; and
(d) that this agreement is a notice of identification in respect of your option participant’s client account with each ACH clearing participant nominated under clause 2.1.

5.3 You and each third party security provider each acknowledge that:

(a) call options may only be written in respect of certain shares selected from time to time by ACH and acceptable to us in our absolute discretion;
(b) all instructions given to us by either of you or on behalf of either of you (including all instructions given under clause 4 of this agreement) are irrevocable;
(c) all collateral is held by ACH as security for the performance by the ACH clearing participant of its obligations to ACH;

(d) any premium payable to you in respect of a call option may be paid directly to us;

(e) if for any reason ACH is not entitled to deal with cover in or towards satisfaction of the clearing participant’s obligations to the ACH in respect of the option participant’s client account, the ACH may retain and refuse to release any cover until those obligations of the ACH clearing participant to ACH have been fully satisfied;

(f) there is a risk of loss as well as the prospect of profit associated with entry into derivative products. The risk of loss in trading in derivative products can be substantial and you have given consideration to relevant objectives including, but not limited to, your investment objectives, your financial situation and particular needs and that you have each formed the opinion that entering into options and this share option plan is suitable for your purposes;

(g) at any time we may refuse to deal in, or limit or impose conditions on your dealings in options under this share option plan. We will notify you of any refusal, limitation or condition imposed in respect of dealings in options as soon as practicable either directly or via our website as current on the Internet. Neither party to this share option plan is obliged to deal in any options; and

(h) we may receive from an ACH clearing participant copies of any information given to either of you in relation to your option participant’s client account.

5.4 Each third party security provider (if any) consents to the borrower entering into this agreement and confirms that the third party security provider’s obligations under the facility are continuing.

6 Indemnities

6.1 Each indemnity in this agreement is a continuing obligation independent of other obligations under this agreement, unless otherwise stated. Each indemnity continues after those other obligations end.

6.2 You and the third party security provider each agree to indemnify us against any loss we incur in connection with:

(a) our reliance on any instruction contemplated in this agreement;

(b) any dealing in an option or any securities by either of you;

(c) any failure on your part to comply with this agreement; and

(d) any payment we make under clause 4 of this agreement.
PART III – THE NOMINEE AS AGENT

7 Role of nominee

7.1 If we require any option to be written or securities to be held by a nominee, you and the third party security provider each authorise the nominee, as agent and on your or the third party security provider’s behalf (as the case may be) to:

(a) enter into a client agreement with the clearing participant nominated by you or the third party security provider (as the case may be);

(b) comply with any requirement of the ACH clearing participant to sign any risk disclosure statement in connection with the client agreement; and

(c) give the ACH clearing participant any indemnity it requires in connection with the client agreement.

7.2 The nominee will have the option participant’s client account established under the client agreement as follows: "[name of nominee], [client name] Account".

7.3 As your agent the nominee may:

(a) give instructions to the ACH clearing participant in relation to any option you have written or your option participant’s client account; or

(b) deposit or lodge with the ACH clearing participant such acceptable collateral as and when required under the client agreement to protect the ACH clearing participant against its obligations under the ASX rules to provide cover; or

(c) complete an ACH Acknowledgment in relation to any securities it holds on your or the third party security provider’s behalf (as the case may be) or an option participant’s client account.

8 Nominee indemnities

You indemnify the nominee against, and therefore must pay it on demand for, loss or costs it suffers or incurs in relation to acting as your nominee, except to the extent that such loss or costs are caused by the fraud or gross negligence of the nominee.

PART IV – CONDITIONS PRECEDENT AND FUTURE TERMS

9 Conditions you must satisfy before using this plan

The option participant acknowledges that it may only utilise this share option plan if:

(a) it has satisfied all of the requirements necessary before we will lend it money under the facility agreement;

(b) it and each third party security provider are not in default under any of the documents;

(c) the amount outstanding, when added to the option gearing ratio, will not exceed the borrowing limit;

(d) it and each third party security provider (if any) have signed the ACH Acknowledgement and returned it to us;

(e) it and each third party security provider have given us any approval, document or information we reasonably require in a form satisfactory to us (including with regard to its stamping and registration);

(f) the ACH clearing participant nominated by the option participant:

(i) is acceptable to us; and

(ii) has complied with all our requirements in connection with the provision of this share option plan;

(g) a client agreement has been entered into with the ACH clearing participant:

(i) if the securities are held by a third party security provider, with that third party security provider as client; or

(ii) if the securities are held by you, with you as client; and

(h) it has paid to us, the nominee or the ACH clearing participant (as the case may be) any fees required to be paid under the terms of this share option plan or the client agreement.
PART V - GLOSSARY

acceptable collateral means property which we agree to being collateral.

ACH means Australian Clearing House Pty Limited (ABN 48 001 314 503) or any other subsidiary of the Australian Stock Exchange which governs trading on the Australian Options Market and the clearing of the Australian Options Market.

ACH Acknowledgement means the acknowledgement set out in Schedule II to the Master Deed of Priority to be entered into between the ACH and us in relation to the priority of interest in the mortgaged property or such other documents or acknowledgements the ACH requires from you, a third party security provider or an option participant in connection with such priority arrangements from time to time.

ACH Clearing Participant has the meaning given in the market rules and, where the context requires, means the person with whom the nominee is authorised to enter into a client agreement under clause 7.1.

ACH Clearing Rules means the operating rules of the ACH

ACH security form means a Form C3 or any other notice required by the ACH which is received from the ACH clearing participant and sets out the securities required to be lodged with, or withdrawn from, the ACH being collateral for an option.

amount outstanding means at any time, all money which one or more of you or a security provider owe to us, or will or may owe to us in the future, including under this agreement. Without limiting this definition, it includes money owing (or which will or may be owing) to us in our capacity as an assignee because we have taken an assignment of a document whether or not:
• you and the security provider were aware of the assignment or consented to it; or
• the assigned obligation was secured before the assignment; or
• the assignment takes place before or after the application form is signed.

application form means the form that includes details of, and is signed by, the borrower and/or each third party security provider, pursuant to which the borrower and each third party security provider agree to be bound by the terms and conditions of this agreement and the ACH Acknowledgement accompanying it.

ASTC means ASX Settlement Transfer Corporation Limited

ASX means the Australian Stock Exchange Limited.

ASX rules means the ASX Market Rules, the ASTC Settlement Rules and the ACH Clearing Rules as applicable.

borrower has the meaning in the definition of “you” (see below).

borrowing limit means, at any time, the sum of the value at that time of each item comprised in the mortgaged property.

broker means the market participant you have in your client agreement to trade options and where the concept requires, means the person who the Nominee is authorised to enter into a Client Agreement with under clause 7.1.

call option has the meaning as defined under the ACH Clearing Rules

client agreement has the meaning in the market rules and, where the context requires, means the client agreement entered into between the ACH clearing participant and the nominee on your behalf.

collateral has the meaning in the ACH Clearing Rules

costs means any costs, charges and expenses, including costs, charges and expenses in connection with legal and other advisers and includes:
• stamp duty and other government duties, taxes and charges;
• any calls, installments or other amounts payable in connection with the mortgaged property by you or any security provider; and
• any fees and charges applicable to, or other amount payable under, the facility and this agreement.

deposited documents means the documents at any time deposited by a security provider with us or which are held by us or come into our possession for any reason.

documents means the application form or application forms, this share option plan, the facility agreement, each mortgage, any sponsorship agreement relating to any of the mortgaged property, and any document connected with them.

entity means a body corporate, trust or other entity the securities in which comprise mortgaged property or which has issued securities that comprise mortgaged property.
explanatory booklet means the booklet published by the ASX in respect of each derivative product.

facility means the margin lending facility to be provided in accordance with the facility agreement and the other documents.

facility agreement means the margin lending facility between you, us and the third party security provider (if any).

future security means:
• any “future security” as that term is defined (if at all) in the facility agreement;
• all securities a security provider (or a trustee, nominee or agent of a security provider) acquires either directly or indirectly and which are wholly or partially funded directly or indirectly by money we lend you under the facility;
• all securities a security provider owns in or of any entity which is not listed for quotation on ASX; and
• all deposited documents and securities we specify in an identification notice that a security provider does not reject within the time specified (if any) in the facility agreement,
and all the security provider’s rights and interests in connection with them.

gearing ratio means, with respect to a security, the percentage applicable to the security which we determine and can change without notice in our absolute discretion at any time. It is the proportion of the market value of a security we may lend to you under the facility at a particular time if that security comprises part of the mortgaged property.

general settlement participant has the meaning given in the settlement rules. Generally it covers persons that are not brokers but who satisfy certain eligibility criteria in the settlement rules.

identification notice means a notice from us setting out details of property nominated by us as future security.

loan means any loan we make to you under the facility agreement from time to time.

loan account means, for any loan, an account we establish or have established in your name for recording all transactions in connection with it.

market participant has the meaning given in the ACH Clearing Rules.

market rules means the market rules of ASX, or any other subsidiary of ASX which governs trading on the Australian Options Market and the clearing of the Australian Options Market.

market value of a security means, at any time, the market value that we ascribe (in our absolute discretion) to that security.

Master Deed of Priority means the deed of priority to be entered into between us and the ACH in relation to the priority of interests in securities lodged with the as collateral.

mortgage means:
• the mortgage created in the facility agreement; and
• any mortgage created by a security provider containing terms similar to the mortgage created under the facility agreement and which we nominate as a mortgage by notice to you.

mortgaged property means the future security and the new rights.

new rights means:
• a security provider’s rights in connection with any money, dividends, interest, allotments, offers, benefits, privileges, rights, bonuses, shares, stock units or units in the capital of a corporation, stock, debentures, distributions, or rights to take up securities; or
• a security provider’s rights consequent on any conversion, redemption, cancellation, reclassification, forfeiture, consolidation or subdivision; or
• a security provider’s rights consequent on a compulsory acquisition, reduction of capital, liquidation or scheme of arrangement, in connection with the future security or other new rights and property acquired with the proceeds of future security and new rights.

nominee means Value Nominees Pty Limited (ABN 90 001 827 998) or such other nominee as allowed by us at our absolute discretion.

option means a call option and any other type of option contract of which we notify you from time to time in accordance with clause 1.2.
**Option gearing ratio** means, on a day, in respect of a *call option*, an amount in excess of a percentage of the sell price of the *call option* for that day. We will notify you of the amount of the percentage which may vary from time to time.

**Option participant** means a person admitted by ACH as a “participant” under rule 3.1 of the ACH Clearing Rules.

**Person** includes an individual, a firm, a body corporate, an unincorporated association and an authority.

**Procedures** means the procedures and requirements for the writing of *options* required by us as notified to you and the *third party security provider* and your ACH clearing participant from time to time.

**Risk disclosure statement** means a risk disclosure statement that the ACH clearing participant or broker requires you or your agent to sign in connection with your entry into the *client agreement* in accordance with the market rules.

**Securities** means any:
- shares, stock units or units in the capital of a corporation; and
- debentures, debenture stock, bonds, notes, convertible notes, units, warrants or other securities created, issued or granted by any corporation, government, unincorporated body or other person; and
- units in any property trust, equity trust, cash management trust or other trust; and
- options to purchase, sell, subscribe for or acquire any of the foregoing; and
- other securities within the meaning of section 92(1) of the Corporations Act; and
- futures contracts within the meaning of section 72 of the Corporations Act,

which we agree may be purchased under the terms of the *facility agreement* as supplemented by this *share option plan*.

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

**Security provider** means those of you and each *third party security provider* that provide a security interest to us in connection with the *facility*.

**Settlement rules** mean the operating rules of the settlement facility of ASTC.

**Share option plan** means the option writing facility to be provided in accordance with this agreement and the other documents.

**Specific covered call options** means call options which are written on a specific cover basis.

A *call option* is written on a “specific cover basis” where the number and type of securities to be provided to ACH as collateral in respect of that *call option* are the same as the underlying securities.

**Sponsorship agreement** means the agreement entered into pursuant to the terms of the *facility agreement* providing for the ownership and transfer of uncertificated securities and in the form required by the ASX.

**Third party security provider** means the person or persons who are named as third party security providers in an *application form*. If there is more than one, *third party security provider* means each of them separately, and any two or more of them jointly. *Third party security provider* includes successors and any person who is a guarantor or third party security provider under the *facility agreement* or who joins the *facility agreement* in the future as a *third party security provider*.

**Underlying securities** means, in relation to an option, securities which must be transferred upon its exercise.

**Value** means, with respect to a security at any time, the value of the security which we determine in the manner we consider to be most appropriate, having regard to its *market value* and its gearing ratio, which we can change without notice in our absolute discretion at any time.

**We, us or our** means St.George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141, our successors and assigns.

**You or borrower** means the person or persons who are named as borrower in an *application form*. If there are more than one, *you* means each of them separately and every two or more of them jointly. *You* includes your successors.

The singular includes the plural and vice versa.
A reference to:

- a document includes any variation or replacement of it;
- the words "including", "for example" or "such as", when introducing an example, do not limit the meaning of the words to which the example related or examples of a similar kind.

Other defined terms

Terms written like this but not otherwise defined in this share option plan have the meaning given in the ASX rules.
Dear Sir/Madam

Client Acknowledgment of the Master Deed of Priority.

I refer to the Master Deed of Priority dated 21 June 2002 (“Deed”) between the Australian Clearing House Pty Limited (ABN 48 001 314 503) (“ACH”) and St.George Bank – A Division of Westpac Banking Corporation (ABN 33 007 457 141) (“Margin Lender”). Terms defined in the Deed have the same meaning in this letter. I am a Client of St.George Margin Lending and have instructed my Broker/ACH Clearing Participant (as above) to register Option Contracts with the ACH.

I acknowledge, consent to and confirm the following:

1. I indemnify the ACH for any costs, liabilities or loss incurred by it, or its agents or employees in connection with the:
   (a) execution and stamping of the Deed; and
   (b) costs, charges and expenses incurred by the ACH in connection with any exercise or non-exercise of rights under or any variation, waiver or discharge in relation to, the Deed.

2. I agree to be bound by the Deed and acknowledge and confirm the order of priorities between the ACH Securities and the Margin Lender Securities set out in the Deed.

3. I will co-operate in the implementation, and assist in giving effect to the Deed, and will not do anything inconsistent with the terms of the Deed.

(Please ensure all parties on your account, including third party security providers, sign below)

Yours faithfully

Borrower

First Borrower
Full name

Office held (if a company)

Signature and date

FIRST SIGN HERE / /

First Third Party Security Provider
Full name

Office held (if a company)

Signature and date

FIRST SIGN HERE / /

Common Seal (if applicable)

Second Borrower
Full name

Office held (if a company)

Signature and date

SECOND SIGN HERE / /

Second Third Party Security Provider
Full name

Office held (if a company)

Signature and date

SECOND SIGN HERE / /
St. George Margin Lending Options Plan Application

Borrower Details

Name of borrower(s) – If the Borrower is a Trust or Company please specify the Company or Trust name.

Write the name of the borrower(s) exactly as it appears on the St. George Margin Lending Application.

Borrower’s Client Reference Number (if known)

Broker/ACH Clearing Participant Details

Name of Broker/ACH Clearing participant

Broker/ACH Clearing participant company

Declaration and Signing

By signing this application you acknowledge:

• having read and understood the Options Plan Terms and Conditions.
• that the Options Plan Terms and Conditions are supplementary to the facility agreement that you have read and understood.

First Borrower

Full name

Office held (if a company)

Signature and date

SIGN HERE / /

First Third Party Security Provider

Full name

Office held (if a company)

Signature and date

SIGN HERE / /

Common Seal (if applicable)

Second Borrower

Full name

Office held (if a company)

Signature and date

SIGN HERE / /

Second Third Party Security Provider

Full name

Office held (if a company)

Signature and date

SIGN HERE / /

New Privacy laws protect your privacy. Please read our “Protecting Your Privacy” brochure for more information. Phone 1300 304 065 or ask at a branch to receive a copy.

Please send the completed form to:

St. George Margin Lending, Reply Paid 1467, Royal Exchange NSW 1224

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