

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 1 - SHARE OPTION

### 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 *clearing participant* that the *option participant* wishes to use for the purposes of entering into *derivative products* (such *clearing participant* to be acceptable to us in our absolute discretion); and
  - (b) be accompanied by:
    - (i) an *OCH Acknowledgement* duly signed by the *option participant*; and
    - (ii) any other document required by the *OCH* 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 *clearing participant*; or
  - (ii) the *option participant* has purchased through the *clearing participant* in the same name as the *option participant's client account* with the *clearing participant* and we have made a determination that there are sufficient funds in your *loan account* to settle the relevant purchase contract note; and
- (b) must be written by the *option participant* and executed by the relevant *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 *OCH as margin* if required by either the *clearing participant* under the *client agreement* or the *OCH* (as the case may be) immediately upon the receipt by us of an *OCH security form* in respect of any option you or the *third party security provider* (as the case may be) write with the *clearing participant*.
- 3.4 If we, the *nominee* or the *clearing participant* requests, you or the *third party security provider* (as the case may be) must deposit or lodge with the *clearing participant* such *acceptable collateral* as and when required under the *client agreement* to enable the *clearing participant* to meet its obligations under the *business 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 *OCH security form* from the *clearing participant*, we may instruct the *non-broker participant* under the *sponsorship agreement* to lodge any *securities* with *OCH* or we may instruct the *clearing participant* for lodgement with the *OCH* in support of the *option participant's* obligations under the *client agreement or options*; and
  - (c) we may give the *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*.

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## 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 *clearing participant* any amount which the *clearing participant* asks you or the *third party security provider* to pay under rule 7.3.5.1 of the *business 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 *OCH* requires us to pay in connection with the lodgement of *mortgaged property* with the *OCH*; 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 *OCH* under or in connection with the *Master Deed of Priority*;
  - (ii) provide cash security cover to the *OCH* or the *clearing participant* to lodge with the *OCH* (as the case may be) in respect of any *option* you or a *third party security provider* write;
  - (iii) pay the *clearing participant* any amount you or a *third party security provider* owes the *clearing participant* under the *client agreement*; and
  - (iv) pay the *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

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### 5 Warranties and undertakings that you make

5.1 You and each *third party security provider* make the following confirmations, acknowledgements, 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 *OCH* or a *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 client account* with the *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 *business 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 *clearing participant* or 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 *clearing participant* which are inconsistent with any instructions given by us to the *clearing participant*;
- (b) to ensure that no-one else obtains any rights over *acceptable collateral* lodged or deposited by either of you with the *OCH* or the *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 *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 *OCH* 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 *OCH* as security for the performance by the *clearing participant* of its obligations to *OCH*;
- (d) any *premium* payable to you in respect of a *call option* may be paid directly to us;
- (e) if for any reason *OCH* is not entitled to deal with cover in or towards satisfaction of the *clearing participant's obligations* to the *OCH* in respect of the *option participant's client account*, the *OCH* may retain and refuse to release any cover until those obligations of the *clearing participant* to *OCH* 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 a *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.

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## 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.

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## PART III - THE NOMINEE AS AGENT

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### 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 *clearing participant* to sign any *risk disclosure statement* in connection with the *client agreement*; and
  - (c) give the *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 *clearing participant* in relation to any *option* you have written or your *option participant's client account*; or
- (b) deposit or lodge with the *clearing participant* such *acceptable collateral* as and when required under the *client agreement* to protect the *clearing participant* against its obligations under the *business rules* to provide *cover*, or
- (c) complete an *OCH Acknowledgement* 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*.

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## 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

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### 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 *OCH 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 *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 *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 *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*.

***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 *OCH Acknowledgement* accompanying it.

**ASX** means the Australian Stock Exchange Limited.

***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*.

***business rules*** means the business rules of ASX, the *SCH* or any other subsidiary of ASX which govern trading on the Australian Options Market and the clearing of the Australian Options Market. .

***clearing participant*** has the meaning given in the *business 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.

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

**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 *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*.

**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 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 *OCH* in relation to the priority of interests in *securities* lodged with the *OCH* as margin.

**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.

**non-broker participant** has the meaning given to the term NBP in the *business rules*. Generally it covers *persons* that are not *brokers* but who satisfy certain eligibility criteria in the *business rules*.

**OCH** means Options Clearing House Pty Limited (ABN 48 001 314 503).

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

**OCH security form** means a Form C3A or any other notice required by the *OCH* which is received from the *clearing participant* and sets out the *securities* required to be lodged with, or withdrawn from, the *OCH* being *collateral* for an *option*.

**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.

**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 *clearing participant* from time to time.

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

**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 *OCH* 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 BankSA - 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 *business rules*.