



Westpac Protected Equity Loan

Supplementary Product Disclosure Statement

1 December 2015

to the Product Disclosure Statement dated 22 July 2013

1. Introduction

This Supplementary Product Disclosure Statement dated 1 December 2015 (**SPDS**) supplements the Westpac Protected Equity Loan (**Westpac PEL**) Product Disclosure Statement dated 22 July 2013 (**Original PDS**) as previously supplemented by the SPDS dated 30 May 2014. This SPDS is issued by Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714) (**Westpac, we** or **us**).

This SPDS should be read with the Original PDS. Together they form the Product Disclosure Statement (**PDS**) for the Westpac PEL. The information contained in this SPDS combines, replaces and supersedes all previous SPDSs. This SPDS and the PDS are available on Westpac's website at www.westpac.com.au/pel.

Terms defined in the Original PDS have the same meaning in this SPDS, unless the context requires otherwise.

This SPDS:

- (a) updates wording in the Original PDS in relation to tax considerations;
- (b) provides additional fee disclosure in respect of Loans in relation to Units in a managed investment scheme;
- (c) updates wording in the Original PDS relating to privacy and the collection, use and disclosure of personal information; and
- (d) includes additional wording regarding Westpac's reporting obligations.

2. Tax considerations

The last three paragraphs under the heading "Tax Considerations" on page 13 of the Original PDS are deleted and replaced with the following:

The final three paragraphs of Section 2.3, the final paragraph of Section 7 and Section 13 of the King & Wood Mallesons Taxation Opinion dated 22 July 2013 contained in Section 12 of the Original PDS (**KWM Tax Opinion**) refers to the Government's intention to amend the income tax law in relation to qualifying instalment warrant arrangements.

The amendments referred to in the KWM Tax Opinion, which provide for income taxation look through treatment for instalment warrants and similar arrangements, received royal assent on 16 September 2015 and are contained in Subdivision 235-I of the *Income Tax Assessment Act 1997* (**1997 Act**) with application from the 2007–2008 income year and later income years.

These amendments provide income tax look-through treatment for investors in instalment warrants and instalment receipts, and other similar arrangements, and for certain limited recourse borrowing arrangements entered into by regulated superannuation funds. In particular, look through treatment is provided:

- to investors, for instalment warrant and instalment receipt arrangements over certain assets (broadly, direct and indirect interests in listed securities as well as unlisted securities in widely held entities); and
- to regulated superannuation funds, for any limited recourse borrowing arrangement that satisfies the relevant requirements of the *Superannuation Industry (Supervision) Act 1993* (**SIS Act**).

This look-through treatment ensures that, for most income tax purposes (other than certain withholding tax purposes), the investor is taken to directly hold the securities the subject of an instalment trust.

Some of the underlying securities which are Exchange Traded Funds (**ETFs**) are quoted on the ASX under the AQUA Rules and are not considered to be listed securities for the purposes of Subdivision 235-I of the 1997 Act. As a result, in circumstances where the underlying security is an ETF, in order for a Westpac PEL to qualify for look through treatment under the new provisions, the relevant ETFs would need to satisfy the widely held requirement in section 235-835 of the 1997 Act. Prospective investors should satisfy themselves that the ETFs in which they have an interest as part of Westpac PEL are 'widely held' for the purposes of these provisions. If an ETF temporarily fails to meet the widely held requirement as a result of circumstances outside the control of an investor, the ETF may be treated as satisfying the widely held requirements.

3. Additional fee disclosure for Loans in relation to Units in a managed investment scheme

The following changes are to be made to the content of Section 8 of the Original PDS.

Any reference to the following Funds should be replaced with a reference to the current name of the Fund as at the date of this SPDS.

Fund reference in Section 8 of the Original PDS	Current name of the Fund
iShares S&P/ASX 20 Index Fund	iShares S&P/ASX 20 ETF
iShares MSCI Australia 200 Index Fund	iShares MSCI Australia 200 ETF
Russell Australia High Dividend Fund ETF	Russell High Dividend Australian Shares ETF

On page 40, the first and second paragraphs under the heading *Additional fee disclosure for Loans in relation to Units in a managed investment scheme* are deleted and replaced with:

A Loan in respect of Securities that are, or include, Units in a managed investment scheme (a **Fund**) will constitute a managed investment product. Because a Loan could be a managed investment product, this PDS is required to include the following information regarding the fees, charges and deductions relevant to an investment in a number of these Funds.

As at the date of this PDS, Units in the following Funds are included in the Approved Securities List:

- BetaShares Australian High Interest Cash ETF;
- BetaShares FTSE RAFI Australia 200 ETF;
- iShares S&P/ASX 20 ETF;
- iShares MSCI Australia 200 ETF;
- Russell High Dividend Australian Shares ETF;
- SPDR S&P/ASX 200 Fund; and
- SPDR MSCI Australia Select High Dividend Yield Fund.

On page 41, the paragraph and table under the heading *Consumer advisory warning* is deleted and replaced with:

Consumer advisory warning

The consumer advisory information below is required by law. The fees and other costs associated with investing in Units in the relevant Fund are described in this section.

DID YOU KNOW?

Small differences in both investment performance and fees and charges can have a substantial impact on your long term returns.

For example, total annual fees and charges of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneySMART.gov.au) has a managed funds fee calculator to help you check out different fee options.

The information in the box above is a standard consumer advisory warning and does not provide specific information on the fees and charges that you may be charged. ASIC Class Order [CO 14/1252] applies to this PDS.

The table on pages 42 and 43 is deleted and replaced with:

Management costs – The fees and charges for managing your investment		
BetaShares Australian High Interest Cash ETF	Management costs capped at 0.18% p.a.	Calculated and accrued daily as a percentage of the Fund's net asset value and reflected in the daily net asset value per unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
BetaShares FTSE RAFI Australia 200 ETF	Management fee of 0.30% p.a. of the Fund's net asset value Plus Expense recoveries capped at 0.10% p.a. of the Fund's net asset value	Calculated and accrued daily as a percentage of the Fund's net asset value. Management fees are paid monthly on or after the first day of the following month. Management fees are reflected in the daily net asset value per unit. Calculated and accrued daily as a percentage of the Fund's net asset value and reflected in the daily net asset value. The amount is deducted monthly on or after the first day of the following month.
iShares S&P/ASX 20 ETF	Management fee of 0.24% p.a. of the net asset value of the Fund	The management fee is calculated on the net asset value of the Fund on a daily basis and is payable monthly or as otherwise incurred by the Fund. The deduction of the management fee is reflected in the unit price of the Fund.
iShares MSCI Australia 200 ETF	Management fee of 0.19% p.a. of the net asset value of the Fund	The management fee is calculated on the net asset value of the Fund on a daily basis and is payable monthly or as otherwise incurred by the Fund. The deduction of the management fee is reflected in the unit price of the Fund.
Russell High Dividend Australian Shares ETF	Management fee of 0.34% p.a. of the net asset value of the Fund	The management costs are estimated and are paid directly from the assets of the Fund and reflected in the daily Unit price. The estimated management costs are quoted on a GST inclusive basis and are payable monthly or as otherwise incurred by the Fund.
SPDR MSCI Australia Select High Dividend Yield Fund	Investment management fee capped at 0.339% p.a. of Fund net asset value Responsible entity fee of 0.011% p.a. of Fund net asset value	The investment management fee is calculated and accrued daily and paid out of the Fund to the investment manager monthly in arrears. The responsible entity fee is calculated daily and paid out of the Fund monthly in arrears to the responsible entity.
SPDR S&P/ASX 200 ETF	Investment management fee capped at 0.275% p.a. of the net asset value of the Fund Responsible entity fee of 0.011% p.a. of the net asset value of the Fund	The investment management fee is calculated and accrued daily and paid out of the Fund to the investment manager monthly in arrears. The responsible entity fee accrues daily and is paid out of the Fund monthly in arrears to the responsible entity of the Fund. The fee is calculated as at the last day of each month.

On page 43, under the heading *Additional explanation of fees and charges*, the following bullet point is added to the bottom of the second paragraph in relation to the maximum fee that may be charged under the constitution of each Fund:

- BetaShares FTSE RAFI Australia 200 ETF – 3% p.a. of the net asset value of the Fund.

In addition, the third last bullet point of the second paragraph (which refers to the BetaShares Australian Top 20 Equity Yield Maximiser Fund), the final bullet point of the second paragraph (which refers to the Westfield Group) and the final two paragraphs (which refer to Westfield Group and Westfield Retail Trust) are deleted.

4. Updated wording in relation to privacy and the collection, use and disclosure of personal information

In Section 11, on page 50 of the Original PDS, under the heading “Privacy and confidentiality”, replace the first paragraph and three dot points with the following:

Our privacy policy, available at westpac.com.au or by calling 132 032, contains information about how we handle your personal information, including how to access your information, seek corrections and make complaints.

In Section 11, on page 50 of the Original PDS, in the second paragraph under the heading “Privacy and confidentiality”, replace “Privacy Disclosure and Consent” with “Privacy Statement”.

5. Additional wording regarding Westpac’s reporting obligations

After item (m) on page 89 of the Original PDS, add a new section 48 as follows:

48. Our reporting obligations

We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are an entity) any office bearer* of the entity and/or any individual who holds an interest in the entity of more than 25% (a **Controlling Person**) are a US citizen or US tax resident, you must telephone 1300 658 194 at the time of accepting these Terms and Conditions. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application to which these Terms and Conditions relate.

Unless you notify us that you and/or any Controlling Person are a US citizen or US tax resident as specified above, accepting these Terms and Conditions constitutes certification that you and/or any Controlling Person are not a US citizen or US tax resident.

If at any time after account opening, information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the account.

* Director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative

Important Notices

Currency of information

The information in this SPDS is current at the time of issue but may change from time to time. Where such a change is not materially adverse, Westpac may update the information by posting a notice on its website at www.westpac.com.au/pel. If you would like a free paper copy of that updated information, please contact Westpac on 1800 990 107. If there is a change to information relating to the Westpac PEL that is materially adverse, we will issue a replacement or supplementary PDS where required.

This is not investment advice

The information provided in this SPDS is general information only, and has been prepared without taking into account your individual investment objectives, needs or financial circumstances. You should read the whole of this SPDS, make sure you understand how the Westpac PEL works and consider the risk factors and other information concerning the Westpac PEL and the Securities you may buy with the Westpac PEL, in light of your own particular investment objectives and circumstances before deciding whether the Westpac PEL is appropriate for you.

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Westpac Protected Equity Loan

Product Disclosure Statement

Issued by Westpac Banking Corporation
ABN 33 007 457 141 AFSL 233714
Dated 22 July 2013



Important information

This Product Disclosure Statement (**PDS**) relates to the Westpac Protected Equity Loan facility (**Westpac PEL**) offered by Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714) (**Westpac, we or us**). We are the issuer of this PDS. This PDS is dated 22 July 2013 and is current at that date.

Where the context permits, a reference in this PDS to a Loan includes the Put Option and the interest in Securities held on trust for you by the Security Trustee that correspond to the Loan.

The meaning of some terms in this PDS (indicated by using a capital letter at the beginning of the term) is included in the Glossary in section 14.

Changes to information in this PDS

Information relating to the Westpac PEL that is not materially adverse may change from time to time.

This information may be updated and made available to you on our website at www.westpac.com.au/pel. We will provide you with a paper copy of any updated information posted on our website on request without charge. If there is a change to information relating to the Westpac PEL that is materially adverse, we will issue a replacement or supplementary PDS where required.

No cooling-off rights may apply

Cooling-off rights may not apply to an investment in a Loan. This means that, in most circumstances, once you apply to enter into a Loan you cannot withdraw without our consent. If you wish to withdraw from an investment in a Loan, you may be required to pay Break Costs (see section 8). Cooling-off rights could apply to a Loan in relation to Units in a managed investment scheme (e.g. an ETF or a listed property trust) (see section 4 for further information regarding cooling-off rights).

This PDS is not investment advice

The information provided in this PDS is general information only, and has been prepared without taking into account your individual investment objectives, needs or financial circumstances. You should read the whole of this PDS, make sure you understand how the Westpac PEL works and consider the risk factors and other information concerning the Westpac PEL and the Securities you may buy with the Westpac PEL, in light of your own particular investment objectives and circumstances before deciding whether the Westpac PEL is appropriate for you.

An investment in Securities is inherently speculative. The market price of the Securities may increase or decrease. Neither we, the Security Trustee, the Broker nor the Sponsor make any representation, or give any advice or recommendation, as to the potential profitability or otherwise of investing in Securities under the Westpac PEL. You should read and understand the benefits and risks of the Westpac PEL and, in particular, understand the limits on Capital Protection and the circumstances in which it will not apply.

Offering Restrictions

The offer of the Westpac PEL is being made to Australian residents only. No action has been or will be taken to register or qualify the Westpac PEL or otherwise permit a public offering of the Westpac PEL under the US Securities Act of 1933. Receipt of this PDS in jurisdictions outside Australia may be restricted by local law and applications from outside Australia will not be accepted.

How to obtain this PDS and the Application Form

- Printed copies of this PDS and the Application Form are available free of charge to persons in Australia by calling us on 1800 990 107.
- This PDS and the Application Form are also available on our website at www.westpac.com.au/pel. If you access this PDS electronically you must download it in its entirety from our website.

Before completing the Application Form you should obtain appropriate independent professional legal, financial and taxation advice about this PDS. As Capital Protection only applies at Maturity and is subject to other limitations described below (although, if you are a SMSF Investor, your obligations on default are limited recourse both at and before Maturity), you should, in particular, obtain advice regarding the impact if all or part of a Loan under the Westpac PEL is repaid early.

If we require a Guarantee and Indemnity from any person in relation to a Loan under the Westpac PEL, the Guarantor should also obtain appropriate legal and financial advice (as, for example, the terms of the Guarantee and Indemnity will not give the Guarantor recourse against the assets of a SMSF Investor in the event that we call upon the Guarantee and Indemnity).

An investment in a Loan under the Westpac PEL is not a deposit with or other liability of Westpac Banking Corporation (ABN 33 007 457 141) or of any Westpac Group company, and is subject to investment risk including possible delays in repayment and loss of amounts invested. Neither Westpac Banking Corporation nor any other Westpac Group company guarantees the performance of a Loan under the Westpac PEL or any particular rate of return.

Contact details

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1 The Westpac PEL at a glance

This section contains a summary only of some of the features of the Westpac PEL. The terms and conditions of each Loan are set out in section 13. You should read this PDS in its entirety before making an application for a Loan. We recommend that you obtain appropriate professional financial, taxation and legal advice before making an investment decision.

<p>What is the Westpac PEL?</p>	<p>The Westpac PEL is a loan facility which offers investors the opportunity to acquire, or to borrow against, selected ASX listed securities (Securities). Under the Westpac PEL you can borrow up to 100% of the Security price (plus the Application Fee, Brokerage, any Adviser Service Fee and the principal under any Interest Loan) with interest-only repayments during the Term and principal repayment at Maturity. There are no margin calls, and the value of the Securities is protected at Maturity at the Protection Level (this Capital Protection does not apply in some circumstances, as referred to in the Risks section below).</p> <p>You can use the Westpac PEL to either:</p> <ol style="list-style-type: none"> 1. Buy Securities (Cash Application) – The funds that you borrow are applied to purchase the Securities that you nominate from the Approved Securities List (plus pay the Application Fee, Brokerage, any Adviser Service Fee and the principal under any Interest Loan). 2. Borrow money against Securities you already hold (Securityholder Application) – You may borrow (for certain investment purposes) up to 100% of the value of Securities you already own (the Loan may also be used to pay the Application Fee, any Adviser Service Fee and Brokerage) and the principal under any Interest Loan, using those Securities as security for repayment of the Loan. This strategy is not available for SMSF Investors unless the SMSF Investor is refinancing an existing limited recourse borrowing (certain restrictions apply to SMSF Investors on a refinancing). <p>You may request a Loan Term of up to and including 5 years.</p>
<p>Benefits Section 2</p>	<p>The Westpac PEL is a way to access potential capital growth of the Securities you select, with no margin calls, leverage of up to 100% of the value of the Securities and Capital Protection at Maturity. Capital Protection does not apply in some circumstances (as referred to in the Risks section below). In addition, Capital Protection only covers the principal amount of your Loan.</p>
<p>Risks Section 3</p>	<p>The Westpac PEL is a geared investment. Gearing can magnify both losses and gains. You should only invest in a Loan under the Westpac PEL if you think that the relevant Securities will appreciate in value over the Term. You will lose money on an investment in a Loan if the Securities do not appreciate in value by an amount (plus Ordinary Dividends you receive) that exceeds the interest you pay on your Loan and any Interest Loan, the Capital Protection Fee, the Application Fee, Brokerage, any Adviser Service Fee and other fees and charges associated with the Loan. These amounts could be significant.</p> <p>There are material risks associated with early termination. In particular, Capital Protection does not apply if a Loan terminates before Maturity, although, if you are a SMSF Investor, your obligations on default are limited recourse (in these circumstances, we may call on any Guarantee and Indemnity provided by a Guarantor, which is not limited recourse). Also, there is a risk that you will be charged significant Break Costs. Corporate Actions could also adversely affect your investment in a Loan. By entering into a Loan, you will also be exposed to market risk.</p> <p>This is a summary of only some of the risks – it is important to read section 3, which explains the key risks relating to the Westpac PEL.</p>

<p>How a Loan under the Westpac PEL works</p> <p>Section 4</p>	<p>We advance a separate Loan for each parcel of Securities (a Parcel) you would like to buy or borrow against. Securities can only form part of the same Parcel if they are identical to each other. The Securities will be held by the Security Trustee. We take a mortgage over each Parcel as security for the Loan and any Interest Loan.</p> <p>You can elect to borrow up to 100% of the value of the Securities (plus the Application Fee, any Adviser Service Fee and Brokerage and the principal under any Interest Loan). If you borrow to purchase Securities and you elect to borrow less than 100% of the Security price, you will be required to make a capital contribution equal to the difference between the price of the Securities at inception (plus Brokerage, any Adviser Service Fee and the Application Fee) and the amount borrowed per Security.</p> <p>We will set a protection level based on the Loan amount divided by the number of Securities in that Parcel (Protection Level). Your Protection Level will equal your Loan amount per Security. At Maturity, you are protected from falls in the Security price below the Protection Level.</p> <p>However, as the Protection Level is based on the Loan amount, if you elect to borrow less than 100% of the Market Value of the Securities at the Issue Time, Capital Protection at Maturity will not cover the following if you:</p> <ul style="list-style-type: none"> • Buy Securities – any initial capital contribution; or • Borrow money against Securities you already hold – the difference between the Loan amount and the Market Value of Securities at the Issue Time. <p>Also, Capital Protection does not cover the interest you pay on your Loan or on any Interest Loan or the Capital Protection Fee and may not cover the Application Fee, Brokerage, any Adviser Service Fee or other fees and charges you are charged.</p>
<p>Reduced Rate Facility</p> <p>Section 4</p>	<p>You may apply for a Reduced Rate Facility to reduce your Capital Protection Fee for a Loan in consideration for giving up some of your potential returns on the Parcel at Maturity.</p> <p>If you enter into a Reduced Rate Facility for a Loan, you may not be able to use some of the other Westpac PEL features for that Loan, including the Top-up Loan and the Security Reset Facility.</p>
<p>Entering into a Loan</p> <p>Section 5</p>	<p>You can contact us to enquire about entering into a Loan under the Westpac PEL by calling us on 1800 990 107, or through your adviser. To make a Loan enquiry, you will need to specify the Securities you want the Loan to cover, including whether you already hold those Securities or intend to acquire them, the level of protection you want, the amount of the Loan, the Term for the Loan, your preferred arrangements for payment of the Capital Protection Fee and whether you would like a Reduced Rate Facility.</p> <p>We will prepare and send to you an Indicative Term Sheet specifying indicative terms for your requested Loan. These terms will be subject to change until we accept your application and set the actual terms of your Loan under the Westpac PEL at the Issue Time. This is a risk that you bear. However, if a change occurs that is materially adverse to you, we will generally issue you a revised Indicative Term Sheet reflecting new indicative terms.</p> <p>If you elect to proceed with a Loan, you will be required to complete the Application Form and also to sign and return to us the Indicative Term Sheet (or refer to it in your Application Form). Your Loan will become binding at the Issue Time, which is when we accept your application and set the actual terms of your Loan. Subject to any applicable cooling-off rights, your application for a Loan under the Westpac PEL is irrevocable unless we consent.</p>

<p>During the life of your investment</p> <p>Section 6</p>	<p>You will receive Ordinary Dividends paid on the Securities in your Parcel.</p> <p>You may be able to vary the terms of your investment by:</p> <ul style="list-style-type: none"> • applying for a Top-up Loan to borrow additional funds (for certain investment purposes), increasing your Loan amount up to the Market Value of your Securities at the time; • applying for a Security Reset Facility to release some of your Securities from the Mortgage and to increase your Protection Level without changing your Loan balance; • applying for a Portfolio Adjustment Facility to sell your Parcel of Securities and use the proceeds to buy a new Parcel without changing your Loan balance; or • asking to repay your Loan prior to Maturity. <p>The first three of these options are not available to SMSF Investors. Fees and charges (including Break Costs) apply to each of these options.</p>
<p>At Maturity</p> <p>Section 7</p>	<p>At the Maturity Date for a Loan you can:</p> <ul style="list-style-type: none"> • repay the Total Amount Owing in relation to the Loan and take delivery of the Securities; • direct the Security Trustee to sell your Parcel of Securities and have the proceeds applied to repay the Total Amount Owing in relation to the Loan, with any surplus proceeds paid to you. If the Closing Price of the Securities on the Maturity Date is equal to or below the Protection Level, your Parcel will be transferred to us in full payment of the principal of your Loan (this does not cover any unpaid interest on your Loan or any Interest Loan or other amounts you owe to us under your Loan); or • apply to extend the Term of the Loan or apply for a new Loan. We may refuse such an application. For a SMSF Investor, where an extension of the Term would amount to refinancing, restrictions will apply and a new Loan will only be permitted if it is a refinancing that would comply with those restrictions.
<p>Interest, fees and charges</p> <p>Section 8</p>	<p>There are a number of fees and charges associated with the Westpac PEL, including:</p> <ul style="list-style-type: none"> • interest on the Loan (and interest on any Interest Loan); • the Capital Protection Fee (this can be paid either as an upfront payment, or as a component of your Interest Rate); • the Application Fee; • Brokerage; • Top-up Fees; • Security Reset Fees; • Portfolio Adjustment Fees; and • Break Costs associated with early repayment of a Loan. <p>Please see section 8 for an explanation of these fees and charges and other fees and charges associated with the Westpac PEL that may apply to you. An Adviser Service Fee may also be payable to your adviser.</p>
<p>Adviser Service Fee</p> <p>Section 8</p>	<p>If you agree to pay your adviser a fee in connection with entering into a Loan, you may request to use the "Adviser Service Fee Facility" as a simple way to make that payment. Under the Adviser Service Fee Facility, you appoint us as your agent to pay to your adviser on your behalf your specified Adviser Service Fee amount. We do not keep any portion of the Adviser Service Fee.</p> <p>You may choose to use the Adviser Service Fee Facility by:</p> <ul style="list-style-type: none"> • paying us with your first payment, an amount equal to your agreed Adviser Service Fee; or • electing to pay the Adviser Service Fee out of you Loan amount.

<p>Interest Loans Section 9</p>	<p>If you pay interest on your Loan annually in advance, you may apply for an Interest Loan, under which we will lend you the amount of interest payable on your Loan for the coming year. If approved, you must use the Interest Loan to pay your interest on the Loan relating to the Parcel of Securities. Interest payable on the Interest Loan must be paid upfront in advance, with principal repayments each month. You must re-apply each year if you want to take out an Interest Loan for subsequent years. The Interest Loan is not available to SMSF Investors.</p>
<p>SMSFs Section 10</p>	<p>Some of the Westpac PEL features are not available to SMSF Investors, including:</p> <ul style="list-style-type: none"> • Securityholder Application, (where you already hold the Securities, and you transfer them to the Security Trustee and receive the Loan) unless refinancing an existing limited recourse borrowing, which is subject to certain restrictions; or • Top-up Loan, Portfolio Adjustment Facility, Security Reset Facility or an Interest Loan. <p>As a SMSF Investor, your obligations on default are limited recourse. However, we will generally require you in your personal capacity (if you are an individual trustee) or one or more of your members or directors (in the case of corporate SMSF trustees) to provide a Guarantee and Indemnity, which is not limited recourse.</p>
<p>Approved Securities List Section 11</p>	<p>There is a range of Securities to choose from, which you can view at www.westpac.com.au/pel. The Approved Securities List as at the date of this PDS includes approximately 50 of the largest 100 securities by market capitalisation listed on the ASX, plus selected exchange traded funds (ETFs).</p> <p>The Approved Securities List may change from time to time.</p>
<p>Tax Section 12</p>	<p>You may be able to deduct all or a portion of the interest cost from your taxable income. As a beneficial owner of the Securities, you may be entitled to potential franking credits. There may be other tax implications in relation to a Loan under the Westpac PEL. Your individual situation may differ and you should seek independent professional tax advice on any taxation matters.</p>
<p>Who can apply?</p>	<p>See the 'Getting Started' section on page 97 for information on how to apply.</p> <p>Applications will be open to individuals, companies, trusts and SMSF Investors who are Australian residents, and remain subject to credit approval. The minimum aggregate amount of your Loans under the Westpac PEL is \$50,000 (with a minimum Loan amount of \$10,000 for each Loan), but these minimum amounts may be waived or reduced by us at our discretion.</p>

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Summary of benefits

Up to 100% gearing	We provide you a Loan of between 50% and 100% of the value of the Securities (plus Brokerage, the Application Fee, any Adviser Service Fee and the principal on any Interest Loan), so you can choose to contribute varying amounts of your own capital.
Loans from \$50,000	You may choose how much you wish to borrow. The minimum Loan amount is \$10,000 per Parcel, with a minimum aggregate amount of all Loans under the Westpac PEL of \$50,000.
No margin calls	There are no margin calls, meaning that you will not be required to make additional capital contributions if a Parcel loses value during the Term of the Loan. However, you will still be required to pay interest and any other applicable fees and charges.
Flexible term	You may nominate a Term of up to (and including) 5 years for a Loan under the Westpac PEL.
Choice of Portfolio	Build a Portfolio by choosing Securities from our Approved Securities List.
Capital Protection on the Maturity Date	<p>Capital Protection at Maturity applies if the Closing Price of your Parcel is equal to or below the Protection Level. Capital Protection covers the principal of your Loan.</p> <p>Capital Protection does not apply if your Loan terminates before Maturity although, if you are a SMSF Investor, your obligations are limited recourse (in these circumstances, we may call on any Guarantee and Indemnity provided by a Guarantor). Also, Capital Protection does not cover the interest you pay on your Loan or on any Interest Loan, the Capital Protection Fee, any capital contribution you make (i.e. if your Protection Level is less than 100%) and may not cover the Application Fee, Brokerage, any Adviser Service Fee or other fees and charges you are charged. These amounts could be significant.</p>
Potential capital growth	<p>You will participate in any potential capital growth on a Parcel, subject to any cap or reduced participation under a Reduced Rate Facility. However, you will only make a gain in respect of a Loan if the relevant Securities appreciate over the Term by an amount (plus Ordinary Dividends you receive) that is more than the sum of:</p> <ul style="list-style-type: none"> • the interest you pay on the Loan and on any Interest Loan; • the Capital Protection Fee; • the Application Fee; • Brokerage; • all other fees and charges you are charged in connection with your Loan; and • any Adviser Service Fee you agree to pay your adviser.
Enjoy benefits of Security ownership	Although the Securities are held by the Security Trustee, you will receive Ordinary Dividends paid on the Securities, and may be eligible for franking credits associated with those Ordinary Dividends. Special arrangements apply for proceeds of Corporate Actions. The proceeds of Corporate Actions will be treated differently for SMSF Investors.
Flexible interest payments	You may pay the interest on your Loan annually in advance or monthly in arrears. If you pay interest annually in advance, you may apply for an Interest Loan. Your interest rate will either be fixed for the Term (Fixed Rate) or reset each year (Annually Resetting Rate).

Manage Capital Protection costs	<p>You can reduce your Capital Protection Fee by:</p> <ol style="list-style-type: none"> 1. Cash Applications – contributing cash (up to 50% of the value of the Securities) when you enter into the Loan, which reduces your Protection Level (the capital you contribute is not Capital Protected at Maturity); 2. Securityholder Applications – borrowing less than 100% of the value of Securities which you contribute when you enter into the Loan (the difference between the Loan amount and the Market Value of the Securities at the Issue Time is not Capital Protected at Maturity); or 3. using the Reduced Rate Facility, which is designed to reduce your Capital Protection Fee in consideration for capping your potential capital growth. <p>You also have the flexibility to pay the Capital Protection Fee either as an upfront payment or as a component of the Interest Rate.</p>
Accessibility	<p>Individuals, companies, trusts and SMSF Investors may apply for Loans (although not all features are available to SMSF Investors).</p>
Potential tax efficiencies	<p>A Loan under the Westpac PEL may, depending on your circumstances, entitle you to potential tax deductions for all or a portion of the interest payable.</p>
Access potential capital growth	<p>During the Term of the Loan you may have the flexibility to access the potential capital growth of your Parcel by utilising the Top-up Loan, Security Reset Facility or the Portfolio Adjustment Facility. These options are not available to SMSF Investors. The Security Reset Facility and Top-up Loans may not be available where you use the Reduced Rate Facility in relation to a Parcel.</p>

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Key risks

Overview of key risks

The risks referred in the following overview are described in more detail immediately after the table.

Leverage risk	A Loan under the Westpac PEL is a geared investment. Gearing can magnify gains but also magnify losses.
Trigger Events and early termination	<p>You should carefully consider whether to enter into a Loan if there is any possibility that you will repay or terminate the Loan before the Maturity Date, or are concerned that events outside your control may require you to do so.</p> <p>Your investment is only Capital Protected at Maturity. If a Trigger Event occurs and causes your Loan to terminate prior to Maturity, Capital Protection will not apply and you may be liable to repay the full amount of the Loan. Also, this may give rise to Break Costs which you will be liable to pay. These Break Costs may be significant.</p>
Market risk	Your investment in a Loan under the Westpac PEL will be exposed to equity market risk, time value of money risk, reduced Capital Protection risk, dividend risk and interest rate risk.
Corporate Actions	Certain Corporate Actions affecting Securities may affect your investment in a Loan. We have broad rights designed to protect the value of our Security Interest in the event of a Corporate Action. We may exercise these discretions in a way that may not be favourable to your circumstances and may cause you to suffer financial loss.
Exercise of discretions	The terms of the Westpac PEL include a number of discretions exercisable by us. We will exercise any discretion in our own interests and there may be adverse consequences for you.
Cash flow	You need to make sure you can fund your obligations under your Loan (including any Interest Loan), taking account of timing differences between any Dividend income and any potential tax savings.
Mortgage	We will have a Mortgage over the Secured Property for the Term of each Loan under the Westpac PEL. If you do not meet your obligations under the terms of the Loan, we may exercise our rights as mortgagee and take possession of the Secured Property and/or sell the Parcel to satisfy those obligations.
Conflict of interests	We and our related bodies corporate will conduct transactions, including undertaking hedging strategies, as both principal and agent with various securities, including the Securities, which may affect the trading price of those Securities.
Execution risk	Markets may move in the time between providing you with indicative quotes, approving your request and executing your instructions.
Operational risks	An investment in a Loan will be subject to operational risk, that is, the risk of a breakdown or failure to comply with our internal systems, processes or procedures. You must make your own assessment of our ability to meet our obligations.
Counterparty risk	You have credit exposure to us and the Security Trustee as a result of your investment in a Loan. You must make your own assessment of our respective ability to meet obligations under the Loan.
Tax considerations	Australian taxation law is complex and the impact of that law on you, in relation to your Loan, may vary according to your personal circumstances.

The following summary of key risks should be considered before you make a decision to invest in a Loan under the Westpac PEL. This summary is not an exhaustive list of all the risks or other considerations relating to the Westpac PEL. You should seek the relevant professional independent financial, legal and taxation advice before making an investment decision.

Leverage risk

A Loan under the Westpac PEL is a geared investment. Gearing can magnify gains but also magnify losses. You should only invest in a Loan if you think that the Securities will appreciate in value. The value of any gains during the Term due to the increase in the price of the Securities could be lost due to a subsequent decrease in the Security price.

Even if the Security price increases, you will lose money on an investment in a Loan if the value of the increase (when added to Ordinary Dividends you receive) is not sufficient to cover the cost of interest on the Loan and any Interest Loan, the Capital Protection Fee, the Application Fee, Brokerage, any Adviser Service Fee and any other fees and charges associated with the Loan.

For example, assume you enter into a 2 year Loan for an amount of \$10,000 and 100% Capital Protection (i.e. you do not make a capital contribution). Assume your interest rate is a Fixed Rate of 8% per annum (with no Interest Loan), your upfront Capital Protection Fee is 20% (i.e. \$2,000), your Application Fee is 1.1%, and you are charged Brokerage of 1.1%. Assume also that no Ordinary Dividends are paid on the Securities over the Term and that the Securities do not appreciate in price over the two year term of the Loan (i.e. their Closing Value at Maturity is \$10,000). In this example, you will not receive a payment at Maturity, following repayment of the Loan Principal Outstanding. You will make a loss on your investment of \$3,820 (being the \$2,000 Capital Protection Fee, \$1,600 interest, \$110 Application Fee and \$110 Brokerage. Assume also that no Adviser Service Fee is payable to your adviser). Compare this with a \$10,000 direct unleveraged investment in the Parcel of Securities over a 2 year period. The price of the Securities remains unchanged at the end of the period and so you receive your \$10,000 back (less any transaction costs) when you sell the Securities after 2 years.

Trigger Events and early termination

You should carefully consider whether to enter into a Loan if there is any possibility that you will repay or terminate the Loan before the Maturity Date, or are concerned that events outside your control may require you to do so. Your investment is only Capital Protected at Maturity. If a Trigger Event occurs and causes your Loan to terminate prior to Maturity, this may give rise to Break Costs which you will be liable to pay. These Break Costs may be significant.

If a Trigger Event occurs, your Loan and any related Interest Loan will terminate prior to Maturity and Capital Protection will not apply. Trigger Events include:

- **Early repayment of the Loan:** you voluntarily repay the Loan before the Maturity Date;
- **Default:** a Default event occurs including where you fail to pay any interest due or where you become insolvent prior to the Maturity Date. If you are not a SMSF Investor, we can treat a Default under any Loan as a Default under all of your Loans;
- **Corporate Action:** certain Corporate Actions occur and we exercise our right to require you to repay a Loan (together with any related Interest Loan) earlier than the Maturity Date; or
- **Early Maturity Date:** we declare an Early Maturity Date and exercise our right to require you to repay the Loan and any related Interest Loan earlier than the Maturity Date – e.g. if a change in Law or in its interpretation or administration makes it unlawful or impossible for us to maintain or give effect to our obligations under the Loan, or there is an increase in cost or reduction in return, as a result of any change in or the interpretation of an applicable Law, or from complying with the direction, policy, request or order of a Government Agency; or a Market Disruption Event has occurred and is continuing. Market Disruption Events include events which have an impact on the trading of Securities on the ASX or other financial markets.

Non-SMSF Investors: if you are not a SMSF Investor and a Trigger Event occurs:

- Capital Protection will not apply (i.e. you will not be able to exercise your Put Option);
- we have the right to recover the Total Amount Owing from you, which includes Break Costs, regardless of the value of the corresponding Parcel of Securities;
- we are not limited to the Secured Property under that Loan and will be able to access the Secured Property relating to your other Loans in order to recover the full amount owing to us. In the event that the Secured Property is insufficient to cover the full amount owing to us we are able to pursue you more generally in order to recover such amount; and
- we may call on any Guarantee and Indemnity for the Total Amount Owing (we may require a Guarantee and Indemnity if, for example, you are a trustee Applicant or a Company Applicant).

SMSF Investors: if you are a SMSF Investor and a Trigger Event occurs, your obligation to repay the principal of the Loan and any Interest Loan remains a limited recourse obligation – that is, our recourse remains limited to the relevant Securities and other Secured Property. However, we will be able to call on any Guarantee and Indemnity for the Total Amount Owed, which includes Break Costs, regardless of the value of the corresponding Parcel of Securities.

Break Costs reflect our costs and the economic impact we suffer due to your early repayment or the termination of your Loan.

Although it is not possible to precisely determine the specific Break Costs that may be payable at a point in time, the factors that determine the amount of Break Costs are set out in section 8.

Market risk

Equity market risk

The value of the Securities may be affected by market variables, such as volatility in share markets, general economic conditions and interest rates, as well as issues specific to the Securities.

The value of the Securities may not go up. You will have to pay the costs of your investment (i.e. the interest on your Loan and on any Interest Loan, the Capital Protection Fee, the Application Fee, Brokerage, any Adviser Service Fee and other fees and charges you are charged) even if any increase in value of the Securities is not sufficient to cover such costs or if the value of the Securities decreases.

Time value of money risk

In addition, although you may realise the same dollar amount on Maturity as the dollar amount invested, in real terms, that dollar amount will be worth less at Maturity due to the effect of the time value of money and inflation.

Reduced Capital Protection risk

If you choose a reduced level of Capital Protection at Maturity (i.e. less than 100%), you are at risk of losing either any initial capital contributions or, as a Securityholder Borrower, the difference between the Loan amount and the value of Securities at the Issue Time (in addition to the cost of interest on the Loan and any Interest Loan, the Capital Protection Fee, the Application Fee (cash applications only), Brokerage (cash applications only), any Adviser Service Fee (cash applications only) and any other fees and charges under your Loan).

Dividend risk

Dividends paid on the Securities can change or may not be paid at all, which may affect the overall profitability of your investment.

Interest rate risk

Borrowers who choose an Annually Resetting Rate may be required to pay higher interest costs if interest rates increase.

Borrowers who choose a Fixed Rate Loan will not benefit from any decreases in market interest rates.

Corporate Actions

Certain Corporate Actions affecting Securities may affect your Loan. Corporate Actions are events that impact or alter the capital structure of a company or trust and any other events that may impact or alter the rights attached to the Securities. If one Parcel of Securities for your Loan is affected by a Corporate Action, we have broad rights designed to protect the value of our Security Interest (i.e. the Mortgage granted over the Parcel of Securities) and our economic position including:

- requiring you to repay all or part of your Loan early (in which case Break Costs may apply and these may be significant even though you did not trigger the early repayment);
- adding any additional Securities to the Secured Property;
- requiring or directing the sale, disposal or realisation of the market value of any additional securities you receive;
- applying the proceeds or requiring you to pay additional funds to purchase additional securities (to be added to the Parcel) or to reduce the balance of the Loan or any related Interest Loan as an early repayment (in which case Break Costs may apply); and
- adjusting the Protection Level and Cap Price (if applicable).

We may exercise these discretions in a way that may not be favourable to you and may cause you to suffer financial loss. A full description of our discretions in the context of a Corporate Action is set out in Clause 22.2 of the Terms and Conditions in section 13 of this PDS. As Corporate Actions differ greatly it is not possible to advise which of these treatments we will choose. In general, we anticipate taking the following actions:

Bonus issues	<p>If you are not a SMSF Investor, in cases where new Securities (of the same class as the existing Securities) are issued at no additional cost, these will generally be added to the Parcel of Securities and included in the Secured Property.</p> <p>If you are a SMSF Investor, we will generally endeavour to sell the Securities to partially repay the Loan. We may also nominate that the Loan must be fully repaid early.</p>
Special Dividends and cash returns of capital	<p>If you are not a SMSF Investor, these amounts will generally be used to purchase additional Securities on your behalf that will be added to the Parcel of Securities and included in the Secured Property.</p> <p>If you are a SMSF Investor, we will generally apply the proceeds to partially repay the Loan. We may also nominate that the Loan must be fully repaid early.</p>
Rights and entitlement offers	<p>Usually you will not receive or be able to exercise your rights under rights and entitlement offers. Instead, where possible, we will endeavour to sell the rights and use the proceeds of sale, or otherwise apply the value of the rights, to purchase additional Securities. In both cases the new Securities will generally be added to the Parcel of Securities and included in the Secured Property.</p> <p>If you are a SMSF Investor, we will generally endeavour to sell the rights and apply the proceeds to partially repay the Loan. We may also nominate that the Loan must be fully repaid early.</p>
Demergers and security splits	<p>We will decide what action will be taken according to the circumstances, including the proportion of capital allocation between the new classes of securities and prospective market liquidity of any securities provided. Generally, the smaller capitalisation class will be sold and the proceeds of sale used to purchase additional Securities of the remaining larger class. The new Securities will generally be added to the Parcel of Securities and included in the Secured Property. It is also possible that the demerged entities are both too small and may be removed from the Approved Securities List. As such, we may nominate that the Loan must be repaid early.</p> <p>If you are a SMSF Investor, we will generally apply the proceeds to partially repay the Loan. We may also nominate that the Loan must be fully repaid early.</p>
Takeovers	<p>You will generally not be able to nominate to participate in any takeover offers. Instead, we will generally wait to see whether a takeover bid is successful and whether the offer proceeds to compulsory acquisition. We will decide what action will be taken according to the circumstances, including the proportion of cash and securities provided as consideration and the market liquidity of any securities provided. The possible courses of action include substitution of the old Securities with the new Securities and the application of any cash amount to purchase additional new Securities or repayment of all or part of the Loan. We may also nominate that the Loan and any related Interest Loan must be repaid early.</p> <p>If you are a SMSF Investor, it is likely that we will nominate that the Loan must be repaid early.</p>

If all or part of the Loan is repaid early, you may have to pay Break Costs. You should obtain independent professional financial and taxation advice regarding the possible impact of Break Costs that may be payable upon exercise of our discretion. It is also important for you to be aware that some Corporate Actions may affect your tax position as well. For example, while Special Dividends may be applied to purchase additional Securities or repay the Loan, you may have to declare these amounts as income.

Exercise of discretions

The terms of the Westpac PEL include a number of discretions exercisable by us. Where this is the case, we will exercise our discretions reasonably and, if applicable, any assumptions underlying the exercise of the discretion will be based on reasonable grounds. Notwithstanding this, we will exercise any discretion in our own interests and there may be adverse consequences for you.

Some of the discretions we would exercise include:

- to trigger the early repayment of all or part of your Loan for certain Corporate Actions;
- the calculation of any Break Cost you would incur in the event of a Trigger Event or early termination of the Loan;
- the Securities to be included in the Approved Securities List; and
- when an event is a Market Disruption Event.

Cash flow

You need to make sure you can fund your obligations under your Loan (including any Interest Loan). Although the ongoing interest payment obligations and all other costs and expenses payable under your Loan may be partially offset by:

- any Ordinary Dividends paid to you on any Securities you hold under your Loan; and
- any tax savings from deductions associated with your Loan,

there will be differences in the timing of these receipts and savings, and your obligations to pay amounts under your Loan.

Mortgage

We will have a Mortgage over the Secured Property for the Term of each Loan under the Westpac PEL. The Secured Property in respect of each Loan includes the Parcel which corresponds to that Loan and any other rights or entitlements held by the Security Trustee in relation to that Parcel.

This means that the Securities (and any related Secured Property) are dedicated to support your borrowings under the Loan. If you do not meet your obligations under the terms of the Westpac PEL, we may exercise our rights as mortgagee and take possession of the Secured Property and/or sell the Parcel to satisfy those obligations.

If you are not a SMSF Investor, your Mortgage will include cross default mechanisms permitting us to sell other Parcels of Securities held on your behalf to cover any amounts due and payable by you even if you are not in Default of your obligations under the Loans corresponding to all of those Parcels.

Conflict of interests

We and our related bodies corporate will conduct transactions, including undertaking hedging strategies, as both principal and agent with various securities, including the Securities, which may affect the trading price of those Securities.

Execution risk

Markets may move in the time between providing you with indicative quotes, approving your request and executing your instructions. Because of this timing difference, your request may be executed at a level that is different to any indicative quote or market levels when you submit your request.

Operational risks

An investment in a Loan under the Westpac PEL will be subject to operational risk, that is, the risk of a breakdown or failure to comply with our internal systems, processes or procedures. If there is any such breakdown or failure, this may mean that we (or the Security Trustee) may not be able to fulfil certain obligations under the Loan. For example, a breakdown of systems or processes could result in us failing to execute and settle your Loan by the required time and this may cause you to suffer loss (for example, if it causes you to default on a different loan obligation).

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

Counterparty risk

A Loan under the Westpac PEL depends on (among other things) our ability to perform our obligations under the Loan and you may suffer financial loss if we fail to meet these obligations (this includes our obligations under the Put Option as we will be your counterparty in relation to the Put Option granted to you). As your Securities will be held by the Security Trustee, there is also a risk that the Security Trustee may be unable to meet its obligations to you which may cause you to suffer financial loss.

Our obligations under a Loan:

- are not deposit liabilities;
- are not guaranteed by any other party; and
- are unsecured contractual obligations, which will rank equally with our other unsecured contractual obligations and unsecured debt (other than liabilities preferred by law or statute).

In this regard, the *Banking Act 1959* (Cth) provides that if we become unable to meet our obligations, our Australian assets will be used to meet our Australian deposit liabilities in priority to all our other liabilities, including our obligations under the Westpac PEL.

Accordingly, you have credit exposure to us and the Security Trustee and must make your own assessment of our respective ability to meet obligations under the Westpac PEL.

We are an authorised deposit taking institution under section 9 of the *Banking Act 1959* (Cth). As at the date of this PDS, we are ranked in the top 5 listed companies by market capitalisation on the ASX and concentrate our activities in Australia, New Zealand and the near Pacific. Further information including a copy of our latest financial statements is available on our website at www.westpac.com.au.

As at 31 March 2013, we had global assets of \$677 billion and for the six months to 31 March 2013 our net profit after tax was \$3.3 billion. We are also a disclosing entity under the Corporations Act and have continuous disclosure obligations under that Act and the ASX Listing Rules. This means that, subject to certain exceptions, we must disclose to ASX any information that a reasonable person would expect to have a material effect on the price or value of our securities. Copies of the information disclosed to ASX can be viewed on the ASX website at www.asx.com.au.

Tax considerations

Australian taxation law is complex and the impact of that law on you, in relation to your Loan, may vary according to your personal circumstances. Further, tax law and practice (including tax law relating to stamp duties and other government charges) may vary over time, possibly with retrospective application.

The tax considerations summarised in section 12 provide only a general guide to the relevant tax implications of entering into a Loan and acquiring and holding Securities. Accordingly, you should seek your own independent professional taxation advice in relation to your investment in a Loan having regard to your own particular circumstances to determine whether Australian tax law may adversely affect your investment.

The tax summary assumes (consistent with the treatment of instalment warrants) that the ATO will accept tax returns lodged by investors on the basis that the investor is to be treated as holding the Securities directly for CGT purposes, even though those Securities are held by the Security Trustee on trust for that investor. This is consistent with the ATO's announcement on 4 November 2010 which stated that the ATO would not be undertaking any compliance action with respect to investments in instalment warrants in the period prior to the Government amending the tax law to confirm this longstanding practice of the investor being treated as holding the Securities directly. Westpac has received confirmation that the ATO considers the Westpac PEL to be a standard instalment warrant arrangement for these purposes.

As noted above, the Government has announced that it will amend the income tax law to confirm the practice of treating the investor in an instalment warrant over a listed security as the owner of that security for income tax purposes. However, draft legislation in relation to these amendments has not yet been released. Prospective investors should monitor developments.

As at the date of the PDS there is no ATO Product Ruling for the Westpac PEL. We will consider applying for a Product Ruling in the event of material legislative change. If a ruling is obtained, a copy will be made available on our website at www.westpac.com.au/pel.

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How a Loan works under the Westpac PEL

There are a number of different aspects to a Loan under the Westpac PEL.

Loan

We advance a separate Loan under a Westpac PEL for you to buy a Parcel of Securities or to borrow money against a Parcel of Securities you already hold. You can elect to borrow between 50% and 100% of the value of the Parcel plus certain costs.



Capital Protection

We will grant you a Put Option to protect you at Maturity if the Closing Price of your Securities at Maturity is below the Loan amount.

Capital contribution

- **Cash Application** If you borrow less than 100% to purchase Securities, you will be required to make a capital contribution. However, this amount is not Capital Protected.
- **Securityholder Application** If you borrow against less than 100% of the Market Value at Issue Time of Securities you already hold, any difference between the Loan amount and the Market Value of the Securities at Issue Time will not be Capital Protected.

In both cases above, your Capital Protection Fee and your total interest expense will be reduced.



Reduced Rate Facility

You may choose to reduce the Capital Protection Fee by capping or reducing your potential gain.



Mortgage

We take a separate mortgage over each Parcel as security for the Loan – the Parcel becomes the Secured Property.



Security trust

The Secured Property is held by the Security Trustee on separate trust for you, subject to the Mortgage granted to us.



Ordinary Dividends

You receive any Ordinary Dividends paid on the Securities.



At Maturity

For each Parcel of Securities:

If the Closing Value of your Securities is equal to or below the Loan amount, your Put Option will be automatically exercised. This means we accept your Parcel as full repayment of your Loan principal (you are still liable to pay us interest or any other unpaid amounts in respect of your Loan). If the Securities are shares in Westpac (or we are otherwise restricted from buying the Securities), you will be charged Brokerage. Alternatively, you can take delivery of the Securities by paying us their Closing Value.

If the Closing Value of your Securities is above the Loan amount, you can direct the Security Trustee to sell your Parcel of Securities and have the proceeds applied to repay the Loan, with any surplus proceeds paid to you (subject to any Reduced Rate Facility). The Security Trustee will generally sell the Parcel to us (unless the Securities are shares in Westpac or we are otherwise restricted from buying the Securities) for a sale price equal to its Closing Value at Maturity. You will be charged Brokerage for this transaction (provided we are not prevented from doing so at law). Alternatively, you may wish to apply to extend the Term, apply for a new Loan, or choose to repay the Total Amount Owing and take delivery of the Securities.

If the Securities are shares in Westpac or we are otherwise restricted from buying the Securities, we will not buy the Securities, the Security Trustee will sell them on your behalf and, if applicable, the Put Option will be cash settled. In these circumstances, you may be charged Brokerage.

Tailor the Westpac PEL

The Westpac PEL gives you the flexibility to structure a Loan to suit your requirements.

We advance a separate Loan for each Parcel of Securities you would like to buy or borrow against. We take a mortgage over each Parcel as security for the Loan. You may nominate a Loan Term of up to and including 5 years. In certain circumstances, we may agree a Loan Term of longer than 5 years.

1. Nominated Securities

You can choose to borrow against ASX listed Securities that are on our Approved Securities List. An up-to-date Approved Securities List can be found at www.westpac.com.au/pel.

You can choose to either:

- **Buy Securities (Cash Application)** – You specify how much you would like to borrow against each Security (between 50–100% of the value of the Securities) (plus Brokerage, any Adviser Service Fee and the Application Fee). If we accept your Application, the funds that you borrow will be applied to purchase the Securities that you nominate from the Approved Securities List and pay Brokerage, any Adviser Service Fee and the Application Fee. If you do not borrow 100% of the Security price, you must pay a capital contribution equal to the difference between the price of the Securities at inception (plus Brokerage, any Adviser Service Fee and the Application Fee) and the amount borrowed per Security.
- **Borrow money against Securities you already hold (Securityholder Application)** – You specify how many of each of your existing Securities you would like to borrow against. You may borrow (for certain investment purposes) up to 100% of the value of the Securities you already own, using those Securities as security for repayment of the Loan. You will be required to pay interest on the amount borrowed plus any fees and charges. We will arrange payment of the Loan proceeds less any Application Fee, any Adviser Service Fee and Brokerage (which are paid out of the Loan proceeds) as directed by you. This strategy is not available for SMSF Investors unless the SMSF Investor is refinancing an existing limited recourse borrowing and certain restrictions apply to SMSFs on refinancing.

2. Interest on your Loan

You may choose to pay the interest on your Loan annually in advance (by way of an upfront annual payment) or monthly in arrears, at a Fixed Rate or an Annually Resetting Rate. If you elect to pay interest annually in advance, you may apply for an Interest Loan (unless you are a SMSF Investor). Please refer to section 8 for further information on your Interest Rate and payment choices.

3. Setting and understanding your Capital Protection and capital contribution

You can request a level of protection between 50–100% of the value of the Securities (plus Brokerage, any Adviser Service Fee and the Application Fee) at the Issue Time. Your Capital Protection is provided by way of the Put Option granted to you.

Your Protection Level will equal the Loan amount per Security, and is calculated at the Issue Time.

If you buy Securities and do not borrow 100% of the Security price, your capital contribution will not have the benefit of the Capital Protection that applies to the Loan amount. If you borrow money against securities you already hold, any difference between the Loan amount and the value of the Securities at the Issue Time will not be Capital Protected.

At Maturity, your Put Option will be automatically exercised if the Closing Price of the Securities is less than your Protection Level. This means we will accept your Parcel as full repayment of your Loan. Alternatively, you can take delivery of the Securities by paying us their Closing Value. You (or your Guarantor) will still be liable for the Total Amount Owning, other than the principal on your Loan (such as any outstanding interest on your Loan or any Interest Loan).

4. How a Loan under the Westpac PEL works – some examples.

Let's assume you invested in four Loans over four Securities (A, B, C and D) three years ago.

Loan	A	B	C	D
Issue Time				
Loan Term (years)	3	3	3	3
Initial Market Value per Security	\$10.00	\$10.00	\$10.00	\$10.00
Number of Securities	2,000	2,000	2,000	2,000
Initial Market Value of Parcel	\$20,000	\$20,000	\$20,000	\$20,000
Capital Contribution (paid upfront)	Nil	Nil	\$2,000	\$2,000
Brokerage and Application Fee (assuming Brokerage of 0.22% and an Application Fee of 1.1%). Assume no Adviser Service Fee is payable to your adviser	\$267	\$267	\$245	\$245
Loan amount (the aggregate Protection Level for the Securities)	\$20,267	\$20,267	\$18,245	\$18,245
Protection Level	\$10.13	\$10.13	\$9.12	\$9.12
% of initial value of Securities (plus Application Fee and Brokerage) which is Capital Protected	100%	100%	90%	90%
Interest Rate (p.a.) (Fixed Rate annually in advance)	8.45%	8.45%	8.45%	8.45%
Interest Loan	Nil	Nil	Nil	Nil
Annual interest cost	\$1,713	\$1,713	\$1,542	\$1,542
Upfront Capital Protection Fee	\$4,600	\$4,600	\$4,140	\$4,140
Maturity				
Security Closing Price at Maturity	\$20.00	\$10.00	\$20.00	\$5.00
Closing Value of Parcel at Maturity	\$40,000	\$20,000	\$40,000	\$10,000
Capital protection amount at Maturity (i.e. Loan amount)	\$20,267	\$20,267	\$18,245	\$18,245
Net proceeds on sale of Securities (net of Brokerage and after repayment of Loan)	\$19,645	Nil	\$21,667	Nil
To calculate the net gain or loss on the investment				
Net proceeds on sale of Securities (after repayment of Loan (as above))	\$19,645	Nil	\$21,667	Nil
Add Ordinary dividends on Securities	\$2,400	\$2,400	\$2,400	\$2,400
Subtract the Capital Protection Fee and any capital contribution	(\$4,600)	(\$4,600)	(\$6,140)	(\$6,140)
Subtract aggregate interest payments over the three years	(\$5,138)	(\$5,138)	(\$4,625)	(\$4,625)
Net cash flow gain (or loss) on the Loan, ignoring any tax	\$12,307	(\$7,338)	\$13,302	(\$8,365)

Assuming you direct the Security Trustee to sell all Securities on Maturity Date, the Put Option will be automatically exercised for Parcel B and Parcel D.

As you have made some upfront capital contributions (Parcels C and D), paid interest costs over the Term of the investment, and received Ordinary Dividends on the Securities, you should also consider these amounts together with any tax implications in relation to your investment in the Loan.

The above examples do not consider the tax consequences that may apply to you. These examples are included for illustrative purposes only. They are not indicative of the Interest Rate, Capital Protection Fee, or likely performance (including dividend yield) of any Security.

How do you pay for your Capital Protection?

The cost of this Capital Protection (the **Capital Protection Fee**) may be paid either as an upfront lump sum, or as a component of your Interest Rate. That is, if you elect for your Capital Protection Fee to be a component of your Interest Rate, your Interest Rate will be higher than if you pay an upfront Capital Protection Fee.

The amount reasonably attributable to the cost of Capital Protection will effectively reduce the amount of interest which may otherwise be deductible for you. You should seek independent professional advice to determine which option is most appropriate for you. This is discussed in more detail in the Tax Opinion in section 12.

Our calculation of the Capital Protection Fee is complicated and is affected by a number of factors. These are described in section 8 below.

Can you lose your Capital Protection?

Please note that, you will lose your Capital Protection if a Trigger Event occurs prior to Maturity – including where you repay your Loan early, you are in Default (e.g. if you fail to make an interest payment when due), certain Corporate Actions occur or we declare an Early Maturity Date. The Trigger Events that may cause an Early Maturity Date are explained on page 9 and Corporate Actions are explained on page 10. If this happens, you (or your Guarantor) may be liable to us for your payment obligations described in section 3.

5. Consider a Reduced Rate Facility

Why enter into a Reduced Rate Facility?

The Reduced Rate Facility can be used to reduce the amount of the Capital Protection Fee. When you apply for your Loan, you can request to reduce the Capital Protection Fee (either the upfront lump sum payment, or as a component of the Interest Rate) in return for you agreeing to give up some of your participation in any capital appreciation of the Parcel over the Term. This may be worth considering if you think the price of your chosen Securities is not likely to appreciate above, or much above, a particular Cap Price. However, if you enter into a Reduced Rate Facility in respect of a Parcel, you will generally not be able to use a Top-up Loan or a Security Reset Facility in respect of that Parcel.

How do Reduced Rate Facilities work?

To establish a Reduced Rate Facility, you elect a Cap Rate and a Participation Rate.

- The Cap Rate represents the level above which you are prepared to give up all or a proportion of the capital appreciation in exchange for a lower Capital Protection Fee. The Cap Rate is expressed as a percentage of the Market Value of your Securities (e.g. 150%) at the time that the terms of the Reduced Rate Facility are set. The Cap Price (e.g. \$15.00) is the dollar value of the Cap Rate applied to the Market Value of the Security at the Issue Time (e.g. \$10.00) once the Market Value is known. The lower the Cap Rate, the larger the reduction in the Capital Protection Fee.
- The Participation Rate is the proportion of any capital appreciation above the Cap Price you wish to receive. The Participation Rate is expressed as a percentage (e.g. 25%). The lower the Participation Rate, the lower the Capital Protection Fee.

If the Closing Price of the Securities is above the Cap Price, you will be required to pay us a Cash Settlement Amount at Maturity equal to:

$$(MV - CP) \times (1 - PR) \times N$$

where

MV = Security's Closing Price at Maturity;

CP = your Cap Price;

PR = your Participation Rate; and

N = Number of Securities in the relevant Parcel

If you elect to sell the Securities at Maturity to repay the Loan, we will net off any Cash Settlement Amount against the sale proceeds of the Parcel. If you elect to repay the Loan from your own funds, you will have to pay us the Cash Settlement Amount before we will deliver the Securities to you.

The following example shows how the Reduced Rate Facility works in three Loan scenarios, each over a three year Term.

Loan	A	B	C
Issue Time			
Loan Term (years)	3	3	3
Initial Market Value per Security	\$10	\$10	\$10
Number of Securities	2,000	2,000	2,000
Initial Market Value of Parcel	\$20,000	\$20,000	\$20,000
Brokerage and Application fee (assuming Brokerage of 0.22% and an Application Fee of 1.1%). Assume no Adviser Service Fee is payable to your adviser	\$267	\$267	\$267
Loan amount	\$20,267	\$20,267	\$20,267
Protection Level	\$10.13	\$10.13	\$10.13
Interest Rate (p.a.) (Fixed Rate annually in advance)	8.45%	8.45%	8.45%
Cap Rate	150%	150%	150%
Cap Price (Cap Rate x Initial Market Value of Security)	\$15	\$15	\$15
Participation Rate	0%	0%	25%
Upfront Capital Protection Fee	\$4,000	\$4,000	\$4,400
Maturity			
Initial Loan amount (as above)	\$20,267	\$20,267	\$20,267
Security Closing Price at Maturity	\$14.00	\$20.00	\$20.00
Value of Securities at Maturity	\$28,000	\$40,000	\$40,000
Less Cash Settlement Amount	(Nil)	(\$10,000)	(\$7,500)
Brokerage (0.22%)	\$62	\$88	\$88
Net proceeds on sale of Securities (after deduction of Cash Settlement Amount and repayment of Loan)	\$7,671	\$9,645	\$12,145
To calculate the net gain (or loss) on the investment			
Net proceeds on sale of Securities (after deduction of Cash Settlement Amount and repayment of Loan (as above))	\$7,671	\$9,645	\$12,145
Add Ordinary Dividends on Securities	\$2,400	\$2,400	\$2,400
Subtract upfront payments and contributions	(\$4,000)	(\$4,000)	(\$4,400)
Subtract Interest costs for the three years	(\$5,138)	(\$5,138)	(\$5,138)
Indicative cash inflow (or outflow) on the Loan	\$934	\$2,908	\$5,008

- If the Closing Price per Security at Maturity is \$14.00, this is below the Cap Price of \$15.00, and therefore no Cash Settlement Amount is due.
- If the Closing Price per Security at Maturity is \$20.00, and your Participation Rate is 0%, your Cash Settlement Amount would be \$10,000 for the Securities in that Parcel (or \$5.00 per Security), being:
 $(\$20.00 - \$15.00) \times (1 - 0\%) \times 2,000$
- If the Closing Price per Security at Maturity is \$20.00, and your Participation Rate is 25%, your Cash Settlement Amount would be \$7,500 for the Securities in that Parcel (or \$3.75 per Security), being:
 $(\$20.00 - \$15.00) \times (1 - 25\%) \times 2,000$

The above examples do not consider the tax consequences that may apply to you. These examples are included for illustrative purposes only. They are not indicative of the Interest Rate, Capital Protection Fee, or likely performance (including dividend yield) of any Security.

Examples of Interest Rates (p.a.) with the Reduced Rate Facility

The following table provides hypothetical examples to illustrate how different Cap Rates and Participation Rates under Reduced Rate Facilities might affect the Interest Rate of your Loan based on a 3 year Loan. The table assumes that the Protection Level is 100%, the Capital Protection Fee is included as a component of the Interest Rate, interest is fixed for the term of the Loan, paid monthly in arrears and the Interest Rate without a Reduced Rate Facility is 15.3% p.a.

Cap rate	Participation Rate		
	0%	25%	50%
125%	12.9% p.a.	13.5% p.a.	14.1% p.a.
150%	14.5% p.a.	14.7% p.a.	14.9% p.a.
175%	15.0% p.a.	15.2% p.a.	15.2% p.a.

These example Interest Rates are included for illustrative purposes only. They are not indicative of the likely Interest Rate or the Capital Protection Fee for any Loan.

6. Lending arrangements – Capital Protection versus limited recourse

It is important to understand whether your Loan is a full recourse lending arrangement or a limited recourse lending arrangement.

In any case, you enjoy the benefit of Capital Protection at Maturity – that is, if the value of a Parcel (and any other Secured Property) at Maturity is equal to or less than the Loan amount, your Put Option will be exercised automatically and we will not be entitled to recover the shortfall from you, from any other Parcel you own or pursuant to a Guarantee and Indemnity (if relevant).

	Payment obligations	Capital Protection at Maturity
Non-SMSF Investors	<p>Obligations are full recourse before Maturity. That is, we can enforce payment obligations (including Loan amounts, interest on your Loans and any interest on any Interest Loans, fees and charges and any Break Costs) against you (and your Guarantor, if any) to recover the relevant amounts in full. Our recourse is not limited to the Secured Property.</p>	<p>Note that Capital Protection only applies at Maturity, and does not affect your obligation to pay:</p> <ul style="list-style-type: none"> • interest on your Loan; • interest on any Interest Loan; • the Capital Protection Fee, Application Fee (potentially), Brokerage (potentially), any Adviser Service Fee (potentially) and any other fees and charges in respect of your Loan.
SMSF Investors	<p>Obligations are limited recourse. That is, our recourse against you, as a SMSF Investor, to recover amounts (including Loan amounts, interest on Loans, fees and charges and any Break Costs) is limited to the Securities.</p> <p>In addition, if you fail to repay the Loan at the Maturity Date or in the event of early repayment (following a Trigger Event or otherwise), we will only be entitled to exercise our enforcement rights over the Parcel in relation to the particular Loan that has not been repaid. We will not have any recourse to recover the Loan amount against any other Parcel you own, or against you otherwise.</p> <p>However, we may call on the Guarantee and Indemnity for these amounts, as well as to the extent you fail to pay:</p> <ul style="list-style-type: none"> • interest on your Loans; • any fees and charges; and • any Break Costs. <p>Under the Guarantee and Indemnity, we will seek to recover from the Guarantor any amounts (including interest, principal, Break Costs and other amounts) that you owe us in relation to a Parcel that exceeds the proceeds of the sale of that Parcel. The Guarantor will also unconditionally and irrevocably indemnify us against liability, loss or costs we suffer or incur if you are unable to meet your obligations to us.</p> <p>The Guarantor will be personally liable for these amounts and will not be able to be reimbursed for those amounts from the assets of the SMSF. Where there is more than one Guarantor, they will be jointly liable and each of them will be separately liable, for the Total Amount Owing plus any Break Costs.</p> <p>We will send details of the Guarantee and Indemnity to the Guarantor separately. Guarantors will need to have regard to the terms of the Guarantee and Indemnity (which will be provided to them following the receipt of a SMSF Investor's application).</p>	<p>Note that Capital Protection only applies at Maturity. To avoid any doubt, this does not affect the limited nature of any recourse to the SMSF.</p>

7. Trustee applicants and Company applicants

If you are a trustee Applicant (whether a corporate trustee or an individual trustee) or a Company Applicant, we may require a Guarantee and Indemnity from a Guarantor. The terms of the Guarantee and Indemnity will be as per the description in the table above in relation to SMSF Investors.

8. Cooling-off rights

No cooling-off rights for Loans over shares

If the Securities for a Loan are shares in a company, then there will be no cooling-off rights for your Loan.

Cooling-off rights apply for Loans over Units

If the Securities for a Loan are Units in a managed investment scheme, you will have cooling-off rights for your Loan.

If, within 14 days, you decide that you do not want the Loan (in relation to Units) we have issued to you, we must give you your money back (net of any applicable fees and charges). However, it is not a right to get all of your money back. We are permitted to make adjustments for market movements up or down, as well as any tax and reasonable transaction and administration costs.

Your 14 days starts on the earlier of:

- when we send you confirmation of your investment in the Loan; or
- the end of the fifth Business Day after the Issue Time.

5

How do I enter into a Loan?

You can contact us to enquire about entering into a Loan by calling us on 1800 990 107, or through your adviser. To make a Loan enquiry, you will need to specify:

- the amount you would like to borrow and the Term;
- whether you want to pay interest annually in advance or monthly in arrears;
- whether you want to pay interest at a Fixed Rate or an Annually Resetting Rate;
- the Securities you would like to form the Parcel;
- whether you already hold those Securities, or intend to buy them with the proceeds of the Loan;
- the amount of any Adviser Service Fee you would like us to pay to your adviser on your behalf, and the details for your adviser and whether you want to pay this amount out of your Loan;
- the level of protection you would like for your Loan;
- whether you want to pay the Capital Protection Fee upfront or as a component of the Interest Rate;
- whether you would like a Reduced Rate Facility; and
- whether you want to take out an Interest Loan.

We will prepare and send to you an Indicative Term Sheet which will specify indicative terms for your requested Loan (for some of the variables, you can request us to provide a number of options so you can see how the change in one factor impacts the other indicative terms). The Indicative Term Sheet for a Loan pursuant to the Westpac PEL will set out indicative terms including:

- the Securities, the Loan Amount, the Loan Term and the Protection Level, each in accordance with your Loan enquiry;
- the Interest Rate and whether it is Fixed Rate or Annually Resetting Rate (if Annually Resetting, the Interest Rate will be subject to change for subsequent Interest Periods);
- if applicable, the Interest Rate for an Interest Loan (for the first Interest Period);
- the amount of any Adviser Service Fee we will pay to your adviser and whether this amount is to be paid out of your Loan or your payment to us;
- the Capital Protection Fee if it is paid as an upfront amount; and
- if applicable, the Cap Price and the Participation Rate for the Reduced Rate Facility.

These indicative terms will be subject to change until the Issue Time and any change in the terms is a risk that you will bear. If a change occurs to these indicative terms that is materially adverse to you, we will generally issue to you a revised Indicative Term Sheet.

If you elect to proceed with the Loan, you will be required to complete the Application Form (if you haven't already done so) and also to sign and return to us the Indicative Term Sheet (or, in your Application Form, refer to the unique identifying number for your Indicative Term Sheet). Subject to any cooling-off rights, an application for a Loan is irrevocable unless we consent.

If we accept your request for a Loan, we will set the Loan terms at the Issue Time.

6

During the life of your investment



You will receive Ordinary Distributions

As you will be the beneficial owner of the Securities, you may be entitled to any Ordinary Dividends and any associated franking credits (subject to satisfying the qualified person or holding period rules in relation to the franked distributions).*



You may be able to deduct the interest

By borrowing funds under a Loan to invest in Securities, you may be entitled to deduct all or a portion of the interest paid under the Loan. The timing of this deduction may vary between investors. See section 12 for more information.



You can keep track of your investment

Welcome letter	<p>When you enter into a Loan, we will send you a Welcome Letter setting out:</p> <ul style="list-style-type: none">• the Interest Rate for your Loan (or, for an Annually Resetting Loan, for the first Interest Period under your Loan);• details about the Parcel (including the name and number of Securities) and the Term;• the amount of any upfront Capital Protection Fee;• the terms of any Reduced Rate Facility, including the Cap Level and Participation Rate; and• the Application Fee, any Adviser Service Fee and Brokerage charged to date.
Interest reminder statements	<p>We will send a reminder notice prior to your annually in advance interest payment dates, confirming:</p> <ul style="list-style-type: none">• your outstanding Loan amount and the interest due;• the account that the interest will be debited from; and• the date on which the interest will be debited. <p>Reminder notices will not be sent for loans with “Monthly in arrears” interest payments. However, if your monthly in arrears Loan has an Annually Resetting Interest Rate, at the beginning of a new Reset Period we will notify you of the Interest Rate for the new Reset Period and the new monthly interest charge that will be deducted from your account.</p>
Loan statements	<p>We will send you statements on your Loans under the Westpac PEL and, if applicable, on your Interest Loans at least every six months. They will include a loan summary and a portfolio summary.</p>
Interest statements	<p>We will provide you with statements every year detailing the interest you have paid. The actual tax implications of using the Westpac PEL, and investing in the Securities might vary depending on your individual circumstances. You should seek independent professional advice on the tax implications of using the Westpac PEL and investing in Securities.</p>
Maturity notices	<p>We will send you a notice approximately 20 Business Days (but no less than 5 Business Days) prior to Maturity, explaining your options at Maturity.</p>

* Note, Special Dividends are regarded as Corporate Actions and will generally not be passed directly to you. Please see page 11 for more information.



You can request to repay your Loan prior to Maturity

Subject to our approval, you can repay all or part of your Loan at any time. If you elect to repay all or part of your Loan at any time, you will also need to repay all or the equivalent portion of the corresponding Interest Loan (if any) at the same time. Where you have paid interest in advance on your Loan and/or any Interest Loan, in the event of early repayment of all or part of your Loan and any Interest Loan, we will refund to you the relevant proportion of the prepaid interest. If you are a SMSF Investor, you will not be able to dispose of part of the Parcel of Securities when you choose to repay part of your Loan.

To repay all or part of your Loan prior to Maturity:

1. request an indicative Early Repayment Notice – let us know how much, when you would like to repay, which Parcel the repayment relates to, and whether you intend to repay the Loan out of your own funds and take delivery of the Securities or if you require the Security Trustee to sell your Securities;
2. we will send an indicative Early Repayment Notice, showing the indicative Break Costs. (The actual Break Costs will be subject to prevailing market conditions at the time the Loan is repaid, as described in section 8 below, and may either increase or reduce the amount you owe);
3. complete the indicative Early Repayment Notice and return it to us within three Business Days of receiving it;
4. if we agree to your repayment request, we will execute your instruction to repay all or part of your Loan together with the equivalent portion of any related Interest Loan and send you a final Early Repayment Notice;
5. If you are repaying the Loan from your own funds we will direct debit your nominated bank account for the Total Amount Owing (or, in relation to a partial repayment, the amounts indicated on the final Early Repayment Notice) including Break Costs;
6. If you request that the Securities be sold, we will arrange for the Security Trustee to sell the Securities, and either:
 - (a) if there remains an amount owing after application of the sale proceeds (net of Brokerage) to repay the Total Amount Owing under the Loan (including Break Costs), debit your bank account for that remaining amount owing; or
 - (b) if the sale proceeds (net of Brokerage) exceed the Total Amount Owing under the Loan (including Break Costs), credit your bank account for that excess amount.

If you repay only part of your Loan, you must maintain a Loan balance of at least \$10,000 per Parcel and a total loan balance across all Parcels under the Westpac PEL of at least \$50,000 (or other amount that we may at our discretion agree from time to time). Please note that if you repay all or part of your Loan you must also repay a corresponding proportion of any related Interest Loan and/or Top-up Loan.

Non-SMSF Investors

If you are not a SMSF Investor, the following will apply to you:

Where you pay the Total Amount Owing (including Break Costs), we will discharge the Mortgage attaching to the relevant Parcel and the Security Trustee will transfer it to you. If you request us to sell the Parcel and to apply the proceeds towards repaying the Loan, and the sale proceeds (net of Brokerage) are insufficient to cover the Total Amount Owing (including any Break Costs), you must pay the balance from your own funds.

If you repay your Loan and any Interest Loan (or portion of such Interest Loan) prior to Maturity, your Loan is full recourse, meaning you will be required to pay any shortfall from your own funds. We may also call on any Guarantee and Indemnity provided by a Guarantor.

SMSF Investors

If you are a SMSF Investor, the following will apply to you.

You will be able to request repayment of your Loan in whole or in part, and we will not be able to withhold our approval, but we will not be able to dispose of part of the Parcel of Securities when you choose to repay part of your Loan.

Once the Total Amount Owing (including Break Costs) is fully repaid, we will discharge the Mortgage over the relevant Parcel and the Security Trustee will transfer your Securities to you. If you wish to repay your Total Amount Owing and do not have sufficient funds to make the repayment, you may ask us to arrange the sale of your Securities to assist with your repayment. If the proceeds from the sale of your Securities are not sufficient to cover your Total Amount Owing, we may call on any Guarantee and Indemnity provided by a Guarantor.



You can transfer your rights and obligations under a Loan

You can transfer your rights and obligations under a Loan by providing us with a transfer agreement in a form acceptable to us executed by yourself and the proposed transferee. Under the transfer agreement, the proposed transferee must agree to be bound by the Terms and Conditions in relation to the Loan, the Parcel and the Put Option. While we have broad discretions to refuse any transfer, we intend to permit transfers unless the transferee does not meet our credit approval requirements, or the transfer could raise regulatory issues.



You can make a Parcel Adjustment if you are a Non-SMSF Investor

We offer a range of Parcel Adjustments to help you manage your Westpac PEL investment. Each Parcel Adjustment is subject to credit approval.

	How does it work?	Who does it help?	What does it cost?
Security Reset Facility	During your Loan, you can increase your Protection Level and take delivery of some of the Securities in your Parcel, provided that the value of the remaining Securities is greater than or equal to the Loan amount. Your Loan amount will remain unchanged.	Investors who want to access some of their Securities and want a higher Protection Level without increasing the Loan amount.	A Security Reset Fee will apply. It may be significant.
Top-up Loan	During your Loan, you can apply for an increase to the Loan balance up to the current Market Value of your Securities. The Top-up Loan can be used wholly or predominantly for investment or business purposes (other than investment in residential property).	Investors who want to access the value of their Securities above the Loan amount to use for other investments.	A Top-up Fee will apply. It may be significant.
Portfolio Adjustment Facility	You have the ability to sell one or more Parcels and use the proceeds to purchase one or more new Parcels. Your Loan amount will remain unchanged.	Investors who want to switch between investments based on their current market views. SMSF borrowers may achieve a similar outcome by early repayment of all or part of their existing Loan and applying for a new Loan. However, this may have different tax consequences.	A Portfolio Adjustment Fee will apply. It may be significant.



Parcel Adjustments are **not** available to SMSF Investors.



The Security Reset Facility and Top-up Loans are generally not available to investors with a Reduced Rate Facility.

Parcel Adjustment #1

Security Reset Facility

You can increase your Protection Level and take delivery of some of the Securities in your Parcel, provided that the value of the remaining Securities is greater than or equal to the Loan amount. Your Loan amount will remain unchanged.

Using a Security Reset Facility

You can apply to have some of your Securities released from the Mortgage if the Market Value of the Securities is at least \$10,000 more than the Loan amount.

Under a Security Reset Facility:

- your Loan amount will not change;
- you will be free to hold or sell the released Securities which will be unencumbered; and
- your Put Option will be replaced with a new Put Option reflecting the higher Protection Level.

How many Securities can be released?

If we agree, we will release a proportion of your Parcel up to the difference between the current Market Value of the Securities at the time of the reset and your Loan amount.

Paying your Security Reset Fee

A Security Reset Fee will apply and will vary according to the Term of your Loan and market conditions. This fee may be a significant amount, so you should ask us how much it is likely to be before you apply for a Security Reset Facility.

The Security Reset Fee comprises the net cost in relation to replacing your Put Option with a new Put Option at a higher Protection Level. The Security Reset Fee will be payable by direct debit from your nominated account, prior to the release of any Securities. You may also request that your released Securities be sold at their prevailing Market Value.

Tax implications

Please note that should you wish to sell Securities released using the Security Reset Facility, you may no longer be entitled to a deduction for interest incurred on the Loan that relates to the Securities released. Please seek independent professional financial and tax advice on the potential impact of dealing in any released Securities.

Example Security Reset*

Lily has a \$50,000 5 year Loan invested in a Parcel of 10,000 Securities in XYZ Limited (**XYZ**) each with a Protection Level of \$5.00.

After three years, the Market Value per Security is \$8.00. Lily has decided to apply for a Security Reset Facility to release 3,750 Securities worth \$30,000 from the Mortgage.

We determine that the Security Reset Fee is \$5,500. After the payment of the Security Reset Fee, the 3,750 Securities will be transferred to Lily and she will be free to sell or deal with those Securities outside of her Westpac PEL.

We also raise the Protection Level from \$5.00 to \$8.00 based on the \$50,000 loan amount and the remaining 6,250 Securities in the Parcel.

* The example set out above is indicative only and uses rates and figures that we have selected to demonstrate how particular features of the Westpac PEL operate. The Security Reset Fee is not indicative of the likely fee for any particular reset and may differ depending on your circumstances.



Parcel Adjustments are **not** available to SMSF Investors.



The Security Reset Facility and Top-up Loans are generally not available to investors with a Reduced Rate Facility.

Parcel Adjustment #2

Top-up Loan

You can apply to “top-up” your Loan, or in other words, increase your Loan amount in respect of a Parcel (up to the current Market Value of the Securities in that Parcel). You can apply for a Top-up Loan if the Market Value of the Securities in the Parcel is at least \$10,000 greater than your Loan amount.

Taking out a Top-up Loan

The minimum Top-up amount is \$10,000 per Parcel. To Top-up your Loan, you must agree to:

- use the Top-up Loan wholly or predominantly for business or investment purposes (other than investment in residential property);
- to pay the Top-up Fee calculated by us at the time; and
- to pay any government duties or Taxes associated with the advance of your Top-up Loan.

If your Top-up application is approved, we will increase your Loan and give you the cash. We will also replace your Put Option with a new Put Option at the higher Protection Level.

Repaying your Top-up Loan

Repayment of the Top-up Loan shall be made on the same Maturity Date as the initial Loan unless the initial Loan is repaid or becomes repayable earlier for any reason, in which case the Top-up Loan shall be repaid when the initial Loan is repaid or becomes repayable.

Paying interest on your Top-up Loan

You pay interest on the Top-up Loan on the same dates that you pay interest on your original Loan. Please note, though, if you pay interest on your Loan in advance, the first interest payment on your Top-up Loan (covering the period until the next interest payment date) will be made from the amount advanced under your Top-up Loan.

Paying your Top-up Fee

Your Top-up Fee will vary according to the Term remaining on your Loan and market conditions. You may also have to pay or reimburse us for any related government duties and Taxes.

The Top-up Fee comprises an Application Fee of up to 1.1% of the Top-up Loan amount. In addition, you will be required to pay the net cost in relation to replacing your Put Option with a new Put Option reflecting the higher Protection Level.

The Top-up Fee will be adjusted (either increased or decreased) to reflect any difference between the Interest Rate on your Loan, and the interest rates you would otherwise pay for a new Loan set at the time as the Top-up Loan terms are set. The purpose of this balancing amount is for administrative ease so that you will pay a single rate of interest on your entire Loan. For example, if interest rates have increased since the Issue Time, the balancing adjustment will likely increase the Top-up Fee, while if interest rates have decreased since the Issue Time, the balancing adjustment will likely decrease the Top-up Fee. It is possible that the Top-up Fee could be negative (although this would be very unusual). In these circumstances, we will pay the Top-up Fee to you.

The Top-up Fee will be deducted directly from the amount advanced under the Top-up Loan. The Top-up Fee may be a significant amount, so you should ask us how much it is likely to be before you apply for a Top-up Loan.

- | | |
|----------|---|
| X | Parcel Adjustments are not available to SMSF Investors. |
| X | The Security Reset Facility and Top-up Loans are generally not available to investors with a Reduced Rate Facility. |

Example Top-up Loan*

Sharif has a 5 year \$50,000 Loan on which he pays interest annually in advance at a Fixed Rate of 17.35% p.a. (the Interest Rate includes a component relating to the Capital Protection Fee). The underlying Securities, 2,500 shares in XYZ Limited (XYZ), had a Market Value at the Issue Time of \$20.00 each.

After approximately three years, the Market Value of the Securities has increased to \$30.00 each.

Two weeks before the end of the third Interest Period, Sharif decides to apply for a Top-up Loan of \$25,000 to unlock some money for other investments and lock in gains.

On approval of the Top-up Loan (one week before the end of the third Interest Period), we increase his Loan by \$25,000 and reset the Protection Level to \$30.00.

We calculate the Top-up Fee as \$6,500. We then pay him the Top-up Loan amount of \$25,000 less the Top-up Fee, less interest in advance on the \$25,000 Top-up Loan for the last week of the current Interest Period at 17.35% p.a., or \$83. The Top-up Loan payment to Sharif is therefore \$18,417.

At the beginning of the next Interest Period, Sharif will be due to pay interest in advance of \$13,013, being interest at 17.35% p.a. on the new Loan Principal of \$75,000 for the coming year. (Had Sharif not taken the Top-up Loan his next interest payment would have been \$8,675).

<p>If the Closing Price of XYZ Securities at Maturity is \$21.00:</p> <ul style="list-style-type: none">• Sharif's Put Option will be exercised and we will purchase the Securities for \$30.00 each and repay the \$75,000 Loan; or• Sharif can keep the Securities, and pay us the Total Amount Owing. We will reduce the Total Amount Owing by \$9.00 per Security (being the cash settlement amount for the Put Option).	<p>If the Closing Price of XYZ Securities at Maturity is \$34.00,</p> <ul style="list-style-type: none">• Sharif can direct the Security Trustee to sell the Securities (we will purchase them at the Closing Price, \$34.00). He will be paid the sale proceeds, net of the Total Amount Owing (\$85,000 – \$75,000 = \$10,000); or• Sharif can keep the Securities, and pay us the Total Amount Owing from his own funds.
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Sharif always has the option of applying to extend the Term of the Loan or applying for a new Loan. We may accept or refuse such an application.

* The examples set out above are indicative only and use rates and figures that we have selected to demonstrate how particular features of the Westpac PEL operate. The Top-up Fee is not indicative of the likely fee for any particular Top-up Loan and may differ depending on your circumstances.

Parcel Adjustment #3

Portfolio Adjustment Facility

You can use a Portfolio Adjustment Facility to sell one or more Parcels and use the proceeds to purchase one or more new Parcels. Your Loan amount will remain unchanged.

Using a Portfolio Adjustment Facility

A Portfolio Adjustment Facility allows investors to switch between investments based on their current market views, where the Market Value of the Securities is equal to or greater than the Loan amount.

Selling

If your Portfolio Adjustment Facility request is approved, we will direct the Security Trustee to sell your Securities and the Put Option will be terminated. You can only sell whole Parcels.

Buying

You then choose new Securities from the current Approved Securities List.

- You can buy a Parcel which has a net purchase price that is at least equal to the Loan amount of the Securities you sold, unless we otherwise agree. We grant you a new Put Option over your new Securities.
- If you choose to buy Securities of the same type as the Securities you already hold under your Loan, the new Securities will still be treated as a separate Parcel. As such, a new Loan will be issued with respect to the newly purchased Parcel.

Paying your Portfolio Adjustment Fee

You may have to pay a Portfolio Adjustment Fee. It may be significant, so you should obtain an estimate from us before you decide whether to use the Portfolio Adjustment Facility.

The Portfolio Adjustment Fee comprises the net cost in relation to replacing your Put Option with a new one entered into in respect of the new Securities and in addition, it will include other fees and charges associated when selling the existing Securities or purchasing new Securities. These include any difference between the sale proceeds of the old Securities and the purchase price of the new Securities, Brokerage and any associated transaction costs such as government duties and taxes. Importantly, you will be required to continue to pay interest on your Loan at all times.

It is possible that the Portfolio Adjustment Fee could be negative (e.g. if the Put Option in respect of the old Securities is more valuable than the Put Option over the new Securities). In these circumstances, we will pay the Portfolio Adjustment Fee to you.

Shortfalls and surpluses

You may need to transfer additional funds to us to cover any shortfall associated with the Parcel Adjustment. Conversely, if there is any surplus following a Parcel Adjustment, we will either use it to purchase additional Securities to be added to the Parcel or pay it to you.

Example Portfolio Adjustment Facility

Elena has a \$50,000 5 year Loan invested in a Parcel of 10,000 Securities in XYZ Limited (**XYZ**), the Market Value of the Securities at the Issue Time is \$5.00 and the Protection Level is \$5.00. The Interest Rate is 17.5% p.a. (the Interest Rate includes a component referable to the Capital Protection Fee).

After three years, the Market Value of XYZ shares is \$8.00 and Elena decides to apply for a Portfolio Adjustment to switch the Securities from XYZ to 8,000 shares in ABC Limited (**ABC**) which are trading at \$10.00 each.

The Loan amount will remain at \$50,000, and the Interest Rate at 17.5%. The new Protection Level on the ABC shares will be set at \$6.25 (equal to the Loan amount per Security).

Elena will be charged a Portfolio Adjustment Fee of \$2,852, comprising Brokerage of \$352 (assuming a Brokerage rate of 0.22% on both the sale of XYZ and the purchase of ABC), and \$2,500 due to the increased cost of the Put Option on ABC compared to the residual value of the Put Option on XYZ.

* The example set out above is indicative only and uses rates and figures that we have selected to demonstrate how particular features of the Westpac PEL operate. The Portfolio Adjustment Fee is not indicative of the likely fee for any particular reset and may differ depending on your circumstances.



Parcel Adjustments are **not** available to SMSF Investors.

7

At Maturity

For each Parcel of Securities, there are three alternatives to repay your Loan, as set out below. We will send you a notice reminding you of these options approximately 20 Business Days (but no less than 5 Business Days) prior to Maturity. You will need to select one alternative per Parcel and return the completed notice to us by the date set out in the notice. If we do not receive your election by the required date, you will be deemed to have elected for the sale of the Securities as set out in option 1 below.

You can make different decisions at Maturity for different Parcels, depending on how the Securities have performed. This is because your Capital Protection applies separately to each Parcel.

Automatic exercise of Put Option

If the Closing Price of the Securities is equal to or below the Protection Level at Maturity, your Put Option will be automatically exercised.

Your alternatives at Maturity

1. Sell your Securities	<p>If the Closing Price of the Securities is above the Protection Level:</p> <ul style="list-style-type: none">request your Parcel of Securities to be sold at the prevailing Market Value. In these circumstances we will buy the Securities for a sale price equal to their Closing Price on the Maturity Date. You will be charged Brokerage for this transaction if it is not prohibited by law. The sale proceeds will be used to repay the Total Amount Owing. You will receive any surplus;if you have a Reduced Rate Facility and the Closing Price is above the Cap Price, your Total Amount Owing will include a Cash Settlement Amount for that Parcel of Securities as set out in section 4. The Cash Settlement Amount will be set off against any surplus before it is paid to you. <p>If the Closing Price of the Securities is equal to or below the Protection Level:</p> <ul style="list-style-type: none">your Put Option will be automatically exercised and we will buy the Parcel of Securities from you at a price equal to the Protection Level and apply this amount to repay the Loan principal in full (any outstanding interest obligations or other fees or expenses will still be payable by you). In these circumstances, you will not be charged Brokerage (unless the Securities are shares in Westpac or we are otherwise restricted from buying the Securities, in which case you will be charged Brokerage). <p>If the Securities are shares in Westpac or we are otherwise restricted from buying the Securities, we will not buy the Securities. The Security Trustee will sell them on your behalf (the sale price may be different from the Closing Price at Maturity) and, if applicable, the Put Option will be cash settled.</p>
2. Keep your Securities	<p>If the Closing Price of the Securities is above the Protection Level:</p> <ul style="list-style-type: none">repay the Total Amount Owing using your own funds and the Security Trustee will transfer the Securities to you;if you have a Reduced Rate Facility and the Closing Price is above the Cap Price, your Total Amount Owing will include a Cash Settlement Amount for that Parcel of Securities as set out in section 4. Once you repay the Total Amount Owing using your own funds, we will then arrange for the delivery of the Securities to you. <p>If the Closing Price of the Securities is equal to or below the Protection Level:</p> <ul style="list-style-type: none">your Put Option will be automatically exercised and we will set off the Put Option cash settlement amount (being the difference between the Protection Level and the Closing Value of the Securities) against the Total Amount Owing for that Parcel. You pay us the Closing Value of the Securities and any additional fees and charges associated with your Loan. Once you repay the Total Amount Owing, we will arrange delivery.
3. Extend or roll-over	Apply to extend the Term or, apply for a new Loan (if available), subject to our approval. Restrictions apply for SMSF Investors.

You should seek independent professional financial and taxation advice when considering your options at Maturity. You should also have regard to the general summary of the tax consequences of these alternatives in section 12 of this PDS.

8

Interest, fees and charges

This section sets out the interest, fees and charges applying to your Loans.

Interest

Detailed information on your interest obligations is set out in clause 10 of the Terms and Conditions.

What Interest Rate will I pay?

Please call us on 1800 990 107 for an Indicative Term Sheet for a Loan you are considering. The Indicative Term Sheet for a Loan sets out the indicative Interest Rate for the Loan (or, in the case of an Annually Resetting Loan, for the first Interest Period).

Each Loan, Top-up Loan and Interest Loan has its own Interest Rate. However, a balancing adjustment will usually be made to the Top-up Fee so that your Top-up Loan Interest Rate will be the same as the Interest Rate applicable to the corresponding Loan.

The actual Interest Rate:

- **for your Loan** – will be set at the Issue Time, and will be set out in your Welcome Letter. If you select an Annually Resetting Rate Loan, the Interest Rate may vary for each subsequent Reset Period; and
- **for your Interest Loan and Top-up Loans** – will be advised once those loans are drawn down.

These Interest Rates may differ from the rate set out in the applicable Indicative Term Sheet. This is because we set each Interest Rate at the Issue Time, and the prevailing factors that affect our calculation may differ from day to day, according to changes in market interest rates. If you choose to pay the Capital Protection Fee as a component of your Interest Rate, the Interest Rates will also be subject to the volatility of the chosen Security and the other factors affecting the Capital Protection Fee (described below). As such, these Interest Rates will vary from Security to Security.

Your Interest Rate may be greater than those payable under other forms of share financing if you elect for the Capital Protection Fee to be payable as a component of your Interest Rate.

What factors will affect the calculation of the Interest Rate?

The following table sets out the main factors that impact our calculation of the Interest Rate for a Loan, Interest Loan and Top-up Loan, and the expected impact of an increase in that factor on the relevant interest rate.

Factor	Expected impact on the relevant interest rate of an increase in the factor
Wholesale funding rates	↑
Capital Protection Fee (but only if this is a component of the Interest Rate)	↑
Our margin on the loan	↑

The description of the expected impact of a change in each factor assumes, in each case, that all other factors remain unchanged.

How do I pay my interest?

Your interest payments must be made by direct debit from your nominated bank account, on the due date for payment either:

- **in advance** on or before the date the Loan is drawn for the first Interest Period and thereafter annually in advance; or
- **monthly in arrears** with the first payment to be made on the date we advise and thereafter monthly in arrears on the same day of the month.

Generally, the interest rate for an annually in advance Loan will be lower than an equivalent monthly in arrears loan of the same term to reflect the time value of money.

Will the Interest Rate change?

For Fixed Rate Loans, the Interest Rate will apply for the Term of the relevant Loan. This means you will not benefit from a drop in market interest rates, but your Loan, Top-up Loan or Interest Loan will be unaffected by a rise in market interest rates.

For Annually Resetting Rate Loans, the Interest Rate specified in the Welcome Letter will apply for the first year of the Loan, or part year if the Loan Term is not a whole year multiple. The Interest Rate charged in subsequent years may vary from the initial Interest Rate reflecting market interest rates prevailing at the beginning of the new Interest Period. That is, if market interest rates increase, the Interest Rate on your Annually Resetting Rate Loan will increase by a corresponding amount. We will advise you of the new Interest Rate that will apply to your Loan.

Will we provide a single Interest Rate across your Loans?

The cost of your Capital Protection, and therefore the interest rate applicable to each Parcel you wish to invest in under a Loan is likely to be different as a result of the factors discussed below. While we will determine the actual Interest Rate for each Parcel you wish to invest in, we may provide you with one single or “blended” interest rate that applies to all of your Loans under the facility. However, we will only do so in respect of Loans which have the same Term and where the cost of your Capital Protection attributable to each Loan in the facility has been paid in the same way (e.g. as a component of your Interest Rate).

We will continue to administer the Loans subject to the single or “blended” interest rate on the basis that they consist of a single facility. For example, if we provide you a single or “blended” interest rate over a number of Loans, the Break Costs associated with terminating any one of those Loans (and the corresponding Put Option) will be calculated by reference not just to the terms of the Loan and the Put Option being terminated, but also to each other Loan and Put Option in the single or “blended” group.

What is the Indicative Rate Sheet?

From time to time, we may prepare an Indicative Rate Sheet which will set out indicative Interest Rates (as at the date the document is prepared) for Loans over each available Security, with terms of 1, 2, 3, 4 and 5 years (assuming the Capital Protection Fee is incorporated into the Interest Rate). You can receive a copy of the current Indicative Rate Sheet (if there is one) by calling us on 1800 990 107.

Other fees and charges

In addition to interest, other fees and charges are payable in connection with the Westpac PEL. We will give you 30 days’ written notice if these fees or charges increase. We reserve the right to reduce or waive these fees for certain investors. Please note that to the extent fees and charges are payable out of your Loan proceeds, you pay interest on these amounts during the Term. This increases the overall cost of these fees and charges.

Application Fee	<p>Up to 1.1% of your Loan amount. This is payable out of your Loan proceeds, and will be set out in the Welcome Letter. Based on a Loan of \$50,000, the Application Fee will be up to \$550. We will determine the amount of the Application Fee for your Loan (up to the 1.1% maximum) based on a number of factors including:</p> <ul style="list-style-type: none">• the Loan amount – broadly, the higher the Loan amount the lower the Application Fee percentage (assuming all other factors are equal); and• your relationship or your adviser’s relationship with the Westpac Group. <p>The size of your Application Fee compared to the amounts you actually pay under a Loan (e.g. the interest you pay, the Capital Protection Fee, Brokerage and other costs and expenses) could be significantly higher than 1.1%.</p> <p>For example, assume that for a \$10,000 Loan the price of the Securities at the Issue Time is \$10.00, with a Protection Level of \$10.00, a Term of 1 year and interest at a rate of 20%, which incorporates the Capital Protection Fee (i.e. total interest on the Loan is \$2,000). Also, assume no Brokerage and that the Application Fee is set at the maximum of 1.1%. The Application Fee will be \$110. While the Application Fee as a percentage of the Loan amount is only 1.1%, the Application Fee is 5.5% of the amount you pay to purchase the investment (i.e. the interest you pay on the Loan).</p>
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<p>Capital Protection Fee</p>	<p>The Capital Protection Fee is the fee payable for the Put Option. You have the flexibility to pay the Capital Protection Fee for a Loan either upfront or as a component of the Interest Rate. If you are making a Securityholder Application and you transfer the Securities to form a Parcel, then you may pay this from your Loan proceeds. Please see pages 15-17 for further details.</p> <p>Your Indicative Term Sheet sets out an indicative upfront Capital Protection Fee for your Loan, if you choose to pay the Capital Protection Fee upfront. The indicative Capital Protection Fee in the Indicative Term Sheet is subject to change up until the Issue Time.</p> <p>Where the Capital Protection Fee for a Loan is a component of the Interest Rate, the Interest Rate over the Term of the Loan will reflect the Capital Protection Fee that would have otherwise been charged, increased to take into account the time value of money.</p> <p>The factors that will affect our calculation of the Capital Protection Fee, and the impact a change in those factors would be expected to have on the Capital Protection Fee amount, are set out in the table below. If market factors cause us to change our estimate of the Capital Protection Fee from that set out in the Indicative Term Sheet in a way that is materially adverse from your perspective, we will generally issue a revised Indicative Term Sheet setting out a revised indicative Capital Protection Fee. However, any such changes are a risk that you bear.</p> <table border="1" data-bbox="373 808 1398 1218"> <thead> <tr> <th>Increase in:</th> <th>Expected impact on Capital Protection Fee</th> </tr> </thead> <tbody> <tr> <td>Protection Level</td> <td>↑</td> </tr> <tr> <td>Term of Loan</td> <td>↑</td> </tr> <tr> <td>Security volatility*</td> <td>↑</td> </tr> <tr> <td>Cap Level (if you enter into a Reduced Rate Facility)</td> <td>↑</td> </tr> <tr> <td>Participation Rate (if you enter into a Reduced Rate Facility)</td> <td>↑</td> </tr> <tr> <td>Interest Rates</td> <td>↓</td> </tr> <tr> <td>Forecast Dividends</td> <td>↑</td> </tr> </tbody> </table> <p><i>The description in the table above of the expected impact of a change in each factor assumes, in each case, that all other factors remain unchanged.</i></p>	Increase in:	Expected impact on Capital Protection Fee	Protection Level	↑	Term of Loan	↑	Security volatility*	↑	Cap Level (if you enter into a Reduced Rate Facility)	↑	Participation Rate (if you enter into a Reduced Rate Facility)	↑	Interest Rates	↓	Forecast Dividends	↑
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Forecast Dividends	↑																
<p>Brokerage</p>	<p>Up to 1.1% (but generally 0.22% as at the date of this PDS) of the transaction amount (i.e. the Market Value of the Parcel at the time of the transaction). The Brokerage charge will generally reflect our determination of market standard brokerage rates for on-market transactions as at the transaction time. Assuming Brokerage of 1.1%, on a transaction value of \$50,000, the Brokerage will be \$550.</p> <p>As noted above in relation to the Application Fee, the size of your Brokerage charge compared to the amounts you pay under a Loan could be significantly higher than 1.1%.</p> <p>Brokerage is payable on Application for both Cash Applications and Securityholder Applications (for Securityholder Applications, even though your transfer of Securities to the Security Trustee will be an off-market transaction, the amount of Brokerage we will charge you will be calculated as if it were an on-market transaction).</p> <p>Brokerage on Applications will be charged on issue of a Loan and is generally payable out of your Loan proceeds. The amount of Brokerage will be notified to you in your Welcome Letter. If you are a Securityholder Borrower, your current broker may also charge you brokerage to transfer the Parcel to the Security Trustee.</p> <p>In addition to Brokerage payable on Application, we will charge you Brokerage (to the extent we are not prevented by law) if:</p> <ul style="list-style-type: none"> • you use the Portfolio Adjustment Facility (Brokerage may form part of the Portfolio Adjustment Fee); 																

* Volatility refers to the frequency and size of security price fluctuations. The volatility used to determine the Capital Protection Fee will depend on the actual Security volatility at the Issue Time and our assessment of how the volatility may vary in future.

<p>Brokerage (continued)</p>	<ul style="list-style-type: none"> • you repay your Loan before Maturity (including if an Early Maturity Date applies) and your Securities are sold (irrespective of whether the sale proceeds are more than or less than the Loan Amount outstanding); • at Maturity you direct that your Securities be sold and the Closing Price at Maturity exceeds the Protection Level; or • at Maturity your Securities are sold and the Closing Price at Maturity is less than or equal to the Protection Level and your Securities are shares in Westpac (or we are otherwise restricted from buying the Securities). <p>Even if the sale of your Securities in these circumstances is an off-market transaction (e.g. if we buy your Securities), the Brokerage we will charge you will be an amount calculated as if it were an on-market transaction.</p> <p>We may waive some or all Brokerage payable in a particular instance.</p>
<p>Adviser Service Fee</p>	<p>If you agree to pay your adviser an amount ("Adviser Service Fee") in connection with entering into a Loan, you may request to use the "Adviser Service Fee Facility" as a simple way to make that payment. Under the Adviser Service Fee Facility, you appoint us as your agent to pay to your adviser on your behalf your specified Adviser Service Fee amount. You must inform us when you apply for a Westpac PEL the dollar amount of the Adviser Service Fee you would like to pay through the Adviser Service Fee Facility as well as your adviser's details and whether the Adviser Service Fee is to be paid out of your Loan. We will confirm these details by setting them out in the Welcome Letter. You will be required to pay to us, with your first payment, an amount equal to your agreed Adviser Service Fee, which we will on-pay to your adviser on your behalf. (Alternatively, we may allow you to pay an Adviser Service Fee out of your Loan amount.) Pending payment to your adviser of any Adviser Service Fee amount you pay us, the amount will be held in a trust account. We will keep any interest earned on this account.</p> <p>We may refuse your request to use the Adviser Service Fee Facility in respect of any Loan.</p> <p>For example, where you choose to pay the Adviser Service Fee out of the Loan amount assume:</p> <ul style="list-style-type: none"> • you request to purchase a Parcel of Securities with a \$100,000 purchase price with no Capital Contribution; • you agree to pay your adviser a fee of \$1,000 in connection with entering into the Loan; • you request to use the Adviser Service Fee Facility to pay this \$1,000 fee to your adviser out of your Loan and we agree to your request; and • no Brokerage and no Initial Application Fee are payable in connection with the Loan. <p>Your Loan amount will be \$101,000 (comprising \$100,000 to purchase the Parcel + \$1,000 for the Adviser Service Fee). Because the Adviser Service Fee increases your Loan amount in this example, it will also increase both:</p> <ul style="list-style-type: none"> • the amount of interest you pay on the Loan; and • the Capital Protection Fee (because the Protection Level will increase), assuming, in each case, all other factors are unchanged. <p>This example is included for illustrative purposes only. It is not intended as an indication of any Adviser Service Fee amount you may agree with your adviser.</p>
<p>Government charges</p>	<p>You are responsible for the payment of any regulatory fees, government duties and Taxes payable in respect of the Loan, Interest Loan or any Top-up Loan or the transactions in connection with any of them. We are not aware of any government charges being payable as at the date of this PDS.</p>
<p>Dishonour Fees</p>	<p>Where a direct debit from your nominated bank account fails, a fee of \$9 will be charged to you and direct debited from your nominated bank account. This amount is subject to change by us.</p>
<p>Trust Deed Review Fee</p>	<p>The fee may apply to trust applicants (including SMSFs) and is charged to review a trust deed to ensure trust applicants are entitled to enter into the Westpac PEL. The Trust Deed Review Fee is currently \$300 and is subject to change by us.</p>

Security Reset Fee	<p>An upfront fee paid in relation to using the Security Reset facility. The Security Reset Fee reflects the net cost of replacing the Put Option for your Loan with a new Put Option at a higher Protection Level. The Security Reset Fee will be payable by direct debit from your nominated account, prior to the release of any Securities.</p> <p>The factors that will affect our calculation of the net cost of replacing the Put Option are set out below.</p>
Top-up Fee	<p>An upfront fee paid in relation to using a Top-up Loan facility. The Top-up Fee comprises the sum of:</p> <ul style="list-style-type: none"> • an Application Fee of up to 1.1% of the Top-up Loan amount (the factors that affect our calculation of the Application Fee (as described above) will have the same effect on our calculation of this component of the Top-up Fee); • the net cost of replacing the Put Option for your Loan with a new Put Option at a higher Protection Level. The factors that will affect our calculation of this component are set out below; and • a balancing amount (which might be either a positive or negative amount) to ensure that the Interest Rate charged on the Top-up Loan is the same as the Interest Rate on the existing Loan. If prevailing market interest rates are higher at the time you use the Top-up Loan facility than at the time the current Interest Rate for the Loan was set, the balancing amount will increase the Top-up Fee (and vice versa if rates have decreased).
Portfolio Adjustment Fee	<p>An upfront fee paid in relation to using the Portfolio Adjustment Facility.</p> <p>The Portfolio Adjustment Fee comprises:</p> <ul style="list-style-type: none"> • the net cost in relation to replacing your Put Option with a new one entered into in respect of the new Securities, this could be either: <ul style="list-style-type: none"> – a positive amount, i.e. if the value of the Put Option over the old Securities minus our costs associated with its termination, is less than the cost of the Put Option over the new Securities; or – a negative amount, i.e. if the value of the Put Option over the old Securities minus our costs associated with its termination, is more than the cost of the Put Option over the new Securities; and <p>The factors that will affect our calculation of this component are set out below.</p> • other fees and charges associated with selling the existing Securities or purchasing new Securities, including Brokerage and any associated transaction costs such as government duties and Taxes. The factors that affect these amounts are described above.

The factors that will affect our calculation of the Security Reset Fee, the Top-up Fee and the Portfolio Adjustment Fee, and the impact a change in those factors would be expected to have on the relevant fee, are set out in the table below.

Increase in ...	Expected impact on the Security Reset Fee	Expected impact on the Top-up Fee	Expected impact on the Portfolio Adjustment Fee
Protection Level	↑	↑	↑ If the percentage Protection Level of the new Securities is higher than that for the old Securities then this will increase the Portfolio Adjustment Fee.
Security Volatility	↑	↑	↑ The higher the volatility of the new Securities relative to the old Securities, the higher the Portfolio Adjustment Fee
Interest Rates	↓	↑	↑ or ↓ Whether the Portfolio Adjustment fee will increase or decrease will depend on the relative percentage Protection Level of the new Securities compared to the old Securities.
Forecast Dividends	↑	↑	↑ or ↓ Whether the Portfolio Adjustment fee will increase or decrease will depend on the relative percentage Protection Level of the new Securities compared to the old Securities.

The description in the table above of the expected impact of a change in each factor assumes, in each case, that all other factors remain unchanged.

Placement fees

To the extent permitted by law (and, if required under law, with your consent), we may pay advisers, brokers, platform operators or your agents:

- placement fees up to 2.2% of your Loan amount (including GST); and
- trailing placement fees of up to 1.1% of the Loan amount (including GST) for each year of the Term of a Loan.

We fund these placement fees from our revenue derived from Loans (unless we indicate otherwise, and seek your consent and direction accordingly). As such, they do not represent an additional cost to you. We will generally only pay your adviser a placement fee if you are a wholesale client or if the payment is permitted under the transitional provisions of the Future of Financial Advice reforms.

Break Costs

If you repay all or part of your Loan prior to Maturity (e.g. if a Trigger Event occurs) the Total Amount Owning in respect of the Loan (and any Interest Loan) will be adjusted to include Break Costs.

Break Costs may be significant. You should carefully consider whether to enter into a Loan if you intend to repay the Loan before the Maturity Date, or are concerned that events outside your control may require you to do so. If you are considering repaying your Loan early, you can contact us for an estimate of Break Costs. Break Costs can result in either an amount you must pay us or an amount we must pay you.

We calculate Break Costs as follows:

The net costs of terminating your Loan, any Interest Loan and associated funding arrangements	<p>This is the difference between:</p> <ul style="list-style-type: none">• the present value of future scheduled interest payments on your Loan and any Interest Loan (including any unpaid portion of your Capital Protection Fee, to the extent you undertake to pay that fee as a component of the Interest Rate); and• the present value of what we would receive if we were to re-lend the amount repaid at market interest rates prevailing at the time until Maturity. <p>This could either be a benefit (e.g. possibly if interest rates have increased since the time the Interest Rate on your Loan was set) or a cost to you.</p> <p>If you choose to pay the Capital Protection Fee over the life of the Loan as a component of the Interest Rate, the future scheduled interest payments will include any unpaid portion of the Capital Protection Fee. This may be a significant component of the Break Costs.</p>
Plus the cost of terminating any Reduced Rate Facility less the proceeds of terminating the Put Option.	<p>Plus the costs of terminating the Reduced Rate Facility (if any)</p> <p>This reflects our reasonable estimate of the market value of our right to receive the Cash Settlement Amount at Maturity (which is similar to a cash settled call option).</p> <p>Less the value of the Put Option</p> <p>This reflects our reasonable estimate of the market value of the Put Option at the time of its termination.</p>

The net costs of terminating your Loan, any Interest Loan and associated funding arrangements

In relation to the termination of any funding arrangements for a Loan or any Interest Loan, if market interest rates have increased since the Interest Rate for the Loan (or Interest Loan) was determined, this will decrease the amount of Break Costs payable (assuming all other factors are equal). In contrast, if market interest rates have decreased since the Interest Rate for your Loan (or Interest Loan) was determined, this will increase the amount of the Break Costs (again assuming all other factors are equal). If you elected to pay the Capital Protection Fee as a component of the Interest Rate, the higher the component attributable to the Capital Protection Fee and the longer the remaining time to Maturity, the higher Break Cost (again assuming all other factors are equal).

Cost of terminating the Reduced Rate Facility and the value of the Put Option

Our calculations of the value of the Put Option and our rights under a Reduced Rate Facility will depend upon several factors. The value of each of these factors can be affected differently by, for example, interest rates, volatility and forecast distributions. The description in the table of the Put Option component reflects that its value reduces the Break Costs you pay. That is, a change to a factor that increases the value of the Put Option (and so, benefits you), is shown by a downward arrow, reflecting the decrease in your Break Costs. It is very difficult to assess the overall impact on Break Costs of a change in a factor, because the change might increase one component of Break Costs while decreasing another component. However, from an overall position, the following generally applies:

Factors	Change in factor	Expected impact on Break Costs in relation to how much you have to pay to terminate:	
		Put Option	Reduced Rate Facility
Security price	↑	↑	↑
Security volatility	↑	↓	↑
Market interest rates	↑	↑	↑
Forecast Dividends	↑	↓	↓
Time to Maturity	↓	↑	↓

In each case, the description of the expected impact on the Break Costs of a change in a factor assumes that all other factors remain unchanged.

The Break Cost associated with terminating the Put Option or the Reduced Rate Facility is only part of the overall Break Cost calculation. (As noted above, we also take the net costs of terminating your Loan, any Interest Loan and associated funding arrangements, and the cost of terminating any Reduced Rate Facility, into account).

As you can see above, if the Security price decreases relative to price at the Issue Time:

- the Break Cost associated with terminating the Put Option or the Reduced Rate Facility may decrease; but
- the overall amount you have to pay (including Break Costs) to terminate your Loan may increase, given the increased gap between the Market Value of the Parcel and the Loan amount.

We appreciate that calculation of the Break Costs involves a degree of complexity and relies upon complicated pricing models that take into account a number of variables. We can provide you with an indication of the prevailing Break Costs when requested, and can also provide you with details of how the calculation was prepared.

Example of Break Costs

Claire entered into a 3 year Loan with 100% capital protection to purchase ANZ Securities at \$27.31. Claire elected for the Interest Rate to be fixed for the term of the Loan and for interest to be paid annually in advance. Claire also requested to include the Capital Protection Fee in the Interest Rate and for a Reduced Rate facility at a 150% cap to reduce the Interest Rate. The example assumes no Application Fee, no Adviser Service Fee and no Brokerage were charged on Application.

With 2 years remaining in the Term, Claire has now requested to repay the Loan at the end of the first annual Interest Period and for the Securities to be sold on market.

Market interest rates have decreased relative to those prevailing at the Issue Time. In addition, the price of the Securities has fallen from \$27.31 to \$25.94, but as Claire has requested to repay the Loan early, she is not entitled to any Capital Protection on the Loan.

Claire will be required to pay the shortfall between Total Amount Owing on the Loan (including the Loan amount and Break Costs) and the net proceeds on sale of Securities. As Claire elected to include the Capital Protection Fee and Reduced Rate Facility in the Interest Rate, at the time of the early repayment the Break Costs will include an amount to reflect any unpaid Capital Protection Fee (net of any benefit from the Reduced Rate Facility) that would otherwise have formed part of any remaining interest payments. In the example below, Claire will be required to pay \$5,901 which includes Break Costs of \$693.

Issue Time	
Loan amount (Fixed Rate)	\$99,982
Initial price of Security	\$27.31
Number of Securities	3,661
Protection Level	\$27.31
Reduced Rate Facility – Cap Level	150%
Reduced Rate Facility – Participation Rate	0%
At time of early repayment	
Sale price of Security	\$25.94
Market Value of Securities	\$94,983
Less Brokerage and fees on sale (assuming Brokerage of 0.22%)	(\$209)
Net proceeds on sale of Securities	\$94,774
Loan amount	\$99,982
Shortfall on net proceeds on sale of Securities relative to the Loan amount	(\$5,208)
Break Costs	
Benefit (cost) of terminating the Fixed Rate Loan	(\$2,005)
Value of Put Option on termination	\$14,157
Unpaid net Capital Protection Fee	(\$12,345)
Cost of terminating the Reduced Rate Facility	(\$500)
Total Break Costs	(\$693)
Total shortfall and Break Costs payable on early repayment of loan	
Net Amount due to (from) you	(\$5,901)

Additional fee disclosure for Loans in relation to Units in a managed investment scheme

A Loan in respect of Securities that are, or include, Units in a managed investment scheme (a **Fund**) will constitute a managed investment product. Because a Loan could be a managed investment product, this PDS is required to include the following information regarding the fees, charges and deductions relevant to an investment in the Funds.

As at the date of this PDS, Units in the following Funds are included in the Approved Securities List:

- iShares S&P/ASX 20 Index Fund;
- iShares MSCI Australia 200 Index Fund;
- SPDR S&P/ASX 200 Fund;
- units in Westfield Trust and Westfield America Trust, which are stapled together along with shares in Westfield Management Ltd, and together comprise the Westfield Group;
- units in Westfield Retail Trust 1 and Westfield Retail Trust 2, which are stapled together and comprise the Westfield Retail Trust;
- SPDR MSCI Australia Select High Dividend Yield Fund;
- Russell Australia High Dividend Fund ETF;
- BetaShares Australian Top 20 Equity Yield Maximiser Fund; and
- BetaShares Australian High Interest Cash ETF.

The following information relates only to the fees, costs and deductions applicable to the Units in each Fund. It does not take into consideration the fees and charges applicable to the Westpac PEL (see this section 8 of the PDS for further information on fees and charges applicable to the Westpac PEL). The fees, costs and deductions charged to a Fund will reduce the value of the Units in that Fund and will also reduce the value of your investment in a Loan in relation to those Units.

Consumer advisory warning

The consumer advisory information below is required by law. The fees and other costs associated with investing in Units in the relevant Fund are described in this section.

DID YOU KNOW?

Small differences in both investment performance and fees and charges can have a substantial impact on your long term returns.

For example, total annual fees and charges of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and charges.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This document shows fees and other costs that you may be charged. These fees and charges may be deducted from your money, from the returns on your investment or from the relevant Fund's assets as a whole.

Information on tax appears in section 12 of this PDS.

You should read all of the information about fees and charges because it is important to understand their impact on your investment.

Unless otherwise stated, all amounts specified in this section include the net effect of GST (i.e. inclusive of any GST less any reduced input tax credits to which the relevant Fund is entitled).

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the relevant Fund		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Nil*	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil**	Not applicable
Termination fee The fee to close your investment.	Nil	Not applicable

* A transaction fee of \$2,050 applies to create units in iShares MSCI Australia 200 Index Fund. The transaction fee to create units in iShares S&P/ASX 20 Index Fund is \$250. The transaction fee to create units in SPDR S&P/ASX 200 Fund is \$5,000. This amount will not apply to an investment in a Loan. The following fees are payable in connection with entry into a Loan: (i) interest on the Loan and on any Interest Loan; (ii) an Application Fee of up to 1.1% of your Loan Amount; (iii) Brokerage of up to 1.1% of the transaction amount; (iv) any Adviser Service fee you agree with your adviser; (v) the Capital Protection Fee; and (vi) if you are a trustee, a Trustee Review Fee which is currently \$300 (see section 8).

** A transaction fee of \$2,050 applies to redeem units in iShares MSCI Australia 200 Index Fund. The transaction fee to redeem units in iShares S&P/ASX 20 Index Fund is \$250. The transaction fee to redeem units in SPDR S&P/ASX 200 Fund is \$5,000. This amount will not apply to an investment in a Loan. If you withdraw your investment prior to the Maturity Date, you may be liable to pay Break Costs (see section 8).

Management costs – The fees and charges for managing your investment

iShares S&P/ASX 20 Index Fund	Management fee of 0.24% p.a. of the net asset value of the Fund	The management fee is calculated on the net asset value of the Fund on a daily basis and is payable monthly or as otherwise incurred by the Fund. The deduction of the management fee is reflected in the unit price of the Fund.
iShares MSCI Australia 200 Index Fund	Management fee of 0.19% p.a. of the net asset value of the Fund.	The management fee is calculated on the net asset value of the Fund on a daily basis and is payable monthly or as otherwise incurred by the Fund. The deduction of the management fee is reflected in the unit price of the Fund.
SPDR S&P/ASX 200 Fund	Aggregate of 0.286% p.a. of the net asset value of the Fund comprising: <ul style="list-style-type: none"> investment management fee of 0.275% p.a. of the net asset value of the Fund; and responsible entity fee of 0.011% p.a. of the net asset value of the Fund. 	The investment management fee is calculated and accrued daily and paid out of the Fund to the investment manager of the Fund. The amount of this fee can be negotiated. The responsible entity fee accrues daily and is paid out of the Fund monthly in arrears to the responsible entity of the Fund. The fee is calculated as at the last day of each month. The amount of this fee can be negotiated.
SPDR MSCI Australia Select High Dividend Yield Fund	Aggregate of 0.350% p.a. of the net asset value of the Fund comprising: <ul style="list-style-type: none"> investment management fee capped at 0.339% p.a. of Fund net asset value; and Responsible entity fee of 0.011% p.a. of Fund net asset value. 	The investment management fee is calculated and accrued daily and paid out of the Fund to the investment manager monthly in arrears. The responsible entity fee is calculated daily and paid out of the Fund monthly in arrears to the Responsible Entity.
Russell Australia High Dividend Fund ETF	Management fee of 0.46% p.a. of the net asset value of the Fund	The management costs are estimated and are paid directly from the assets of the Fund and reflected in the daily Unit price. The estimated management costs are quoted on a GST inclusive basis and are payable monthly or as otherwise incurred by the Fund.
BetaShares Australian Top 20 Equity Yield Maximiser Fund	Management fee of 0.59% p.a. of the net asset value of the Fund	Calculated and accrued daily as a percentage of the Fund's net asset value. Management fees are paid monthly on or after the first day of the following month. Management fees are reflected in the daily net asset value per unit.

BetaShares Australian High Interest Cash ETF	Management costs capped at 0.18% p.a	Calculated and accrued daily as a percentage of the Fund's net asset value. Management costs are paid monthly on or after the first day of the following month. Management costs are reflected in the daily Net asset value per unit.
Westfield Retail Trust	Aggregate of 0.330% of the combined net asset value of the Westfield Retail Trust	Reimbursed from the assets as costs are incurred.
Westfield Group	Aggregate of 0.092% of the combined net asset value of the Westfield Group	Reimbursed from the assets as costs are incurred.
Service fees		
Investment switching fee The fee for changing investment options.	Nil	Not applicable.

Additional explanation of fees and charges

The management costs for each Fund incorporate the management fee, responsible entity fee (if any) and expense recovery costs (other than abnormal or extraordinary costs and transaction costs). In addition to the management costs, the responsible entity of each Fund is entitled to be reimbursed from the Fund for any abnormal or extraordinary costs and expenses not generally incurred during the day to day operations of the Fund (for example, the cost of running a unitholder meeting).

The maximum fee that may be charged under the constitution of each Fund is as follows:

- iShares S&P/ASX 20 Index Fund – 5% p.a. of the net asset value of the Fund;
- iShares MSCI Australia 200 Index Fund – 5% p.a. of the net asset value of the Fund;
- SPDR S&P/ASX 200 Fund – 0.50% p.a. of the net asset value of the Fund (excluding GST);
- SPDR MSCI Australia Select High Dividend Yield Fund – 1% p.a. of the net asset value of the Fund;
- Russell Australia High Dividend Fund ETF – 4% p.a. of the net asset value of the Fund;
- BetaShares Australian Top 20 Equity Yield Maximiser Fund – 3% p.a. of the net asset value of the Fund;
- BetaShares Australian High Interest Cash ETF – 3% p.a. of the net asset value of the Fund; and
- Westfield Group – no maximum fee. The fee will be the responsible entity's reasonable estimate of costs in providing its services. The responsible entity of each Fund within the Westfield Group is owned by the company that forms part of the Westfield Group.

In relation to the SPDR S&P/ASX 200 Fund, the investment manager and the responsible entity may agree with investors who are wholesale clients (as defined in the *Corporations Act 2001* (Cth)) to rebate some of the fees costs on a case by case basis.

Each Fund may also incur transaction costs when transacting to meet investor objectives, for example ordinary brokerage and transaction fees, the amount of such costs are dependent on a number of different variables, including the level of trading undertaken by the Fund.

The fees and charges of each Fund can change. You will not be given any notice of any proposed increase to the fees and charges.

Under special circumstances, the responsible entity of the iShares S&P/ASX 20 Index Fund and the iShares MSCI Australia 200 Index Fund may elect to vary the frequency of its fee collection.

The percentages payable under the Westfield Group and Westfield Retail Trust Funds are estimates, based on the total assets controlled by the Funds. These figures may change.

Fees and charges are paid from the assets of the Westfield Retail Trust to related parties in the Westfield Group for property management and development services. These fees and charges are not considered 'management costs' of the Trust, as they would be incurred even if investors purchased the property directly, and not through the Westfield Retail Trust.

Example of annual fees and charges for investment in Units in a Fund – SPDR S&P/ASX 200 Fund

This table gives an example of how the fees and charges for a Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – SPDR S&P/ASX 200 Fund Contribution fees	Nil	Balance of \$50,000 with a contribution of \$5,000 during year <i>For every additional \$5,000 you put in you will not be charged a contribution fee.</i>
PLUS Management Costs	0.286% p.a.	<i>For every \$50,000 you have in the fund, you will be charged \$143 each year.</i>
EQUALS Cost of Fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of: \$143* What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

* Additional fees may apply. For illustrative purposes, the above example assumes that the Management Costs were calculated on a balance of \$50,000. It does not take into account Management Costs that would be charged on the additional \$5,000 contributed during the year.

The example above does not include any extraordinary expenses that may be recovered by the responsible entity of the SPDR S&P/ASX 200 Fund during the year.

The example refers only to the annual fees and charges that relate to the investment in the Units in the relevant Fund, it does not include the fees and charges relating to your Loan. Such fees and charges are summarised in section 8 of this PDS and include but are not limited to: (i) Application Fee; (ii) Capital Protection Fee; (iii) any Adviser Service Fee you agree with your adviser; (iv) Brokerage; and (v) Interest on your Loan (and Interest Loan or Top-up Loan, if applicable).

9 Interest Loans

Where you have elected to pay interest annually in advance on a Loan under the Westpac PEL, you may apply for an Interest Loan to fund your interest in advance payment. Interest Loans are not available to SMSF Investors.

How does an Interest Loan work?

Your application for an Interest Loan may be made either when you apply for a Loan pursuant to the Westpac PEL or during the Term. Your application remains subject to our approval.

To repay the Interest Loan, we direct debit your account:

- for the total interest on your Interest Loan on or before the date the Interest Loan is drawn; and
- for the Interest Loan principal in equal monthly instalments at the end of every month during the year, or if the Loan is repaid early or becomes repayable, for the outstanding Interest Loan principal on the date the Loan is repaid or becomes repayable for any reason.

What will the Interest Rate be?

For an indicative Interest Loan interest rate please call us on 1800 990 107. The interest rate for the Interest Loan is fixed for its Term.

Early repayment?

If you decide to repay some or all of your Loan while your Interest Loan is outstanding, or you are required to repay some or all of your Loan because of a Trigger Event:

- the corresponding remaining balance of the Interest Loan will need to be repaid;
- we will refund to you the relevant proportion of any prepaid interest on your Interest Loan paid in advance, However, you may need to pay Break Costs. See section 8 for more details of the Break Costs.

What about next year?

The Term of an Interest Loan will be no more than one calendar year. If you would like to fund your interest in advanced payment for the next period, you may apply for another Interest Loan (if available).

Example

For example, assume you have a Loan amount of \$50,000, with Interest payable annually in advance at a Fixed Rate of 8.45% p.a. (the Capital Protection Fee for the Loan is paid upfront). The Interest Payment for each Interest Period is \$4,225. You request, and we agree, an Interest Loan for an Interest Period. The Interest Rate under the Interest Loan, is 8.65%. You must pay us the interest on the Interest Loan (of \$195) upfront, and in each of the 12 months after taking out the Interest Loan, you must repay one twelfth of the capital on the Interest Loan (\$352.08 per month).

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Westpac PEL for Self-Managed Superannuation Funds

The SMSF Opinion at the end of this Section provides a general summary of the requirements of the *Superannuation Industry (Supervision) Act 1993 (Cth) (SIS Act)* in relation to SMSF Investors who enter into a Loan. However, it is strongly recommended that investors who are SMSF Investors obtain their own independent professional advice before entering into a Loan.

It is your responsibility to ensure that you are complying with your ongoing legal obligations. For example, you should ensure that the trust deed which constitutes the SMSF gives the power to borrow and to enter into derivatives.

The Westpac PEL seeks to take advantage of changes to the SIS Act that were made in 2007 and revised in 2010 to provide an exception to the general rule against borrowing by SMSF Investors subject to compliance with certain conditions. The interpretation of these amendments is not settled and may change over the Term of a Loan.

How the Westpac PEL operates differently for SMSF Investors

Reduced range of features	If you are a SMSF Investor, you are not eligible to make a Securityholder Application (unless the SMSF Investor is refinancing an existing limited recourse borrowing and applicable restrictions are complied with), or apply for a Top-up Loan, Portfolio Adjustment Facility, Security Reset Facility or Interest Loan.
Obligations are limited recourse	Your obligations to pay the principal on the Loan, interest and fees (including Break Costs) are limited recourse. In no circumstances will we have recourse to the SMSF Investor's assets other than the relevant Parcel and any other Secured Property.
Corporate Actions	Where a Corporate Action is undertaken in relation to the Securities, the treatment of the proceeds from certain Corporate Actions is likely to be different to the treatment of those Corporate Actions for non-SMSF Investors. For all Corporate Actions, it is likely that we will nominate that all or part of the Loan must be repaid early. If all or part of your Loan is repaid early, you may have to pay Break Costs.
Guarantee and Indemnity	<p>We may require you in your personal capacity (if you are an individual trustee) or one or more of your members (or directors in the case of corporate SMSF trustees) to provide a Guarantee and Indemnity.</p> <p>Where you do not meet your obligations to pay us any amounts (including interest, principal, Break Costs and other amounts) and the proceeds of the sale of the Parcel (and the value or proceeds of any other entitlements that we are entitled to apply against those amounts) are not sufficient to cover those amounts, we will seek to recover those amounts from the Guarantor. The Guarantor will be personally liable for these amounts and will not be able to be reimbursed for those amounts from the assets of the SMSF. Where there is more than one Guarantor, they will be jointly liable and each of them will be separately liable, for the Total Amount Owed.</p> <p>We will send details of the Guarantee and Indemnity to the Guarantor separately.</p>

22 July 2013

Michelle Levy
Partner

The Directors
Westpac Banking Corporation
275 Kent Street
SYDNEY NSW 2000

Dear Directors

Westpac Protected Equity Loan - SMSF Investors

This letter sets out our opinion as to whether trustees of self-managed superannuation funds (**SMSFs**) can invest in Westpac Protected Equity Loans (**Westpac PEL**) without breaching the borrowing and charging restrictions in the Superannuation Industry (Supervision) Act 1993 (Cth) (**SIS Act**) and the Superannuation Industry (Supervision) Regulations 1994 (Cth) (**SIS Regulations**). The terms governing the Westpac PEL are contained in the Product Disclosure Statement and the Security Trust Deed. The loan terms are also contained in the Product Disclosure Statement. Capitalised terms used in this opinion and not otherwise defined have the same meaning as in the Product Disclosure Statement.

In our opinion, and subject to the qualification below in relation to the Adviser Service Fee, a borrowing by an SMSF trustee under the terms of the Product Disclosure Statement and Security Trust Deed will satisfy the conditions of section 67A and 67B of the SIS Act. These sections provide an exception to section 67 of the SIS Act, which would otherwise prevent an SMSF trustee borrowing money, including by investing in the Westpac PEL.

Further, in our opinion neither a borrowing by an SMSF trustee under the Westpac PEL terms, nor the acquisition or exercise of an option by a trustee under those terms, will contravene the anti-charging rule in regulation 13.14 of the SIS Regulations.

The terms governing the Westpac PEL permit investors to apply some of the loan proceeds to pay an Adviser Service Fee to their adviser in connection with entering into the Westpac PEL. If an SMSF trustee chooses to pay an Adviser Service Fee from loan proceeds, the borrowing will satisfy the conditions of section 67A and 67B of the SIS Act only if the Adviser Service Fee is an expense incurred by the superannuation trustee in connection with the borrowing or acquisition of Securities under the Westpac PEL. If the fee is payable solely for advice provided by the adviser about the Westpac PEL, there is no reason to think that an Adviser Service Fee is not such an expense. We have not considered whether the Adviser Service Fee is an asset based fee on a borrowed amount under Division 7.7A of the Corporations Act 2011 (Cth).

In providing this opinion we note that particular options and terms of the Westpac PEL will not apply to SMSF investors and we assume that these will be complied with.

Our opinion is provided on the basis of the Product Disclosure Statement dated 22 July 2013 and the Security Trust Deed dated 19 April 2012.

Yours faithfully

King & Wood Malesons

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General information

Approved Securities List

The Approved Securities List is subject to change at our discretion from time to time. An up to date Approved Securities List can be found at www.westpac.com.au/pel.

You can request a paper copy of the Approved Securities List free of charge.

The Securities on the Approved Securities List are all listed on the ASX. The initial Approved Securities List includes approximately 50 of the largest 100 securities by market capitalisation listed on the ASX (including listed property trust investments (Westfield Group, and Westfield Retail Trust) plus selected ETFs (SPDR S&P/ASX 200 Fund, iShares S&P/ASX 20 Index Fund, iShares MSCI Australia 200 Index Fund).

The Listed Entity which issues each Security is required to disclose market sensitive information in accordance with the rules of the ASX on a continual basis. Historical information in relation to prices and trading histories in Securities is available from various sources, including from the ASX website at www.asx.com.au, a broker or investment adviser, newspapers and from the website of each entity.

Some Listed Entities may be subject to legislation which prescribes maximum shareholding or unitholding limits for shareholders or unitholders (as applicable) or other restrictions which may prohibit or limit the interests in that Listed Entity that you may acquire. You should inform yourself of the restrictions that may apply in the context of your application for a Loan.

We have not made any independent investigations of or in relation to the information contained in the website of any Listed Entities and do not accept responsibility if information on those websites is incorrect, incomplete, or misleading by omission or otherwise.

The Approved Securities List is not a recommendation in relation to the Securities. You must rely on your own enquiries concerning the Listed Entities and the Approved Securities.

Loans over Units – ED Securities

If 100 or more people hold units in a Listed Entity that is a managed investment scheme, as a result of offers that gave rise to obligations to give a product disclosure statement under the Corporations Act, that Listed Entity managed investment scheme will be a “disclosing entity” for the purposes of the Corporations Act. A Listed Entity managed investment scheme that is a disclosing entity is subject to regular reporting and disclosure obligations. Copies of all documents lodged with ASIC in relation to the Listed Entity may be obtained from the responsible entity, or obtained from or inspected at an office of ASIC. In particular, you can obtain a copy of the annual financial report most recently lodged with ASIC by the Listed Entity, any half-year financial report lodged with ASIC by the Listed Entity after the lodgment of that annual financial report, and any continuous disclosure notices given by the Listed Entity after the lodgment of that annual report.

Providing us with your Tax File Number

In the Application Form you will be asked if you wish to provide your Tax File Number. You can provide your Tax File Number at the time of Application or at any other time.

For joint holders, a minimum of two Tax File Numbers (one each) should be provided if you decide to provide your Tax File Number. For investments in trust for someone else (such as your child or children) you should quote your own Tax File Number. If, on the other hand, a formal trust has been established, you can quote the trust’s Tax File Number.

What happens if you do not provide your Tax File Number?

Providing your Tax File Number is recommended but not compulsory. However, if you choose not to provide it, the Security Trustee is required by Law to withhold tax at the highest marginal tax rate – plus the Medicare Levy, when you earn investment income (e.g., when you receive Dividends from the Securities or earn interest income) in an income year unless you are exempt from having to provide your Tax File Number (e.g., certain pensioners). If you are exempt from providing your Tax File Number you must provide your Tax File Number exemption code instead.

Will we disclose any information to the Australian Taxation Office about your account?

The Security Trustee is required to report details of investment income earned, withholding tax deducted and Tax File Numbers quoted to the Australian Taxation Office.

Privacy and confidentiality

Our Privacy policy explains our commitment to the protection of your personal information. You may obtain a copy of our Privacy policy by:

- calling us on 132 032;
- asking at any of our branches; or
- visiting www.westpac.com.au.

For more detail regarding privacy disclosures and consents relating to the Westpac PEL, please see the section of the Application Form headed "Privacy Disclosure and Consent".

In addition to our duties under legislation, we have a general duty of confidentiality towards you, except where:

- disclosure is compelled by law;
- there is a duty to the public to disclose;
- our interests require disclosure; or
- disclosure is made with your express or implied consent.

Anti-Money Laundering and Counter-Terrorism Financing obligations

We are bound by laws about the prevention of money laundering and the financing of terrorism, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (**AML/CTF Laws**). By completing the Application Form, you agree that:

- you do not apply for a Loan under an assumed name;
- any money used by you in connection with the Westpac PEL is not derived from or related to any criminal activities;
- any Proceeds will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require for the purposes of AML/CTF Laws (including information about a holder of a beneficial interest in a Parcel or the source of funds used in connection with the Westpac PEL);
- we may obtain information about you or any beneficial owner of an interest in a Parcel from third parties if we believe this is necessary to comply with AML/CTF Law; and
- in order to comply with AML/CTF Laws we may be required to take action, including delaying or refusing the processing of any Application, the sale or transfer of a Security at Maturity or disclosing information that we hold about you or any beneficial owner of an interest in a Parcel to our related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia).

Are you having financial difficulty?

There may be occasions when paying amounts owing in respect of a Loan or Interest Loan becoming difficult. Should this arise, you should promptly contact us on 1800 990 107 to discuss options that may be available.

Ethical Considerations

We do not take labour standards or environmental, ethical or social considerations into account when offering the Westpac PEL. If you are interested in our policies on labour standards or environmental, social or ethical considerations, you can visit our website at www.westpac.com.au.

Dispute resolution system

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us. We have put in place ways of dealing with your issues quickly and fairly.

- (a) Please talk to us first. You can contact us during business hours from anywhere in Australia, by:

Telephone: 1800 990 107

E-mail: structured.investments@westpac.com.au

Fax: (02) 9274 5083

Mail: GPO Box 3297 Sydney NSW 2001

- (b) Contact our National Customer Relations Unit

If we cannot resolve your complaint at your first point of contact with us, we will escalate it to our National Customer Relations Unit. You can also contact our National Customer Relations Unit:

Telephone: 1300 130 206

E-mail: via www.westpac.com.au, click on 'Contact us' and then click on 'Complaints and Compliments'

Fax: (02) 9220 4177

Mail: NCRU, GPO Box 5265, Sydney NSW 2001.

We will let you know that we have received your complaint within 14 days of receipt, and will respond to your complaint within 45 days after receipt.

- (c) If we still have not been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to.

You can contact the Financial Ombudsman Service:

Telephone: 1300 780 808 Fax: (03) 9613 6399

Internet: www.fos.org.au Email: info@fos.org.au

ASIC also has a free call Infoline on 1300 300 630, which you may use to make a complaint and obtain further information about your rights.

Code of Banking Practice compliance

The Code of Banking Practice is a self-regulatory Code adopted by us and other banks. Its purpose is to set standards of good banking practice for banks to follow when dealing with individual and small business customers and their guarantors.

Each relevant provision of the Code applies to a Loan if you are an individual, a small business customer or a retail client. The general descriptive information referred to in the Code (other than the information in relation to bank cheques which is not relevant to the Westpac PEL) is set out in this PDS. This includes information about:

- account opening procedures;
- our obligations regarding the confidentiality of your information;
- complaint handling procedures;
- the advisability of you informing us promptly when you are in financial difficulty; and
- the advisability of you reading the terms and conditions applying to a Loan.

If you would like to discuss whether or not the Code will apply to you, please contact us on 1800 990 107 or at structured.investments@westpac.com.au.

Information about us

We are an authorised deposit taking institution under section 9 of the *Banking Act 1959* (Cth). As at the date of this PDS, we are ranked in the top five listed companies by market capitalisation on the ASX and concentrate our activities in Australia, New Zealand and the near Pacific.

As at 31 March 2013, we had global assets of \$677 billion and for the six months to 31 March 2013 our net profit after income tax was \$3.3 billion. We are a disclosing entity under the Corporations Act and have continuous disclosure obligations under that Act and the ASX Listing Rules. This means that, subject to certain exceptions, we must disclose to the ASX any information that a reasonable person would expect to have a material effect on the price or value of our securities. Copies of the information disclosed to the ASX can be viewed on the ASX website at www.asx.com.au. You can obtain up-to-date information about us, as well as view, download or print our annual reports and financial results, by visiting our Investor Centre website at www.westpac.com.au.

Consents and disclaimers

Securities and Listed Entities

References in this PDS to a Security are included solely for the purpose of identifying the Securities, and references in this PDS to a Listed Entity are included solely for the purpose of identifying the issuer of those Securities. These references are not an express or implied endorsement of Westpac PEL by any Listed Entity, and no Listed Entity has authorised or been involved in the preparation of this PDS.

King & Wood Mallesons

King & Wood Mallesons has given, and has not withdrawn at the date of the PDS, its consent to the inclusion in this PDS of its Taxation Opinion in section 12 and the SMSF opinion in section 10, in each case in the form and context in which it is included. King & Wood Mallesons has not caused the issue of this PDS or made any statement that is included in this PDS, except as stated above in relation to the Taxation Opinion and the SMSF Opinion. Other than with respect to the Taxation Opinion and the SMSF Opinion, King & Wood Mallesons expressly disclaims and takes no responsibility for any statements in, or omissions from, this PDS. This applies to the maximum extent permitted by law.

AUSIEX

Australian Investment Exchange Limited (trading as AUSIEX) does not make any statement in this PDS and no statement is included in this PDS which is said to be based on a statement made by AUSIEX. AUSIEX was not in any way involved in the preparation of this PDS, has not authorised or caused its issue and does not otherwise endorse the Westpac PEL.

Security Trustee

Net Nominees Limited has given and not withdrawn its consent to being named in relation to the inclusion of its explanation of the Trust Deed in the form and context in which it is included but, in relation to any other part of this PDS, has not been involved in its preparation, makes no statement and accepts no responsibility for its form or contents. Net Nominees Limited has not authorised or caused the issue of this PDS.

Understanding the role of the Security Trustee

The Securities in each Parcel under the Westpac PEL are held by Net Nominees Limited, a wholly-owned subsidiary of Westpac, the Security Trustee, on trust for you as borrower (subject to our Mortgage over the Parcel). The Trust Deed sets out the rights, powers, obligations and liabilities of the **Security Trustee** and your rights and obligations in relation to the Securities. A copy of the Trust Deed is available free of charge. Please call us on 1800 990 107 if you would like a copy.

Nature of the trust and creation of Security Interest

The Security Trustee undertakes to hold each Parcel of Securities on a separate trust as trustee for you on the terms and conditions of the Trust Deed. You are presently entitled to any Ordinary Dividends and may be entitled to franking credits derived by the Security Trustee in respect of each of your separate Trusts as provided for in the Trust Deed.

You acknowledge that the Security Trustee, as your trustee, will separately mortgage or offer to mortgage the relevant Parcel of Securities (a **Security Interest**) to us to secure the repayment of all or part of the Loan amount. Where you are not a SMSF Investor, you also acknowledge that there will be cross default provisions in the mortgage enabling us to have access to other Parcels of Securities not corresponding to the relevant Loan in default.

Limited liability and limited obligation of Security Trustee

The Security Trustee's liability for losses or liabilities arising under or in connection with the Trust Deed is limited to the extent to which the Security Trustee is actually indemnified against those losses or liabilities out of the property of the separate Trusts, provided that the loss was not caused by the Security Trustee's own dishonesty (or that of its officers or employees), a wilful breach of trust or its own gross negligence.

Except where required by the express terms of the Trust Deed, the Security Trustee is not obliged to act in any particular manner, to consult with you, keep itself informed as to our state of affairs, or the state of affairs of any Listed Entity, monitor our compliance with the Trust Deed or any other agreement, provide you with financial information about us or any Listed Entity, use its own funds for the payment of costs or expenses, or prepare accounts or returns in respect of the separate Trusts.

Replacement of Security Trustee

We may remove the Security Trustee, or it may resign provided there is another trustee appointed in its place. On appointment, the successor Security Trustee has all the rights, power and obligations of the retiring Security Trustee.

No statements made by ETF or LPT issuers

No issuer of any ETF Units or Units in any listed property trust Fund referred to in this PDS makes any statement in this PDS.

Appointment of Broker and Sponsor

The Security Trustee will appoint the Broker and Sponsor to provide transfer and settlement services as its agent in relation to all applicable Securities and as agent for the purposes of CHES. CHES stands for Clearing House Electronic Subregister System. CHES is a computer system which electronically transfers title between buyers and sellers of securities on the securities market of ASX Limited (or ASX as it is commonly known).

What is a Sponsorship Agreement?

In order to maintain a shareholding on CHES you must be sponsored by a Controlling Participant of CHES. We will enter into a Sponsorship Agreement with the Sponsor and the Security Trustee.

The Sponsorship Agreement sets out the terms dealing with, among other things:

- how the Securities can be purchased, sold, transferred and withdrawn;
- how a charge or interest in the Units covered by the Sponsorship Agreement can be given;
- what happens if the Units are held jointly with someone else;
- information about what can be done in the event that the Sponsor breaches the agreement and when compensation may be claimed;
- what happens if the Sponsor is suspended from participating in CHES;
- the Sponsor's duties to the Security Trustee;
- fees and charges associated with what the Sponsor does; and
- how the Sponsorship Agreement can be terminated.

- enters into the Westpac PEL and acquires the Securities for the purposes of deriving assessable income. In this regard, it is expected that assessable dividends and/or trust distributions will be received by Investors in relation to the Securities; and
- where the Securities are units in a trust, the trust will have 300 or more beneficiaries and is a widely held unit trust for the purposes of the provisions of the tax law dealing with deductions for prepaid interest.

This Opinion does not constitute legal or taxation advice to any Investor and is of a general nature only. Any Investor who is considering entering into the Westpac PEL should therefore obtain independent legal and taxation advice relevant to their particular circumstances from time to time.

2 Summary of conclusions

Subject to the general principles regarding the deductibility of interest and the rules regarding capital protected borrowings (both of which are discussed below), as well as the more detailed comments in respect of the Westpac PEL product (also outlined below), the main expected tax consequences of entering into the Westpac PEL may be summarised broadly as follows:

2.1 *Deductibility of interest*

- To the extent that an Investor uses the Loan to acquire property (such as the Securities) for the purpose of producing assessable income (or otherwise uses the Loan for that purpose), the Interest on the Loan, reduced by the amount reasonably attributable to the cost of capital protection in respect of the Loan, should be deductible for Investors. Interest for these purposes includes all interest amounts whether payable annually in advance, or monthly in arrears ("**Interest**"). The deductibility of the interest on the Interest Loan is not expected to be affected by the capital protected borrowing rules.
- The amount reasonably attributable to the cost of capital protection will effectively reduce the amount of Interest which would otherwise be deductible for Investors.
- The remaining Interest amount which is prepaid by an Investor who is an individual in respect of a period no greater than 12 months should be deductible when paid, as long as the individual either does not incur the interest in carrying on a business or is a small business entity taxpayer for the relevant year of income who does not elect for the deduction to be apportioned.
- Any remaining Interest amount which is prepaid by any other Investor should be deductible for that Investor, but the deduction should be apportioned over the relevant interest period on a pro-rata basis.

2.2 *Distributions*

- Broadly, any distributions on the Securities should be included in the Investor's assessable income as if those Securities were held directly by the Investor.
- Investors should generally be entitled to any associated tax benefits such as franking credits (subject to satisfaction of the usual "qualified person" rules).

2.3 Capital Gains Tax ("CGT")

- A Cash Applicant should acquire the Securities for CGT purposes following the acceptance of their application by Westpac.
- A Securityholder Applicant neither acquires nor disposes of their Securities for CGT purposes in connection with the entry into the Westpac PEL (as the Investor will previously have acquired the Securities to which the Loan relates, and will be treated as continuing to hold those Securities).
- The repayment of the Loan and the receipt of the Securities from the Security Trustee should have no CGT consequences for the Investor in relation to those Securities, as the Investor will be treated as already owning the Securities.
- If the Investor repays the Loan and consents to the sale of the Securities to fund the repayment, a disposal of the Securities will occur for the Investor. This may result in a capital gain or a capital loss to the Investor with respect to the disposal of those Securities.
- If the Closing Value of the Securities is equal to or below the Loan Amount, then the Put Option will be automatically exercised (irrespective of whether there is a failure by an Investor to repay their Loan at Maturity). In circumstances where there is a physical settlement, a disposal of the Securities by the Investor will occur. This may result in a capital gain or a capital loss to the Investor with respect to the disposal of those Securities. In circumstances where there is a cash settlement, the position is complex and will depend on the particular circumstances of the Investor.
- If the Investor fails to repay the Loan when required at Maturity, the Investor should also be treated as having disposed of the Securities for CGT purposes. Where the sale price of the Securities is less than the Loan Amount, the Investor should be treated as having disposed of the Securities by exercising the Put Option. In each case, the disposal may result in a capital gain or a capital loss to the Investor with respect to the disposal of the Securities.
- The Put Option should be regarded as having expired in circumstances where it remains unexercised after the Maturity Date. The expiry should give rise to a capital loss to the Investor for CGT purposes, equal to the amount (if any) of the cost attributable to the Put Option, plus the Capital Protection Fee (where paid). The CGT implications are discussed in more detail at Part 6 below.

The tax treatment outlined above assumes (consistent with the treatment of instalment warrants) that the ATO will accept tax returns lodged by Investors on the basis that the Investor is to be treated as holding the Securities directly for CGT purposes, even though those Securities are held by the Security Trustee on trust for that Investor. This is consistent with the ATO's announcement on 4 November 2010 which stated that the ATO would not be undertaking any compliance action with respect to investments in instalment warrants in the period prior to the Government amending the tax law to confirm this longstanding practice of the Investor being treated as holding the Securities directly. Westpac has received confirmation that the ATO considers the Westpac PEL to be a standard instalment warrant arrangement for these purposes.

As noted above, the Government has announced that it will amend the income tax law to confirm the practice of treating the investor in an instalment warrant over a listed security as the owner of that security for income tax purposes.

However, draft legislation in relation to these amendments has not yet been released. Prospective investors should monitor developments

3 Interest on the Westpac PEL

3.1 Deductibility of Interest

To the extent that an Investor uses the Loan to acquire property (such as the Securities) for the purpose of producing assessable income (or otherwise uses the Loan for that purpose), the Interest on the Loan, reduced by the amount reasonably attributable to the cost of capital protection under Division 247 of the 1997 Act (dealing with capital protected borrowings) in respect of the Loan, should be deductible under section 8-1 of that Act.

The amount reasonably attributable to the cost of capital protection for an income year under Division 247 of the 1997 Act in respect of the Loan should be equal to the excess (if any) of:

- (a) The Interest for that income year (e.g. whether payable annually in advance, or monthly in arrears); over,
- (b) an amount (the "**Benchmark Amount**") calculated by multiplying the Loan amount by the Benchmark Rate. The Benchmark Rate is currently the Reserve Bank of Australia's Indicator Lending Rate for Standard Variable Housing Loans, plus 100 basis points (currently, for June 2013, adding to, 7.20%).

The rules are very specific and also involve a different methodology for fixed rate, compared to variable rate, loans. In determining which methodology to apply, an Investor under either the Fixed Rate or Annually Resetting Rate option should assume that a Westpac PEL involves a fixed rate for the period of up to one year (and not a variable rate for either the whole or any part of the term of the Loan).

When an Investor has acquired multiple parcels of Securities and Westpac has applied one single or "blended" interest rate across the portfolio comprising multiple Loans under the facility, the investment should be treated as one arrangement for the purposes of Division 247 of the 1997 Act.

Based on the above, Investors should be entitled to a deduction for the Interest (reduced by the amount reasonably attributable to the cost of capital protection as outlined above) to the extent that the Loan is applied for the purpose of deriving assessable income (excluding capital gains) from:

- the Securities (for Cash Applicants); or
- other property or transactions where the Investor borrows against Securities that the Investor already holds (for Securityholder Applicants).

The purpose for which the Westpac PEL is entered into by an Investor can only conclusively determined in light of all of the evidence as to that Investor's individual facts and circumstances. To the extent that any part of the Loan is applied for non-assessable income producing purposes or to acquire the Securities or other property for the sole purpose of deriving capital gains, the amount of Interest which is incurred by Investors may not be deductible either in full or in part. Further, a change in an Investor's purpose or use of the Loan could result in a loss of interest deductions.

Investors should obtain independent legal and taxation advice in relation to the deductibility of the Interest which takes into account the relevant Investor's individual facts and circumstances.

3.2 Timing of deductions

Any deduction for Interest that is prepaid by the Investor should be allowed in the income year in which the Interest is incurred if the Interest is less than \$1,000, or if all of the following conditions are satisfied:

- (a) the Investor is either a small business entity (being an entity that carries on business and has a turnover of less than \$2 million per annum) who does not elect for the deduction to be apportioned, or an individual who incurs the interest otherwise than in the course of carrying on a business; and
- (b) the interest period is 12 months or less and ends before the end of the following income year (which, relevantly, should be the case where the Interest is payable annually in advance).

Investors who satisfy the above conditions will be able to claim an immediate deduction for the Interest incurred.

In all other circumstances (including an Investor who is a small business entity and who makes an election for deduction to be apportioned), a deduction for the pre-paid Interest would generally need to be apportioned on a straight line basis over the relevant interest period.

Investors should obtain independent legal and taxation advice in relation to the timing of any deduction for Interest which takes into account the relevant Investor's individual facts and circumstances.

4 Loan Establishment Fee

The Application Fee (or "Loan Establishment Fee") which is payable in relation to obtaining the Loan from Westpac should be deductible to the extent that the Loan is applied to acquire the Securities (for Cash Applicants), or is otherwise applied for the purpose of producing assessable income (for Securityholder Applicants).

The amount of any deduction will likely be spread over the lesser of five years or the term of the Loan.

However, if an Investor incurs total borrowing expenses in any year of \$100 or less, that Investor may be able to deduct those costs in the year they are incurred.

5 Adviser Service Fee Facility

The treatment of any Adviser Service Fee will depend on the individual facts and circumstances surrounding the payment of that fee as between the Investor and the relevant adviser.

For example, where the Adviser Service Fee is payable by the Investor in connection with entering into their Westpac PEL, that Adviser Service Fee would not generally be immediately deductible but should be eligible for inclusion in the investor's cost base and reduced cost base in the Securities (irrespective of whether the Adviser Service Fee is paid by Westpac under the Adviser Service Fee Facility as agent for the Investor, or out of the investor's Loan). However, where the Adviser Service Fee is payable by the Investor in connection with managing their existing investments, that Adviser Service Fee may be immediately deductible. Affected investors are strongly recommended to seek their own specific advice in this regard.

Where the Adviser Service Fee is paid by Westpac under the Adviser Service Fee Facility out of the Investor's Loan, this, of itself, should not adversely affect the deductibility of the Interest for Investors under the Loan.

As noted above, to the extent that an Investor uses the Loan to acquire property (such as the Securities) for the purpose of producing assessable income (or otherwise uses the Loan for that purpose), the Interest on the Loan, reduced by the amount reasonably attributable to the cost of capital protection in respect of the Loan, should be deductible for Investors.

6 Holding Securities

Broadly, all of the distributions in respect of the Securities while the Securities are held by the Security Trustee should be considered to have been received by the Investor, as if the Investor held the Securities directly, and notwithstanding that they may be applied to reduce the principal balance of the Loan. Specific issues are outlined below. The exact consequences depend on whether the Securities comprise shares in a company or units in a trust.

6.1 Dividends

Where the Securities are shares, distributions will be in the form of a dividend or other distributions in respect of the shares.

Where a dividend or other distribution is franked, the Investor should include in their assessable income the amount of the dividend and the franking credit attaching to the dividend. An Investor should generally be allowed a tax offset equal to the franking credit. This offset should reduce the tax liability of the Investor to the extent that the Investor has such a liability. Investors who are resident individuals or complying superannuation entities and who receive franking tax offsets in excess of their tax liability should be entitled to a refund of those excess tax offsets. Investors who are companies will not be entitled to a refund of any excess franking tax offsets, but may be entitled, in effect, to convert any excess tax offsets into tax losses.

However, the entitlement to franking credits is subject to legislative restrictions, in particular the satisfaction of the "qualified person" or holding period rule. Investors may be denied the franking credits in respect of distributions received where the Investor has not held their interest in the underlying securities "at risk" for a continuous period of 45 days (or 90 days if the shares are preference shares) over the prescribed period (ignoring the day of acquisition and disposal). When determining the number of days in the holding period in which an Investor has held their shares "at risk", the days on which the entity has materially diminished risks of loss or opportunities for gain in respect of the shares are excluded. An Investor will have materially diminished risks of loss or opportunities for gain in respect of shares if the Investor's net position (determined using the financial concept, delta) in relation to the shares has less than 30% of those risks or opportunities.

Investors should seek their own taxation advice in relation to the potential application of those provisions to their own particular circumstances from year to year. This advice should address whether the cumulative effect of utilising any of the additional features of the Westpac PEL (e.g. Reduced Rate Facility) could result in the relevant Securities not being held "at risk". For completeness, the limited resource nature of the Loan should not, of itself, result in the relevant Securities not being held "at risk".

6.2 Distributions from public trading trusts or corporate unit trusts

Where the Securities are units in a trust that is a public trading trust or a corporate unit trust for the purposes of the tax law, distributions should be treated for tax purposes as if they were dividends or other distributions in respect of shares (that is, as described under the heading "Dividends" immediately above).

6.3 Distributions from trusts that are not public trading trusts or corporate unit trusts

Where the Securities are units in a trust other than a public trading trust or a corporate unit trust, the tax treatment of the distribution of income or capital will depend on the character of the amount in the trustee's hands before it was distributed to the Investor.

If the distribution represents an amount that was dividend income in the trustee's hands, the tax consequences for the Investor of receiving the distribution should be the same as if the distribution were a dividend (see under the heading "Dividends" above). However, the application of the "qualified person" rules is even more complicated than where the Securities are shares.

If the distribution represents an amount that was a capital gain in the trustee's hands, broadly, the distribution should be treated as a capital gain for the Investor. The capital gain may be offset against revenue or capital losses of the Investor. Where the CGT discount has been applied by the trustee to the capital gain before distribution, the Investor will be required to gross up the discounted capital gain for the purposes of offsetting any capital losses, before applying the CGT discount itself.

If the distribution represents an amount that was not included in the taxable income of the trust (for example, an amount that was capital in the trustee's hands or that represents tax deductions available to the trust and which is typically referred to as a "tax deferred distribution"), the distribution will reduce the cost base of the Investor's units in the trust. However, once the cost base has been reduced to zero, any excess distribution is assessable in full as a capital gain (but may be eligible for the CGT discount – discussed below).

7 CGT considerations

The CGT provisions apply if a "CGT event" occurs.

A capital gain will arise for a taxpayer if the "capital proceeds" received in respect of the occurrence of a relevant CGT event are greater than the "cost base" of the asset which is the subject of the CGT event. A capital loss will arise if the "reduced cost base" exceeds the "capital proceeds".

Investors who are individuals or which are trusts or complying superannuation funds that make a capital gain in relation to the disposal of their Securities may be eligible for the CGT discount (discussed further below).

This Part assumes (consistent with the treatment of instalment warrants) that the ATO will accept tax returns lodged by Investors on the basis that the Investor is to be treated as holding the Securities directly for CGT purposes. This is consistent with the ATO's announcement on 4 November 2010 which stated that the ATO would not be undertaking any compliance action with respect to investments in instalment warrants in the period prior to the Government amending the tax law to confirm the practice of the Investor being treated as holding the Securities directly (discussed further at Part 12 below). Westpac has received confirmation that the ATO considers the Westpac PEL to be a standard instalment warrant arrangement for these purposes.

7.1 Entry into the Westpac PEL

A Cash Applicant should acquire (i.e. be treated as the owner of) the Securities for CGT purposes following the acceptance of their application by Westpac.

A Securityholder Applicant neither acquires nor disposes of their Securities for CGT purposes in connection with the entry into the Westpac PEL (as the Investor will previously have acquired the Securities to which the Loan relates, and will be treated as continuing to hold those Securities).

7.2 Repayment of the Loan - Closing Value of Securities is above the Loan Amount

Underlying Securities

The repayment of the Loan and the receipt of the Securities from the Security Trustee should have no CGT consequences for the Investor in relation to those Securities, as the Investor will be treated as already owning the Securities (as noted above).

If the Investor repays the Loan and consents to the sale of the Securities to fund the repayment, a disposal of the Securities will occur for the Investor. This may result in a capital gain or a capital loss to the Investor with respect to the disposal of those Securities.

Put Option

The Put Option should expire unexercised in circumstances where the Closing Value of the Securities is above the Loan Amount, and an Investor would realise a capital loss equal to the Investor's cost base in the Put Option.

7.3 Closing Value of Securities is equal to or below the Loan Amount

If the Closing Value of the Securities is equal to or below the Loan Amount, then the Put Option will be automatically exercised (irrespective of whether there is a failure by an Investor to repay their Loan at Maturity).

Physical settlement – Underlying Securities and Put Option

In circumstances where there is a physical settlement, a disposal of the Securities by the Investor will occur. This may result in a capital gain or a capital loss to the Investor with respect to the disposal of those Securities.

In calculating any capital loss on the disposal of the Securities, where the sale proceeds are less than the amount outstanding on the Loan, it is likely that the Commissioner would seek to reduce the cost base of the Securities by the amount of the shortfall. The provisions in the tax legislation relating to 'commercial debt forgiveness' should not give rise to any adverse tax consequences for the Investor to the extent that the Loan is not fully repaid from the proceeds of the sale of the Securities.

The cost base of the Put Option will be included in the Investor's cost base and reduced cost base of the Securities disposed of for the purposes of calculating any capital gain or capital loss in connection with the disposal. Any capital gain or capital loss on exercise of the Put Option should be disregarded.

Cash settlement – Underlying Securities and Put Option

In circumstances where there is a cash settlement, the position is complex and will depend on the particular circumstances of the Investor. Investors should obtain independent legal and taxation advice in relation to the treatment of the cash settlement option which takes into account the relevant Investor's individual facts and circumstances.

Investors will hold the Securities going forward under the cash settlement option.

7.4 Failure to repay the Loan

Underlying Securities

If an Investor fails to repay the Loan by the Maturity Date and Westpac exercises its power of sale pursuant to its Security Interest to cause the sale of the Securities by the Security Trustee, the sale will constitute a disposal by the Investor of the Securities. This may result in a capital gain or a capital loss to the Investor with respect to the disposal of the Securities.

In calculating any capital loss on the disposal of the Securities, where the sale proceeds are less than the amount outstanding on the Loan, it is likely that the Commissioner would seek to reduce the cost base of the

Securities by the amount of the shortfall. The provisions in the tax legislation relating to 'commercial debt forgiveness' should not give rise to any adverse tax consequences for the Investor to the extent that the Loan is not fully repaid from the proceeds of the sale of the Securities.

Put Option

The failure by an Investor to repay their Loan at Maturity will also result in the exercise or expiry of the investor's Put Option depending upon whether the value of the investor's Secured Property on the Maturity Date is less than the amount of the Loan advanced to the Investor in relation to relevant Securities.

If the value of the Secured Property is greater than the amount of the Investor's Loan, the Put Option would expire at the time that the Securities were disposed of, and an Investor would realise a capital loss equal to the Investor's cost base in the Put Option.

Alternatively, if an Investor's Secured Property is less than the amount of the Loan advanced to the Investor by Westpac at the time of disposal, the Put Option would be treated as having been exercised.

The cost base of the Put Option will be included in the Investor's cost base and reduced cost base of the Securities disposed of for the purposes of calculating any capital gain or capital loss in connection with the disposal (as outlined above). Any capital gain or capital loss on exercise of the Put Option should be disregarded.

7.5 Availability of the CGT discount

Investors who are individuals or which are trusts or complying superannuation funds that make a capital gain in relation to the disposal of their Securities may be eligible for the CGT discount. The CGT discount is not available to an Investor that is a company.

To be entitled to the CGT discount, the Investor must have held their relevant Securities for at least 12 months before the CGT event happened (excluding the acquisition and disposal dates).

If the CGT discount concession applies, the Investor must offset available capital losses against the capital gains then multiply the result by the relevant discount percentage to calculate the amount of their capital gain. The discount percentage is 50% for individuals and trusts and 33¹/₃% for complying superannuation funds.

7.6 CGT cost bases

Cash Applicant

For CGT purposes, the Cash Applicant's cost base and reduced cost base in the Securities should be equal to the amount paid to acquire those Securities, together with any incidental costs. For practical purposes, the Cash Applicant's cost base and reduced cost base in the Securities should be broadly equal to:

- the amount of their Loan from Westpac (where the Securities are fully funded by the Loan); or
- the amount of their Loan from Westpac, plus the amount contributed out of their own capital (where the Securities are only partially funded by the Loan).

Securityholder Applicant

The cost base in the Securities for a Securityholder Applicant is, broadly, whatever the Investor originally paid or gave to acquire the Securities.

In all cases (for both Cash Applicants and Securityholder Applicants), where:

- the Put Option is exercised, the cost base of the Put Option will be included in the Investor's cost base and reduced cost base of the Securities disposed of (as outlined above); and
- where the Security consists of a unit in a trust, the cost base of the unit may be reduced by "tax deferred distributions" received by the Investor in respect of the unit (as also outlined above).

Put Option

Westpac grants each Investor the right to require Westpac to purchase the Securities on the Maturity Date. Should the right (i.e. the Put Option) be exercised, the purchase price for the Securities at Maturity will be for an amount equal to the principal amount of the Investor's Loan.

For Investors that elect to pay for the Put Option (being the capital protection) at the time of entering into the Westpac PEL, the Capital Protection Fee will not be deductible but will instead form part of the cost base of the Put Option. Further, in the event that such Investors are also denied a deduction for a portion of the interest payable on their Loan (as a result of the application of Division 247), such amounts would also be included in the cost base of the Put Option.

For Investors who elect to pay a higher interest rate for the term of their investment, if Division 247 applies to deny a deduction for a portion of the borrowing expenditure paid by that Investor, such expenditure will form part of the Investor's cost base in their Put Option.

8 Features of the Westpac PEL

8.1 Reduced Rate Facility

If the Investor has an obligation to pay the Cash Settlement Amount to Westpac under the Reduced Rate Facility, the Cash Settlement Amount should also be eligible for inclusion in the cost base held by the Investor in the relevant Securities.

Each affected Investor should seek their own independent professional advice in relation to the tax treatment of their Reduced Rate Facility based on their own individual facts and circumstances.

The cost base of the Securities for the Investor was described in Part 6 above.

8.2 Top-Up Loan

Consistent with the treatment of Interest under the Loan (discussed above), to the extent that an Investor uses the Top-Up Loan for the purpose of producing assessable income, the Interest on the Top-Up Loan, reduced by the amount reasonably attributable to the cost of capital protection in respect of that Loan, should also be deductible for the Investor.

8.3 Security Reset Facility

The release of the Securities by the Security Trustee to the Investor under the Security Reset Facility should have no CGT consequences for the Investor in relation to those Securities, as the Investor will be treated as already owning the Securities. However, any subsequent dealing with those Securities will give rise to the normal CGT consequences for the Investor.

8.4 Portfolio Adjustment Facility

The disposal of a parcel of Securities and the use of the proceeds to buy a new parcel of Securities under the Portfolio Adjustment Facility will result in a disposal of the original parcel of Securities for CGT purposes. The disposal may result in a capital gain or a capital loss to the Investor with respect to the disposal of the Securities (as discussed above).

8.5 Impact on the Put Option

When an Investor obtains a Top-Up Loan or utilises the Security Reset Feature or Portfolio Adjustment Facility, the Put Option relating to the relevant Securities will be terminated and a new Put Option will be granted by Westpac to the Investor. Any fee payable by the Investor in respect of the grant of the new Put Option (e.g. any Top-Up Fee, Security Reset Fee or Portfolio Adjustment Fee) will not be deductible but will instead form part of the cost base or reduced cost base of the new Put Option. Further, in the event that such Investors are also denied a deduction for a portion of the interest payable on their Loan after the new Put Option is acquired (as a result of the application of Division 247), such amounts would also be included in the cost base of that Put Option.

8.6 Other events and fees

A number of other events or fees may occur or be incurred by Investors in connection with their investment. These include Break Costs (e.g. upon termination of the Loan prior to Maturity) and the Trust Deed Review Fee (where the particular nature of the Investor results in these fee being incurred).

Investors should seek their own independent professional advice in relation to the tax consequences of these other events or fees based on their own individual facts and circumstances.

9 Taxation of Financial Arrangements (“TOFA”) Regime

The TOFA regime is contained in Division 230 of the 1997 Act. The TOFA regime defines a “financial arrangement” and sets out the methods under which gains and losses from financial arrangements will be brought to account for tax purposes.

One of the main features of the TOFA regime is to tax gains from financial arrangements on a revenue basis and in some cases on an accruals basis over the term of the arrangement.

However, the TOFA regime should not apply to the Westpac PEL or the related investment in Securities by:

- individual Investors;
- a superannuation entity, management investment scheme or an entity substantially similar to a managed investment scheme under foreign law with assets of less than \$100 million;
- certain financial entities with a turnover of less than \$20 million; or
- other entities with a turnover of less than \$100 million, financial assets of less than \$100 million and assets of less than \$300 million;

A potential Investor should seek their own taxation advice in relation to the application of the TOFA regime to their investment.

10 General anti-avoidance rules of Part IVA

Part IVA of the 1936 Act contains general anti-avoidance provisions which are capable of broad application and should be considered carefully in relation to any investment decision. In general terms, Part IVA may apply to schemes where a taxpayer obtains a "tax benefit" (in the form of the availability of tax deductions or non-inclusion of assessable income) as a consequence of entering into or carrying out the scheme, whether devised by the taxpayer or by somebody else, and the dominant purpose of one or more of the parties who entered into or carried out the scheme was to secure the obtaining of the tax benefit for the taxpayer. The general anti-avoidance provisions in Part IVA of the 1936 Act may allow the ATO to cancel a "tax benefit" obtained by a taxpayer under any such scheme.

To date, the ATO has not publicly sought to assert that a product which is similar to the Westpac PEL may confer a tax benefit of one kind or another on the Investor which may be affected by Part IVA.

However, the application of Part IVA to any particular Investor can only be conclusively determined in light of all of the evidence as to that Investor's individual facts and circumstances. Investors should therefore seek their own independent professional advice on the potential for Part IVA to be applied to them on the basis of their own individual facts and circumstances.

The Federal Government has also taken step to legislate certain amendments to the general anti-avoidance provision in Part IVA in relation to schemes entered into or commenced to be carried out on or after 16 November 2012. Whilst future developments will need to be monitored, the proposed changes are not expected to adversely affect the tax treatment for Investors outlined above.

11 Goods and Services Tax ("GST")

The Australian GST applies at the rate of 10% to "taxable supplies".

For GST purposes, the following should not attract GST for either Westpac or the Investors:

- the provision, repayment and discharge of the Loan;
- the payment of Interest;
- the acquisition and disposal of the Securities; and
- the payment of distributions in relation to the Securities.

An Investor may not be entitled to claim any "input tax credits", including "reduced input tax credits", for GST that it has paid to third party suppliers for services associated with their investment. The availability of credits will depend on whether the Investor is registered for GST, has acquired the service in the course of its enterprise, and whether the service qualifies for reduced input tax credits.

12 Tax File Number ("TFN")

Investors will be requested to provide their TFN or ABN (if applicable) or claim an exemption in relation to their investment. It should be noted that there is no obligation to provide a TFN, however, Investors who do not provide their TFN or ABN or claim an exemption may have tax deducted from distributions at the highest marginal rate.

13 Tax reform

The Government has announced that it will amend the income tax law to confirm the practice of treating the investor in an instalment warrant over a single exchange traded security in a company, trust or stapled entity as the owner of the listed security for income tax purposes. This will also be extended to instalment warrants and receipts over direct and indirect interests in listed securities, as well as unlisted securities in widely held entities and bundles of these assets. This is consistent with the tax treatment outlined above.

However, draft legislation in relation to these amendments has not yet been released. Prospective investors should monitor developments.

Investors should also note that significant reforms of the Australian trust income tax provisions have been proposed which may impact on their investment. Prospective investors should similarly monitor developments in this area.

Yours faithfully



Richard Snowden
Partner

13 Terms and Conditions

Legal terms

The legal terms and conditions of each Loan under the Westpac Protected Equity Loan facility ('Westpac PEL') are set out in these Terms and Conditions, the Security Trust Deed and the Application Form. Indicative financial terms and details of a Loan may be advised in an Indicative Term Sheet provided to you following your application but will be finalised at the Issue Time and set out in the Welcome Letter provided to you if we accept your Loan request.

Financial terms

Power of Attorney

Under the Power of Attorney (which is set out in the Application Form) you appoint us and certain Westpac employees to do things on your behalf in relation to the Agreements. This includes, where necessary, signing any documents on your behalf to give effect to the Agreements.

1. How the Loan will be made

- 1.1 You may apply for a Loan under the Westpac PEL up to an amount agreed by Westpac.
- 1.2 Unless:
 - (a) your request for a Loan is only for a Top-up Loan (in which case see clause 14); or
 - (b) your request for a Loan is a Securityholder Application (in which case see clause 2);then:
 - (c) you must use the funds we advance under the Loan to purchase a Parcel of Securities listed in the Approved Securities List and, at our discretion, to pay any Application Fee, any Brokerage, any Adviser Service Fee and any other costs associated with establishing the Loan and purchasing the Securities and we will arrange payment of the Loan proceeds to relevant parties as applicable for these purposes; and
 - (d) if the request relates to more than one Parcel, and it is approved, there will be a separate Loan relating to each Parcel and interest, costs, fees and other obligations will be calculated separately in respect of each Loan.

2. Securityholder Application

- 2.1 If you are the registered holder of Securities listed in the Approved Securities List which:
 - (a) have not been acquired under a Loan, or were acquired under a Loan and you wish to enter into a new Loan to repay your initial Loan pursuant to clause 8.2;
 - (b) are free from any Encumbrance that would limit your ability to deal in those Securities (other than a lien, mortgage, or charge created under an initial Loan with you); and
 - (c) comprise of one or more Parcels with a Market Value of at least \$10,000 (or such other amount, including nil, as may be agreed by us from time to time) per Parcel,

then, subject to clause 3, you may request that we make a Loan available to you in respect of each Parcel and you offer to transfer each Parcel to the Security Trustee (if the Security Trustee does not already hold the Parcel) and authorise a Mortgage with respect to each Parcel. We will agree the amount of the Loan with you. This amount may differ from the amount that you have initially applied for and may be lower than the Market Value of the Parcel.

- 2.2 If you are a SMSF Investor, you may request that we make a Loan available to you under clause 2.1 only if it is entirely for the purpose of:
 - (a) repaying your initial Loan pursuant to clause 8.2; or
 - (b) refinancing another existing limited recourse borrowing that was entered into on or after 7 July 2010.
- 2.3 You agree and acknowledge that if the Application is accepted, a Loan is provided and the Acknowledgment of Mortgage is accepted, or has previously been accepted, by us:
 - (a) the nominated Securities will form part of the Secured Property and will be subject to the Mortgage under the Mortgage Terms;
 - (b) we will grant a new Put Option in accordance with clause 17 over the nominated Securities; and
 - (c) you will use the Loan wholly or predominantly for business or investment purposes other than investment in residential property (and subject to clause 2.2 if you are a SMSF Investor).
- 2.4 Should the Application be accepted by us, we will use the Transfer Form for Non-market Transactions signed by you to deliver those nominated Securities to the Security Trustee (if the Security Trustee does not already hold the Parcel), who will hold them for your benefit subject to the Mortgage. This will be done before the Loan is advanced.

- 2.5 You will be informed of the amount of the Loan following the day that the Loan is advanced in respect of the Parcel. We will arrange payment of all appropriate Loan proceeds (less any Application Fee, any Adviser Service Fee and Brokerage that will be paid out of the Loan proceeds) including, as relevant, by applying them for the purposes of repaying your initial Loan pursuant to clause 8.2 or another loan with us or by arranging payment to a third party.
- 3. Conditions that must be satisfied before the Loan will be made**
- 3.1 Unless your request for a Loan is for a Top-up Loan (in which case see clause 14), we will provide a Loan following approval of your Application where all of the following conditions are satisfied (or have been waived by us in writing in respect of the Loan) on or before the day the Loan is to be made:
- (a) an Application for one or more Loans in an aggregate amount of at least \$50,000 with each Loan in an amount of at least \$10,000 (or, in either case, other amount we may at our discretion agree from time to time) has been executed in any form we require and has been delivered to us at our Address or otherwise provided to us in a manner acceptable to us;
 - (b) if you have chosen to receive an Indicative Term Sheet in the period after you have submitted your Application but before we grant any Loan applied for by you, you have confirmed receipt to our reasonable satisfaction;
 - (c) the Securities will (in our reasonable opinion) be quoted by the ASX and not subject to suspension or trading halt at the Issue Time for a Loan;
 - (d) you have executed any Ancillary Documents we require in a form that is satisfactory to us and have delivered these to us at our Address or otherwise provided to us in a manner acceptable to us;
 - (e) you have paid, or undertaken to pay, us any amount requested in connection with the Mortgage under clause 28;
 - (f) you have provided us with all the information we reasonably require, and we are satisfied that you are able to meet your obligations under the Agreements;
 - (g) we are satisfied that each representation, statement and all information provided by you or on your behalf is true and complete and can reasonably be relied upon;
 - (h) no Default has occurred or is continuing;
- (i) if we require any Guarantee and Indemnity, we have received the Guarantee and Indemnity duly executed by each relevant Guarantor in form and substance satisfactory to us;
 - (j) you and any Guarantors have met any additional conditions to our reasonable satisfaction; and
 - (k) where you are acting in your capacity as trustee of any trust, if we ask, we have received a Certificate from the Trustee's Solicitor.
- 3.2 Even if the conditions in clause 3.1 are satisfied, we may refuse to advance any Loan on the day that Loan is to be made.
- 3.3 If, in accordance with clauses 3.1 and 3.2, we refuse to advance a Loan, we will not be liable to you for any loss, damages or costs which you may incur or suffer as a result.
- 3.4 If we do provide a Loan, it should not be taken as an assurance that the conditions set out in clause 3.1 have been satisfied or waived.
- 4. Risks and acknowledgment**
- 4.1 You acknowledge and agree that:
- (a) there are risks associated with the transactions contemplated by the Agreements and you have closely and carefully considered whether they are appropriate for you;
 - (b) you have relied on your own judgment or that of your professional advisers in deciding whether to enter into the Agreements and the transactions contemplated by the Agreements, whether to obtain any Loan and the effect of any tax treatment of the investment and the borrowing;
 - (c) unless you are a SMSF Investor, your liabilities under any Loan or Interest Loan are full recourse except to the extent that Capital Protection applies to the Loan;
 - (d) we may call on any Guarantee and Indemnity given by your Guarantor;
 - (e) our inclusion of a Security in either an Indicative Term Sheet or the Approved Securities List for the purposes of the Agreements is not a recommendation by us that you invest in that Security or that it is suitable for your investment purposes;
 - (f) the Parcels held by the Security Trustee on trust for you for the purposes of the Agreements will be subject to the Mortgage securing your obligation to repay the Total Amount Owing on the Loan relating to each relevant Parcel (and, if you are non-SMSF Investor, also in certain circumstances on the Loans relating to other Parcels); and

- (g) you may comprise two or more persons and your obligations under, and actions in connection with, the Agreements will bind each of you severally and jointly. As such, each of you will be individually liable for the full amount of each Loan and we can claim the Total Amount Owing from any one of you (subject to the limitation on recourse in clause 21).

(See also the representations and warranties that you make in clause 21).

5. Appointment of Broker and Sponsor

5.1 Subject to the Agreements (including the remaining provisions of these Terms and Conditions), by completing an Application Form:

- (a) you irrevocably authorise the Security Trustee to act on our instruction to acquire and sell Securities in a Parcel either on the ASX by the Broker on your behalf on the terms set out in clause 5.2, or directly from or to us or our related body corporate; or
- (b) you acknowledge that the Security Trustee will appoint and maintain the Sponsor (as we may nominate from time to time) as the Participant in respect of your Holdings that constitute the Secured Property on the terms and conditions of the Agreements; and
- (c) with respect to the Loan proceeds other than those referred to in clauses 2 and 14:
 - (i) you irrevocably authorise and direct us to pay the purchase price of the Securities and any associated Brokerage, Taxes, costs, charges or commissions incurred in connection with the purchase of Securities from the Loan proceeds; and
 - (ii) if the purchase price of the Securities and the costs and expenses described in paragraph (i) above is greater than the amount of the Loan as requested by you then:
 - (A) we may adjust the Loan amount as necessary to pay all such amounts in respect of the purchase of the Securities;
 - (B) if we do not approve an increase in the Loan amount, we may direct the purchase of a lesser number of Securities appropriate to the Loan amount originally requested by you; or
 - (C) we may require you to pay us the shortfall described in paragraph (ii) above. We may direct debit this amount from your nominated bank account.

5.2 You acknowledge that:

- (a) if we, acting on your behalf as agent, direct the Broker to acquire or sell Securities, the Broker will do so in accordance with its usual terms and conditions; and
- (b) all dealings in the Securities on your behalf are subject to the Corporations Act, ASX Clear Operating Rules, ASX Settlement Operating Rules, ASX Operating Rules and customs and usages of the ASX, ASX Clear and ASX Settlement.

5.3 You may contact us to request a copy of the Broker's terms and conditions.

5.4 To the fullest extent permitted by Law you will indemnify us, the Security Trustee, the Broker and the Sponsor concerning any loss, claim, expense or damage incurred as a result of:

- (a) our reliance, or the reliance of the Security Trustee, the Sponsor or the Broker, upon your instructions;
- (b) acting in accordance with your instructions; or
- (c) your failure to settle any transaction by its due date or to strictly comply with the terms of the Agreements.

5.5 All transfers of your selected Securities will be made at Market Value (whether by purchases on-market or transfers off-market). You acknowledge that Market Value may represent neither the Closing Price on that day nor the best price of the day. You acknowledge that Market Value will depend on a number of factors, including the market depth and trading volume, the time at which the sale or purchase request is processed and that neither we nor the Broker are under any obligation to process such a request except in accordance with clause 5.6.

5.6 We will use our reasonable endeavours to arrange the execution of all requests for sales and purchases of selected Securities as soon as practicable after we have approved the request. We accept no liability or responsibility for losses or damages incurred as a result of a delay in processing a request for sales or purchases of selected Securities.

6. Transfer of Loan

- 6.1 You may transfer your rights and obligations under a Loan (including the Put Option and the interest in the Parcel that corresponds to the Loan) to a transferee acceptable to us in our absolute discretion by providing us with a transfer agreement in a form acceptable to us executed by you and the proposed transferee.
- 6.2 Under the transfer agreement:
- you must agree to transfer your rights to the transferee under the Agreements, and the transferee must agree to accept your rights and assume your obligations under the Agreements and to be bound by the Terms and Conditions, in relation to the Loan, the Parcel and the Put Option including, as required by us, by assignment of rights from you to the transferee or by novation from you to the transferee of relevant contractual arrangements with us; and
 - the transferee must acknowledge, and agree to, the role of the Security Trustee and the Mortgage granted by the Security Trustee under the Agreements.
- 6.3 A transfer will only take effect if:
- we are satisfied in our reasonable opinion that the proposed transferee can meet the obligations under the Agreements;
 - the proposed transferee meets the approval criteria (including credit-related criteria) that we would apply to an applicant obtaining a new Loan with equivalent characteristics to your Loan;
 - unless we agree otherwise, you are not in Default in relation to the Loan. If you are in Default, we may agree to the transfer with or without additional conditions applying to you or the transferee; and
 - unless we agree otherwise, where you comprise two or more persons, each person has agreed to the transfer of their rights and obligations under the Agreements to the transferee.
- ## 7. Repayment of Loan on the Maturity Date
- 7.1 Subject to clauses 8, 22.2, 23, 24 and 25 you must pay the Total Amount Owing on the Loan to us at Maturity in accordance with the alternatives set out in clauses 7.2(a) to (c).
- 7.2 Approximately 20 Business Days (but no less than 5 Business Days) prior to Maturity, we will send you a notice informing you that you need to notify us whether:
- you will make full repayment of the Total Amount Owing at Maturity less, if applicable, any amount payable by us if the Put Option is exercised pursuant to clause 17.4; or
 - you wish to apply for an extension of the Term of the Loan or you wish to apply for a new Loan; or
 - if the Put Option is not automatically exercised pursuant to clause 17.2, you wish us to consent to the sale of the Secured Property, and direct us to arrange for the Proceeds to be applied to reduce your Total Amount Owing, with any excess to be paid to you.
- 7.3 You must complete the form we provide to you to notify us which alternative set out at clauses 7.2(a) to (c) you have selected. Such notice must be sent to our Address in accordance with the requirements of clause 42 and must be given so that it is received by us on or before the date set out in that form.
- 7.4 If:
- we do not receive notice under clause 7.3 within the required time; or
 - you request an extension to your existing Loan or apply for a new Loan (under clause 7.2(b)), and either of which we refuse;
- you will be deemed to have elected to have the Securities sold pursuant to clause 7.2(c) and we may, subject to clause 23, proceed to exercise our Powers as mortgagee of the Secured Property to effect repayment of the Total Amount Owing.
- ## 8. Early Repayment of the Loan
- 8.1 You may make an early repayment of the whole or any part of the Loan on any Business Day on the following conditions:
- you give us at least 10 Business Days' notice (unless a shorter notice period is requested by you and acceptable to us in our sole and absolute discretion) in respect of the Loan. The notice shall include the following information:
 - a request that we provide an Early Repayment Notice;
 - details of the Parcel that is the subject of the Loan to be repaid;
 - how much of the Loan in relation to each Parcel is intended to be repaid; and
 - the requested date of repayment;
 - you complete and sign the indicative Early Repayment Notice sent to you within three Business Days;
 - you agree to repay the same proportion of any Interest Loan in respect of the Loan (unless we agree to a smaller proportion);
 - if we agree to the early repayment of all or part of the Loan, we will execute your instruction to repay all or part of your Loan together with the equivalent portion of any related Interest Loan;

- (e) you must pay the amounts indicated in the final Early Repayment Notice (including any Break Costs);
 - (f) if you are repaying the Loan (or part of the Loan) from your own funds we will direct debit your nominated bank account for the amounts indicated in the final Early Repayment Notice (including any Break Costs); and
 - (g) if you request that the Securities are sold, we will direct the Security Trustee on your behalf to sell the Securities, and debit your bank account for any remaining portion of the amounts indicated in the final Early Repayment Notice (including any Break Costs).
- 8.2 You may apply amounts from a new Loan to repay the amounts indicated in the final Early Repayment Notice (including any Break Costs) if we have approved a new Loan in respect of your existing Parcel and we agree to discharge the Security Interest in respect of your existing Loan so that a Security Interest in respect of the Parcel can be created under your new Loan. (If you are an SMSF Investor, you must also comply with clause 2.2).
- 8.3 Subject to clause 8.4, if you wish to repay only part of the Loan you may repay an amount less than the Total Amount Owing but:
- (a) the Loan Balance Outstanding of the Loan after the repayment must not be less than \$10,000 (or such other amount as may be agreed by us from time to time); and
 - (b) the aggregate Loan Balance Outstanding across all Loans must not be less than \$50,000 (or such other amount as may be agreed by us from time to time);
 - (c) if you are a SMSF Investor:
 - (i) no Securities may be sold as contemplated in clause 8.1(g) for the purposes of making a partial repayment in relation to your Loan; and
 - (ii) all of the Securities comprised in the Parcel relating to the Loan must remain subject to the Mortgage and part of the Secured Property.
- 8.4 For the avoidance of doubt, early repayment of one or more Loans, either in full or in part, does not affect your right to exercise your Put Option in respect of any other Loans included in the Westpac PEL that are not repaid, either in full or in part, early.
- 8.5 If you repay the Total Amount Owing in respect of every Loan included in the Westpac PEL, the Agreements shall terminate when we receive that amount.

9. Break Costs and Other Amounts on Early Repayments

- 9.1 Break costs will be payable by you to us in relation to any early repayment of any Loan or Interest Loan under clause 8 (including any repayment required under clause 22.2(a) or 25.3 to be made in accordance with clause 8) and in relation to any repayment required under clause 24.2 when there is a Default. The break costs will be the amount determined by us as the amount equal to:
- (a) the present value of any interest, fees and charges that we would have received from you had you not made the repayment, less an amount representing a portion of the interest rate margin and costs applicable to the remaining Term determined in our sole discretion but based on reasonable grounds; less
 - (b) the present value of our reasonable estimate of what we could earn from re-lending the total amount repaid or due to be repaid at the prevailing inter-bank rate at the time; plus
 - (c) our reasonable estimate of the cost to us of terminating any applicable Reduced Rate Facility; less
 - (d) our reasonable estimate of the market value of the Put Option; plus
 - (e) any losses, costs and expenses (including any duties and government charges) incurred by us in effecting the repayment, enforcing our rights on Default, discharging the Security Interest and what would be the cost or benefit if we terminated the hedging or other arrangements that may have been entered into by us in relation to the Loan, any related Interest Loan, the Secured Property, the Reduced Rate Facility and the Put Option,
- (Break Costs).**
- 9.2 You will be entitled to a refund of any pre-paid interest (if any, as determined by us) in relation to a Loan or an Interest Loan in respect of the Parcel.

10. Interest on Loans and on unpaid amounts

- 10.1 You must pay interest to us on each Loan.
- 10.2 The rate of interest applicable to a Loan (including, for the avoidance of doubt, any increase of a Loan resulting from a Top-up Loan) over the Term is either:
- (a) a Fixed Rate set by us; or
 - (b) an Annually Resetting Rate set by us.
- 10.3 In the case of a Fixed Rate Loan, the Interest Rate applicable to the Loan will be set by us at the time of advancing the Loan, and may differ from the rate set out in any Indicative Term Sheet.
- 10.4 In the case of an Annually Resetting Rate Loan, the Interest Rate applicable to the Loan for the first Interest Period will be set by us at the time of advancing the Loan, and may differ from the rate set out in any Indicative Term Sheet. The Annually Resetting Rate applicable for each subsequent Interest Period will be set by us from time to time, at or about the commencement of that Interest Period, and communicated to you in writing.
- 10.5 We will provide you with information on current interest rates and standard fees and charges on request.
- 10.6 Interest is calculated on the Loan from and including the day on which the Loan is drawn.
- 10.7 Interest shall accrue daily, and shall be calculated for each relevant Interest Period on the basis of the actual number of days elapsed in that Interest Period and a 365 day year (including the first day but excluding the last day of the period during which it accrues).
- 10.8 You must pay the interest on the Loan at the applicable Interest Rate as follows (except to the extent we agree otherwise, or specify otherwise in this Agreement):
- (a) if the Welcome Letter indicates "Annually in advance", annually in advance before the Loan is drawn for the first Interest Period, and thereafter annually in advance, on the first day of the Interest Period; or
 - (b) if the Welcome Letter indicates "Monthly in arrears", monthly in arrears with the first payment to be made on the date as advised by us and thereafter monthly in arrears on the same day of the month as the initial date advised by us, or if the same day is not a Business Day, the first prior Business Day before that day.
- 10.9 Each date determined under clause 10.8 above is the due date for payment, unless that day is not a Business Day, in which case the due date for payment is the first prior Business Day before that day.
- 10.10 We will debit the interest from your nominated bank account in relation to a Loan on each due date for payment of such interest subject to the following:
- (a) Notwithstanding clause 10.9, if the date determined under clause 10.8 is not a Business Day, then we may, in our sole discretion, alter the due date, if the first following Business Day after the originally scheduled date is within the same calendar month as the originally scheduled date, so that the due date will be deferred until the first following Business Day after the originally scheduled due date.
 - (b) If the payment is not made on the due date, for whatever reason, then the amount remains payable and we may continue to attempt to direct debit your nominated bank account until the amount is paid and clause 10.12 will apply.
- 10.11 We may provide you with an option to change the interest payment method and schedule under clause 10.8(a) or clause 10.8(b) (as applicable) during the Term of the Loan. The Interest Rate may change and may be higher than the Interest Rate you were previously charged.
- 10.12 If you do not pay us any amount payable under the Agreements (including under any indemnity and any failed direct debit payment) on its due date (**Unpaid Amount**) you will be liable to pay interest on the Unpaid Amount at a rate equal to the Reserve Bank of Australia Cash Rate plus 2% per annum (which rate may be varied by us at our absolute discretion from time to time) calculated on a daily basis and capitalised monthly.

11. Interest Loan

- 11.1 Where you nominate to pay interest on a Loan in advance, and provided that you are not a SMSF Investor, you may request that:
- (a) we provide an additional loan of an amount not exceeding 12 months' interest payable under the Loan by, either:
 - (i) if the request is made at the same time as the request for the Loan, indicating on the Loan Application Form that you request an Interest Loan; or
 - (ii) if the request is made at any time after the Loan is advanced, providing us with an Interest Loan Application.
- 11.2 We may refuse to provide an Interest Loan and will notify you either in writing or via telephone if your request has been accepted.

- 11.3 Any advance under an Interest Loan:
- (a) will be subject to the continued satisfaction of the conditions in clause 3 in relation to the Loan and in addition satisfaction of the conditions in clauses 3.1(d) to 3.1(k) as if they expressly referred to the Interest Loan;
 - (b) must be used by you to pay interest in advance under clause 10.8(a); and
 - (c) will be made on a full recourse basis.
- 11.4 On the date that the advance under the Interest Loan is to be made to you, the total amount of the Interest Loan payable by us to you will be applied in payment of the amount payable at that time by you to us for interest on the Loan.
- 11.5 The term of the Interest Loan will commence on the date that the Interest Loan is drawn and end on the Interest Loan Balance. You must repay the Interest Loan principal in equal monthly instalments at the end of every month during the term of the Interest Loan and we will direct debit each repayment from your nominated bank account.
- 11.6 You must pay interest to us on the Interest Loan. The rate of interest applicable to an Interest Loan is a Fixed Rate set by us, which may be different to the Interest Rate on the related Loan. Interest for the whole of the term of the Interest Loan is payable in advance on or before the date the Interest Loan is drawn. Unless you have already paid the interest on your Interest Loan, we will debit the interest payable under the Interest Loan from your nominated bank account on or after the date the Interest Loan is drawn.
- 11.7 Interest on the Interest Loan shall be calculated on the basis of the actual number of days in the term of the Interest Loan and a 365 day year (including the first day but excluding the last day of the period during which it accrues).
- 11.8 In applying for an Interest Loan, you represent and warrant to us that:
- (a) you understand that there are risks associated with obtaining the Interest Loan;
 - (b) you have closely and carefully considered whether such additional borrowing is appropriate for you;
 - (c) you have relied on your own judgement or that of your professional advisers in deciding to seek the Interest Loan and in relation to the tax treatment of this borrowing;
 - (d) you understand that your repayment obligation under the Interest Loan is full recourse; and
 - (e) you acknowledge that before agreeing to provide the Interest Loan, we have relied on your representations and warranties under this clause.

12. Protection Premium

- 12.1 You must pay a premium for the Capital Protection offered under a Loan (**Capital Protection Fee**).
- 12.2 The Capital Protection Fee applicable to the Loan will be set by us prior to the time that we first advance the Loan to you and, if clause 12.3(a) applies, we shall notify you of the Capital Protection Fee in the Welcome Letter.
- 12.3 You may instruct us to either:
- (a) for Securityholder Borrowers, deduct the Capital Protection Fee from the Loan proceeds in accordance with clause 2.5; or
 - (b) include the Capital Protection Fee in the interest rate applying to a Loan in accordance with clause 10.2.
- 12.4 If you elect to pay us the Capital Protection Fee in accordance with clause 12.3(b):
- (a) the amount of interest to be paid by you in accordance with clause 10.8 will include the Capital Protection Fee; and
 - (b) the amount of interest which we will debit from your nominated bank account in accordance with clause 10.9 will include the Capital Protection Fee.
- ## 13. Payments to be without deductions
- 13.1 You must pay us the required amounts under the Agreements in full:
- (a) without set-off or counterclaim; and
 - (b) without making any deduction or withholding for any Taxes unless you are legally compelled to do so.
- 13.2 If you are, or the Security Trustee is, legally compelled to make any deduction or withholding for Taxes, then you must pay us an amount equal to the difference between the full amount which we would have been entitled to receive had the deduction or withholding not been made (other than Tax payable on our overall net income) and the actual amount received by us.
- 13.3 Unless otherwise agreed by us or expressly stated in an Agreement, you must make all payments under the Agreements to us in immediately available funds not later than 11:00 am on the due date in accordance with our direction to you from time to time. Payments must be made by direct debit from your nominated bank account unless we specify otherwise.
- 13.4 Except as described in clauses 10.9 and 10.10, if the day on which any payment becomes due is not a Business Day, the payment shall become due on the preceding Business Day.

14. Top-up Loan

- 14.1 You may make a Top-up Loan Application (subject to clauses 14.2 and 14.3) for a further advance (a **Top-up Loan**) to increase the balance of your Loan in respect of a Parcel up to the Market Value of the Securities in the Parcel. We will notify you if your application has been approved.
- 14.2 You are not eligible for a Top-up Loan in respect of any Parcel if any of the following apply:
- (a) the Top-up Loan amount requested is less than \$10,000 (or such other amount as may be agreed by us from time to time); or
 - (b) you are a SMSF Investor.
- 14.3 We may refuse to provide a Top-up Loan and any advance granted will be subject to continued satisfaction of the conditions in clause 3 in relation to the initial Loan and in addition to satisfaction of the conditions in clauses 3.1(d) to 3.1(k) in relation to the Top-up Loan and any other additional terms and conditions as may be notified by us.
- 14.4 If your Top-up Loan Application is accepted by us, you agree to use all amounts advanced under the Top-up Loan wholly or predominantly for business or investment purposes other than investment in residential property and, if requested by us at the time you apply for a Top-up Loan, you agree to provide us with a signed purpose declaration in a form satisfactory to us.
- 14.5 When a Top-up Loan is advanced in respect of a Parcel the Put Option in relation to that Parcel terminates and we grant you a new Put Option on the terms in clause 17 with respect to that Parcel.
- 14.6 The advance under the Top-up Loan will be added to, and form part of, the Loan balance on and from the date that the Top-up Loan is drawn down. For the avoidance of doubt this means that:
- (a) the Top-up Loan advance is repayable when the initial Loan is repayable; and
 - (b) subject to clauses 14.7 and 14.9(c), interest is payable on the Top-up Loan in the manner, on the same dates and at the Interest Rate applying to the Loan.
- 14.7 If you are paying interest on the Top-Up Loan in advance, the first interest payment shall be deducted from the Top-up Loan proceeds on the Top-up Loan drawdown date. (Subsequent interest payments will form part of the interest payments under the Loan to which the Top-up Loan relates).
- 14.8 If your Top-up Loan Application is accepted by us, you must pay us a Top-up Fee calculated in accordance with clause 14.9. You must also pay or reimburse us, on request, for any related government duties and Taxes incurred by us. You can obtain details of the applicable Top-up Fee amount by contacting Westpac prior to submitting your application. The Top-up Fee will be deducted from the Top-up Loan proceeds on the same day that the Top-up Loan is drawn.
- 14.9 The Top-up Fee shall be determined by us and notified to you. The Top-up Fee shall be the aggregate of the following:
- (a) an Application Fee;
 - (b) the cost to replace the Capital Protection under the initial Loan;
 - (c) the cost to Westpac to provide the Top-up Loan at that same interest rate as the Interest Rate applicable to the Loan; and
 - (d) upon prior notice to you, any other fees and charges that we may charge in connection with the Top-up Loan.
- 14.10 The amount of the Top-up Loan (as reduced under clauses 14.7 and 14.8), shall be paid to you by depositing that amount into your nominated bank account.
- 14.11 In applying for a Top-up Loan, you represent and warrant to us that:
- (a) you understand that there are risks associated with obtaining the Top-up Loan;
 - (b) you have closely and carefully considered whether such additional borrowing is appropriate for you;
 - (c) you have relied on your own judgment or that of your professional advisers in deciding to seek the Top-up Loan and in relation to the tax treatment of this borrowing; and
 - (d) you are not a SMSF Investor,
- and you acknowledge that before agreeing to provide the Top-up Loan we have relied on your representations and warranties under this clause.

15. Security Reset Facility

- 15.1 Subject to clause 15.2, you may request that we release Securities from the Mortgage having an aggregate Market Value above the Total Amount Owing for the relevant Loan. Once the Securities have been released, you can deal with these Securities at your discretion, including instructing the Security Trustee to sell your Securities at Market Value. On the release of the Securities, we will terminate the Put Option in respect of the Parcel to which the Securities relate and we will grant you a new Put Option on the terms in clause 17 with respect to the Securities in the Parcel which remain subject to the Mortgage.
- 15.2 You may not make a request for a Security Reset Facility in respect of a Parcel if any of the following apply:
- (a) you are a SMSF Investor; or
 - (b) you have chosen to utilise the Reduced Rate Facility in respect of that Parcel, unless we otherwise agree.
- 15.3 We may refuse a request under clause 15.1 if the Market Value of the Parcel is not at least \$10,000 more than the Loan Principal Outstanding at the time of the request or otherwise in our sole discretion. We will give you notice either in writing or via telephone if your request under clause 15.1 has been accepted.
- 15.4 If we accept your request under clause 15.1, you must pay us a Security Reset Fee (as determined by us and calculated in accordance with clause 15.5) prior to the Securities being released.
- 15.5 The Security Reset Fee shall be determined by us and notified to you. The Security Reset Fee shall be the aggregate of:
- (a) the net cost in relation to replacing the Put Option under the Loan with a new Put Option at a new Protection Level; and
 - (b) upon prior notice to you, any other fees and charges that we may charge in connection with the Security Reset Facility.

16. Portfolio Adjustment Facility

- 16.1 Subject to clause 16.3, you may make an irrevocable request in writing for our consent to the sale of any Parcel and the purchase of a new Parcel of Securities listed in the Approved Securities List, which has a purchase price, net of Brokerage and any other costs associated with purchasing those Securities, that is at least equal to the Loan Principal Outstanding (including any Top-up Loan principal) advanced in respect of the current Parcel, unless we otherwise agree.
- 16.2 If we consent:
- (a) we will direct the Security Trustee to sell the Securities;
 - (b) the Put Option in respect of that Parcel will be terminated;
 - (c) the Proceeds of sale will be applied to purchase the new Securities (subject to the conditions set out in clauses 1.2, which apply as if the Proceeds were an advance under the Loan, and 16.4).
- 16.3 You may not make a request to use the Portfolio Adjustment Facility in respect of any Parcel if any of the following apply:
- (a) you want to sell only part of a Parcel;
 - (b) we have withdrawn the Portfolio Adjustment Facility;
 - (c) you have chosen to utilise the Reduced Rate Facility in respect of that Parcel, unless we otherwise agree; or
 - (d) you are a SMSF Investor.
- 16.4 We may refuse a request under clause 16.1 in our sole discretion. We will give you notice either in writing or via telephone if your request under clause 16.1 has been accepted.
- 16.5 If the Securities purchased with the Proceeds of sale as contemplated in clause 16.2(c) are of the same type as Securities in any Parcel which already forms part of the Secured Property, the new Securities will be treated as a separate Parcel from the Parcel which already forms part of the Secured Property.

- 16.6 When Securities are purchased as contemplated in clause 16.2(c):
- (a) the Loan advanced in respect of the Parcel sold will from that time be treated as if it had been advanced in respect of the Securities purchased;
 - (b) we grant you a new Put Option on the terms in clause 17 with respect to the newly purchased Parcel;
 - (c) you must pay us a Portfolio Adjustment Fee as determined by us in accordance with clause 16.8. If we determine that the calculation contemplated in clause 16.8 results in a negative amount, we will refund you that amount; and
 - (d) the Securities will form part of the Secured Property and be subject to the Mortgage under the Mortgage Terms.
- You must also pay or reimburse us, on request, for any related government duties and Taxes we incur.
- 16.7 You can obtain details of the applicable Portfolio Adjustment Fee by contacting us prior to submitting your request to use the Portfolio Adjustment Facility. The amount will vary depending on the Securities selected.
- 16.8 The Portfolio Adjustment Fee shall be determined by us and notified to you. The Portfolio Adjustment Fee shall comprise of:
- (a) the cost in relation to replacing your Put Option with a new one entered into in respect of the new Securities; and
 - (b) upon prior notice to you, any other fees and charges (including related government duties and Taxes) associated with selling the existing Securities or purchasing new Securities.
- 16.9 Should we agree to your request to utilise the Portfolio Adjustment Facility each of the following will apply:
- (a) all interest remains payable on the Loan;
 - (b) you must pay us the Portfolio Adjustment Fee in an amount to be notified by us to you and calculated in accordance with clause 16.8.
 - (c) we will direct the Security Trustee to sell each Parcel nominated by you in accordance with clauses 5.2 and 5.6;
 - (d) you irrevocably authorise us to use all sale proceeds relating to the Securities sold under the Portfolio Adjustment Facility to pay any associated Brokerage, taxes, costs, charges or commissions incurred in connection with the sale of the Securities;
 - (e) the balance of the Proceeds of the sale of a Parcel will be applied towards the purchase of the new Parcel consistently with clause 1 and in accordance with this clause 16; and
 - (f) any remaining Proceeds of the sale of a Parcel after the deductions and payments referred to in paragraphs (d) and (e) will, at our discretion, be applied by us against the Total Amount Owing or returned to you by depositing such amount to the bank account nominated by you.
- 17. Put Option**
- 17.1 Subject to clause 17.2, we grant you the right to require that we purchase on the Maturity Date the Secured Property you own under the Agreements at the Maturity Date (the **Put Option**). Upon the exercise of the Put Option under this clause 17, the purchase price payable for the Secured Property will be an amount equal to the Loan Principal Outstanding.
- 17.2 You irrevocably agree that, if on the Maturity Date, the Closing Value of the Secured Property for a Loan is equal to or less than the Loan Principal advanced in respect of the relevant Parcel, the Put Option will be exercised automatically, without you taking any action. We may satisfy and discharge our obligations in relation to the Put Option in accordance with, as applicable either clause 17.3 (*Physical Settlement*) or clause 17.4 (*Cash Settlement*).
- 17.3 (*Physical Settlement*) Upon the exercise of the Put Option under clause 17.2 we may, at our discretion, satisfy and discharge our obligations through either of the procedures contemplated in paragraphs (a) or (b) below and:
- (a) you:
 - (i) irrevocably authorise us, as your agent, to instruct the Security Trustee to transfer and deliver the Secured Property under the relevant Parcel to us; and
 - (ii) irrevocably authorise and direct us to apply the amount payable by us to you on exercise of the Put Option towards repayment of the Loan Principal Outstanding at Maturity; or

- (b) you authorise us, as your agent, to instruct the Security Trustee to sell the Secured Property as an on-market or off-market transaction, at the Market Value at Maturity, to the extent that we in our absolute discretion consider appropriate. You irrevocably authorise and direct us to apply this Market Value of the Secured Property towards the Total Amount Owing in respect of that Secured Property and the amount payable by us to you on exercise of the Put Option is reduced accordingly. If the Market Value of the Secured Property is less than the Loan Principal Outstanding at Maturity, you irrevocably authorise and direct us to apply the remainder of the amount payable by us to you on exercise of the Put Option towards repayment of the Loan Principal Outstanding at Maturity.
- 17.4 (*Cash Settlement*) Notwithstanding clause 17.3, if, upon the exercise of the Put Option under clause 17.2, you:
- have elected to repay the Loan pursuant to clauses 7.2(a) and 7.3; or
 - have applied for an extension to the Loan or a new Loan pursuant to clause 7.2(b) and 7.3 and have been granted such extension to the Loan or a new Loan,
- and, in our reasonable opinion, no Default has occurred or is likely to occur in respect of you, the shortfall between the Closing Value of the Secured Property and the Loan Principal Outstanding, if any, shall be the cash settlement amount of your Put Option and shall be payable to you. You irrevocably authorise and direct us to apply such shortfall amount payable to you towards repayment of the Total Amount Owing in respect of that Parcel.
- 17.5 The Put Option in relation to a Loan will expire when the Maturity Date passes and the Put Option is not exercised.
- 17.6 The Put Option in relation to a Loan will terminate:
- when you make an early repayment in respect of the whole of the relevant Loan in accordance with clause 8 (including a repayment under clauses 22.2(a), 24.2 or 25.3);
 - when a Default occurs and Westpac exercises its rights under clause 24.2(b);
 - when we appoint an Early Maturity Date in accordance with clause 25.1; or
 - in any other circumstances where these Terms and Conditions expressly provide that the Put Option is terminated, including when it is replaced with a new Put Option.
- 18. Reduced Rate Facility**
- 18.1 You may request a Reduced Rate Facility in relation to one or more of your Loans.
- 18.2 If you wish to request to utilise this Reduced Rate Facility in relation to a Loan, you are required to notify us by completing the appropriate section of the Application Form (or, for a subsequent Loan, providing the details we require in the relevant Application) including:
- each Parcel over which you are utilising the Reduced Rate Facility;
 - the nominated Cap Value applicable to each specified Parcel; and
 - the Participation Rate (if any) applicable to each specified Parcel.
- 18.3 If your request to utilise the Reduced Rate Facility is accepted by us in relation to a Parcel, we will limit your gain in respect of the Parcel to the Cap Value and:
- if you choose to pay an upfront Capital Protection Fee, reduce the Capital Protection Fee over the Term of the Loan; or
 - otherwise, we will charge you a reduced Interest Rate on the Loan; and
 - in either case, subject to the conditions set out in this clause 18, you are required to pay a Cash Settlement Amount to us on the Maturity Date with a value calculated in accordance with clause 18.7.
- 18.4 If you have specified that the Reduced Rate Facility is to apply to more than one Parcel, each Parcel nominated by you in the relevant Application will be subject to a separate Reduced Rate Facility.
- 18.5 If there is a Corporate Action between the commencement of the Loan relating to a Parcel and the Maturity Date, the provisions regarding Corporate Actions set out in clause 22 of the Terms and Conditions will apply.
- 18.6 If the Closing Value on the Maturity Date of a Parcel which is subject to the Reduced Rate Facility is equal to or below the Cap Value for that Parcel nominated by you, then no Cash Settlement Amount is payable.

18.7 If the Closing Value on the Maturity Date of a Parcel which is subject to the Reduced Rate Facility is above the Cap Value, we will calculate the Cash Settlement Amount on the Maturity Date and will notify you of the amount payable by you to us. The Cash Settlement Amount is calculated in accordance with the following formula:

$$\text{CSA} = E \times (1-P)$$

where:

CSA = Cash Settlement Amount

E = the amount equal to the sum of the Closing Value of the Securities in the Parcel and the value of any other Secured Property at the Maturity Date less the Cap Value; and

P = the Participation Rate, expressed as a decimal.

18.8 For the avoidance of doubt, the Cash Settlement Amount will form part of the Total Amount Owning.

18.9 If you are required to make a payment of the Cash Settlement Amount to us at Maturity, but fail to make this payment, our rights of recourse are limited to the Default rights as set out in clause 24.

19. Statements

19.1 Statements of account relating to each Loan and any Interest Loan will be sent to you at least every six months at the address provided on the Application Form.

19.2 You can update this address by contacting us by phone on 1800 990 107 or by email at structured.investments@westpac.com.au.

20. Sponsor, Broker and intermediaries

20.1 In relation to the Security Trustee's appointment of the Sponsor under the Agreements, you and the Security Trustee undertake to us that you and they:

- (a) will not provide instructions to the Sponsor that are inconsistent with the Agreements; and
- (b) will not, and will not agree to, amend, vary, substitute or terminate the Sponsorship Agreement without our prior written consent.

20.2 You and the Security Trustee undertake to us that any instructions which you or the Security Trustee give to us in relation to the Broker buying or selling Securities will not be inconsistent with the Agreements.

21. Representations and warranties

21.1 You represent and warrant to us that:

- (a) you have read and understood the PDS and the Agreements and have received advice from your professional financial and taxation adviser in relation to them;
- (b) we are not acting as a fiduciary or an adviser to you in respect of the Westpac PEL;
- (c) subject to clause 21.3, if you are a Securityholder Borrower, immediately before transfer to the Security Trustee, you were the beneficial owner of the Secured Property and no one else had any Encumbrance over or other rights affecting the Secured Property other than those agreed to in writing by us;
- (d) under the Mortgage, we will have a first ranking Mortgage over the Secured Property;
- (e) you will not trade in any of the Securities that form part of the Secured Property except as permitted by the Agreements;
- (f) the execution, delivery and performance of the Agreements and acquisition of any Security on behalf of us do not violate any existing Law or any document or agreement to which you are a party or which is binding upon you or any of your assets;
- (g) you will use each Loan and Top-up Loan (if any) wholly or predominantly for business or investment purposes other than investment in residential property;
- (h) all information given by you is complete, correct and not misleading by omission or otherwise;
- (i) you have not relied on any conduct, statements or representations made by us or on our behalf in entering into the Agreements or any Security Interest and, in particular, have not relied on any statements or representations made in relation to any Taxes which may be payable or deductions which may be made by us as a consequence of, or arising out of, any of the transactions contemplated by the Agreements or any Security Interest;
- (j) you are not insolvent or bankrupt (as the case may be) and are able to pay your debts as and when they become due;
- (k) you are an Australian resident for taxation purposes; and
- (l) no step has been taken to make you bankrupt, commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of your assets, or to make an arrangement or compromise with any of your creditors.

- 21.2 If you are incorporated (a **Company**), you also represent and warrant to us that:
- (a) the Company is duly incorporated and has the corporate power to enter into the Agreements and any Security Interest to which it is a party and to authorise the execution, delivery and performance of the Agreements and any Security Interest to which it is a party;
 - (b) the execution, delivery and performance of the Agreements and any Security Interest to which it is a party does not violate the Company's constitution or any Law; and
 - (c) it is to the commercial benefit of the Company that it enters into the Agreements and any Security Interest to which it is a party.
- 21.3 If you are at any time the trustee of a trust (a **Trust**), you must immediately notify us of this status. Even if you do not do so, unless the context requires otherwise, a reference in any Agreement and any Security Interest to which you are a party to your transactions, assets, acts or liabilities of any nature includes your transactions, assets, acts or liabilities as trustee of the relevant Trust. Where you incur an obligation, you incur that obligation both in your own right and in your capacity as trustee, unless the obligation relates only to an asset which you hold in your own right and not as trustee. Your liability as trustee shall be limited to the amount that you are entitled to be indemnified by out of the assets of the relevant Trust. This does not limit your liability in your personal capacity. As trustee of the Trust and in your own right, you represent and warrant to us that:
- (a) you are validly appointed as the sole trustee of the Trust;
 - (b) you have free and full power to enter into the Agreements and any Security Interest to which you are a party and to carry out all transactions contemplated by those Agreements in your capacity as trustee;
 - (c) you are acting in the best interests of, and for the benefit of, the Trust and its beneficiaries that you enter into the Agreements and any Security Interest to which you are a party in your capacity as trustee; and
 - (d) you will not effect a change of trustee, a termination of the Trust or a change to the terms of the Trust, in each case without our prior consent.
- 21.4 If you are a SMSF, you also represent and warrant to us that you are not prohibited from acquiring a Loan under the Westpac PEL, or any assets acquired with it, under any Australian legislation or its governing rules.
- 21.5 Each representation and warranty set out in clauses 21.1, 21.2, 21.3 and 21.4 is made at the time any monies are advanced under a Loan or an Interest Loan and will be repeated on each day that any of the Total Amount Owing remains outstanding (whether or not then due for payment) with reference to the facts and circumstances then subsisting, as if made on each such day and in making any Loan or Interest Loan we have relied on each representation and warranty given by you.
- 21.6 Each party will be deemed to represent to the other party on the date of the Agreements and for so long as the Agreements are in effect that the other party is not acting as a fiduciary.

22. Undertakings and Corporate Actions

- 22.1 You give the following undertakings to us:
- (a) you will comply with all Laws and requirements of every Government Agency;
 - (b) you will promptly notify us in writing as soon as you become aware of the occurrence of any event or circumstance which may detrimentally alter your status or financial condition;
 - (c) you will pay all calls, premiums, instalments and other moneys which are payable in respect of the Secured Property;
 - (d) you agree for us to instruct the Security Trustee to deal with any bonus issues, security splits, rights issues and other entitlements as directed by us under clause 22.2;
 - (e) you agree that you will not create, agree or attempt to create or allow to exist, any Encumbrance over any part of the Secured Property or any rights you have against the Security Trustee or under the Agreements in respect of any part of the Secured Property (other than in our favour);
 - (f) the Security Trustee will promptly pay or procure the payment of:
 - (i) all cash returns on capital;
 - (ii) all Special Dividends;
 - (iii) all proceeds from the disposal or relinquishment of rights; and
 - (iv) all proceeds in relation to options or other rights granted to or granted by you as the owner of the Securities,
 received in respect of the Secured Property, less any withholding tax deductions, to us. We will deal with these amounts under clause 22.2;

- (g) the Security Trustee will not:
 - (i) create, agree or attempt to create or allow to exist, any Encumbrance over the Secured Property (or any part of it) other than in our favour;
 - (ii) sell, redeem, dispose of, or otherwise deal with, or agree or attempt to sell, redeem, dispose of, or otherwise deal with the Secured Property (or any part of it) without our prior written consent;
 - (iii) not change, agree or attempt to change the Sponsor or Holder Identification Number of any of the Secured Property; or
 - (iv) do or permit any act, matter or thing which may lessen or impair the efficacy or validity of any Mortgage over the Secured Property, or do, knowingly suffer or be a party or privy to any act or thing whereby any of the Secured Property or our interest in it is or may be impeached, charged or affected; and
 - (h) the Security Trustee will accept and act on any direction given in relation to the Secured Property by us.

22.2 If a Corporate Action occurs or a proposal to undertake a Corporate Action is announced to the ASX, we shall be entitled to take one or more of the following actions (in each case, acting in a commercially reasonable manner):

- (a) we may at our discretion determine that the Total Amount Owing must be repaid early in accordance with clause 8.1(e) as if we had given you a final Early Repayment Notice, following a request from you, in relation to that amount in accordance with clause 8. You must pay the amounts we advise you in writing under this clause by the date we specify;
- (b) if you are not a SMSF Investor, add the bonus issues, security splits, rights issues or other entitlements to the Secured Property;
- (c) direct the Security Trustee to dispose of or transfer or otherwise realise the Market Value of any additional securities or rights received as a result of the Corporate Action;
- (d) either apply the cash value of any entitlements or the proceeds of sale of any entitlements (as described in clauses 22.1(d) and (f) and paragraph (c) or otherwise) to one or more of the following:

- (i) for non-SMSF Investors, purchase additional Securities. These additional Securities would be added to the existing Parcel and form part of the Secured Property. The number of additional Securities may be rounded down to the nearest whole number of Securities that may be purchased with the available funds;
- (ii) repay a portion of the Total Amount Owing as a repayment under clause 8; or
- (iii) pay such amounts to you.
- (e) for non-SMSF Investors, require you to provide additional Securities (or money to purchase additional Securities) as advised by us and the Securities will form part of the Secured Property;
- (f) adjust the Protection Level to a level determined by us to be reasonable in the circumstances;
- (g) if you have utilised the Reduced Rate Facility, adjust the Cap Price to a Cap Price determined by us and adjust the Participation Rate (if any) nominated on the Application to a percentage determined by us; or
- (h) direct debit from your nominated bank account in accordance with clause 13.3 any amounts due under clause 13.2 as a result of a Corporate Action.

23. Recourse

23.1 In the case of a non-SMSF Investor and subject to paragraph (c) and clause 23.2:

- (a) at Maturity of the Loan, we have full recourse against you for your payment obligations to us under the Agreements except to the extent that Capital Protection applies to your liability for the Loan Principal Outstanding;
- (b) at any time before the Maturity of the Loan, we have full recourse against you for your payment obligations to us under the Agreements;
- (c) our enforcement rights at Maturity of the Loan will not be limited in the manner set out in paragraph (a) in the event of a Default by you, other than a Default which is:
 - (i) your failure to repay the Loan in accordance with clause 7; or
 - (ii) under clause 24.1(f) and which is the result of an act or omission by us; and
- (d) nothing in this clause 23.1 limits in any way, or to any particular asset, our rights to payment of any of the Total Amount Owing other than the Loan Principal Outstanding.

23.2 In the case of a SMSF Investor:

- (a) we shall only be entitled to enforce our rights to the repayment of the Loan Principal Outstanding and all other amounts comprising the Total Amount Owing by exercising our rights as mortgagee or Attorney in relation to the Parcel and any other Secured Property to which that Loan relates; and
- (b) notwithstanding paragraph (a), upon the Maturity of the Loan or in the event of early repayment (following a Trigger Event or otherwise), if there is an amount outstanding to be paid to us after we have exercised our enforcement rights referred to in paragraph (a), we shall be entitled to recover any and all outstanding amounts from the Guarantor.

23.3 If a provision of any Agreement (including the rest of these Terms and Conditions), or an exercise of a right under any Agreement (including the rest of these Terms and Conditions), would cause a Loan in relation to a SMSF Investor not to comply with the Relevant SIS Provisions then, to the extent to which it causes such non-compliance, the provision or exercise is of no effect. This clause applies despite any other provision of any Agreement (including the rest of these Terms and Conditions).

24. Default

24.1 There will be a Default if:

- (a) any amount payable under any Agreement is not paid by its due date;
- (b) a trustee in bankruptcy or similar officer is appointed in respect of you or the Guarantor;
- (c) you or the Guarantor enter into an arrangement, compromise or composition with or assignment for the benefit of creditors or a class of them (where you are not or the Guarantor is not, as the case may be, a Company);
- (d) we believe on reasonable grounds that we were induced by fraud to enter into the Agreements, any Loan or Interest Loan or any Security Interest;
- (e) a representation, warranty or statement made by any person in a document provided under or in connection with the Agreements is not true in a material respect or is misleading when made or repeated;
- (f) if for any reason we are unable to enforce our rights as mortgagee in relation to the Secured Property;
- (g) you create or agree or attempt to create or allow to exist, any Encumbrance over any part of the Secured Property or any rights you have against the Security Trustee or under the Agreements in respect of any part of the Secured Property (other than in our favour);

(h) where you are or the Guarantor is a Company:

- (i) except for the purpose of a solvent reconstruction or amalgamation previously approved by us, an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting, an application to a court or other steps are taken:
 - (A) that you will be wound up, dissolved or an administrator be appointed; or
 - (B) that you enter into an arrangement, compromise or composition with or assignment for the benefit of creditors or a class of them (other than frivolous or vexatious applications, proceedings, notices and steps);
- (ii) you or the Guarantor cease, suspend, or threaten to cease or suspend the conduct of all or a substantial part of their business or dispose of or threaten to dispose of a substantial part of your or the Guarantor's assets;
- (iii) you or the Guarantor are, or under legislation are presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute);
- (iv) you or the Guarantor stop or suspend or threaten to stop or suspend payment of all or a class of your or their debts;
- (v) a receiver, receiver and manager, administrative receiver or similar officer is appointed to you or the Guarantor or any of your or their property;
- (vi) without our prior consent, you or the Guarantor:
 - (A) reduce capital (including a purchase of shares but excluding a redemption of redeemable shares);
 - (B) pass a resolution to reduce capital or to authorise a purchase of shares, or a resolution under chapter 2J of the Corporations Act or an equivalent provision, or call a meeting to consider such a resolution; or
 - (C) apply to a court to call any such meeting or to sanction any such resolution or reduction;

- (i) where you are a trustee of a trust, any step is taken to wind up or otherwise dissolve the relevant trust;
- (j) where you are a SMSF Investor, any step is taken to wind up or otherwise dissolve the relevant SMSF Investor;
- (k) where we determine that a Guarantee and Indemnity must be provided in connection with a Loan, but waive delivery of that Guarantee and Indemnity as a condition to be satisfied before the Loan is advanced, and the Guarantor does not satisfy all of our approval conditions and enters into a Guarantee and Indemnity, in form and substance satisfactory to us, within 14 days of the advance of monies under the Loan, or such other period as we may agree;
- (l) any Guarantor breaches any term of any Guarantee and Indemnity, or any representation given in any Guarantee and Indemnity was not true in a material respect or was materially misleading when given or repeated;
- (m) you purport to terminate the Sponsorship Agreement or remove or seek to remove the Sponsor as Controlling Participant of the Securities the subject of the Mortgage;
- (n) an authorisation which is material to your or the Guarantor's performance under, or to the validity and enforceability of, the Agreements or any Security Interest, or to the security of Westpac, is repealed, revoked or terminated or expires, or is modified or amended or conditions are attached to it in a manner unacceptable to us and is not replaced by another authorisation acceptable to Westpac;
- (o) any part of the Secured Property is compulsorily acquired by or by order of a Government Agency or under Law:
 - (i) a Government Agency orders the sale, vesting or divesting of any part of the Secured Property; or
 - (ii) a Government Agency takes a step for the purpose of any of the above or proposes or threatens to do any of the above;
- (p) a Law or anything done by a Government Agency wholly or partially renders illegal, prevents or restricts the performance or effectiveness of the Agreements or the security of Westpac; or
- (q) you or the Guarantor as the case may be die, cease to be of full legal capacity or commit an act of bankruptcy.

24.2 When there is a Default:

- (a) our obligations under the Agreements immediately cease;
- (b) we may at our discretion determine that the Total Amount Owing in relation to all Loans, or one or more specific Loans, calculated as if we were calculating the amount for the purposes of a final Early Repayment Notice under clause 8, including any Break Costs, becomes immediately due and payable at any time after the occurrence of the Default;
- (c) we may exercise any and all of our Powers in respect of the Secured Property and the Proceeds;
- (d) where the Proceeds are not sufficient to repay the Total Amount Owing, we may exercise any or all of our Powers to realise any Securities or other Secured Property held by the Security Trustee on behalf of you (to the extent necessary to cover any part of the Total Amount Owing that exceeds the Proceeds);
- (e) where the Proceeds are not sufficient to repay the Total Amount Owing, we may exercise any or all of our Powers under a Guarantee and Indemnity to recover any part of the Total Amount Owing that exceeds the Proceeds;
- (f) your rights to deal with the Secured Property in any way immediately cease;
- (g) we shall be entitled to do all acts and things and exercise all rights, powers and remedies that you could do in relation to the Secured Property without any limitation;
- (h) all amounts received by the Security Trustee in respect of the Secured Property will be held by the Security Trustee for us and must be paid at our direction; and
- (i) we can continue to exercise all other rights under the Agreements, including, for example, our rights under clause 22.

25. Early Maturity Date

25.1 We may appoint an Early Maturity Date in respect of any Loan if:

- (a) because of any change in Law or in its interpretation or administration it becomes unlawful or impossible for us to maintain or give effect to our obligations under the Agreements;
- (b) there is an increase in cost, or there may be an increase in cost or reduction in return including return on allocated capital, as a result of any change in or the interpretation of an applicable Law, or from complying with the direction, policy, request or order of a Government Agency; or
- (c) a Market Disruption Event has occurred and is continuing.

- 25.2 If we appoint an Early Maturity Date under clause 25.1, we will notify you in writing, with such notice to set out:
- (a) the earlier date which we have appointed as the Early Maturity Date;
 - (b) the alternatives available to you as at this Early Maturity Date;
 - (c) the date and means by which you will need to notify us of the alternative you have selected; and
 - (d) what action we will take if you do not notify us of your selection by the date specified by us, and if you do not notify us of your selection, you acknowledge and agree that we will take all necessary action on your behalf to give effect to an action referred to in paragraph (d).

25.3 If we appoint an Early Maturity Date, then the Total Amount Owning in relation to the Loan will include Break Costs as calculated on the Early Maturity Date in accordance with clause 8. However, we shall apply any pre-paid interest paid upfront (if any, as determined by us) against the Total Amount Owning.

25.4 For the avoidance of doubt, if we appoint an Early Maturity Date under clause 25.1, you will be unable to exercise your Put Option in respect of the Loan for which an Early Maturity Date has been appointed.

26. GST

The Borrower, Westpac and the Sponsor agree that:

- (a) all Payments have been calculated without regard to GST;
- (b) each party will comply with its obligations under the *Competition and Consumer Act 2010* (Cth) when calculating the amount of any Payment and the amount of any relevant Payments will be adjusted accordingly;
- (c) if the whole or any part of any Payment is the consideration for a Taxable Supply, the recipient of the Taxable Supply must pay to the supplier an additional amount equal to the GST Amount. Unless otherwise agreed in writing, such additional amount is to be paid on the earlier of:
 - (i) the date on which the first Payment in relation to the Taxable Supply becomes payable; and
 - (ii) the date five Business Days after the date on which an Invoice is issued in relation to the Taxable Supply;

- (d) if, in relation to a Taxable Supply, an Adjustment Event occurs that gives rise to an Adjustment then the GST Amount will be adjusted accordingly and where necessary a payment will be made to reflect that adjustment. If a payment is required, it will be made within five Business Days of the issue of the Adjustment Note by the supplier; and
- (e) if a party is a member of a GST Group, references to GST for which the party is liable and to Input Tax Credits to which the party is entitled include GST for which the Representative Member of the GST Group is liable and Input Tax Credits to which the Representative Member is entitled.

27. Expenses

27.1 You must pay us for all Taxes, costs, charges and expenses reasonably incurred by us in connection with or arising out of:

- (a) the stamping, registration, variation or discharge of the Agreements and any Security Interest;
- (b) the drawing, engrossing, execution and service of any demand or notice given by us under or pursuant to the Agreements and any Security Interest;
- (c) any Default occurring under the Agreements and any Security Interest including all enforcement expenses we reasonably incur or expend in exercising our rights under the Agreements or any Security Interest; and
- (d) any other transactions contemplated by the Agreements and any Security Interest.

27.2 You acknowledge that all purchases and sales (including off-market transactions) of Securities at our or the Security Trustee's direction will incur Brokerage as indicated in the PDS.

27.3 You indemnify us against any loss or liability incurred by us or suffered by us as a result of any delay or failure by you to pay such Taxes, costs, charges and expenses.

28. The Mortgage

28.1 If we accept the Acknowledgment of Mortgage, the following provisions in this clause 28 and in clause 30 shall apply.

28.2 Under the Trust Deed the Security Trustee on your behalf:

- (a) if you are not a SMSF Investor, mortgages to us its right, title and interest in and to the Secured Property corresponding to all Loans granted to you as security for the due and punctual performance, observance and fulfilment of all your obligations to us under the Agreements and any Security Interest and the payment in full to us (in immediately available funds) of the Total Amount Owing in respect of all Loans; or
- (b) if you are a SMSF Investor, mortgages to us its right, title and interest in and to the Secured Property corresponding to a Loan as security for the due and punctual performance, observance and fulfilment of all your obligations to us under the Agreements and any Security Interest and the payment in full to us (in immediately available funds) of the Total Amount Owing in respect of that Loan only. For the avoidance of doubt, we shall only be entitled to enforce our rights under each Mortgage in connection with the SMSF Investor's obligations under the Loan advanced in respect of the Parcel the subject of that Mortgage.

28.3 The Mortgage will operate as a first ranking security and takes effect over particular Secured Property on the first to occur of:

- (a) the Security Trustee's acquisition of an interest in that Secured Property; and
- (b) our agreeing to accept your nomination of that Secured Property as Secured Property for the purposes of the Mortgage.

28.4 The Security Trustee on your behalf has agreed in the Mortgage that to the extent permitted by law:

- (a) we need not give any notice under the PPSA (including a notice of a verification statement);
- (b) we need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) and 132(4) of the PPSA, or any other provision of the PPSA notified to you by us; and
- (c) the Security Trustee on your behalf may not exercise any rights under sections 142 and 143 (reinstatement of security) of the PPSA.

28.5 We may, at your expense, apply for any registration, or give any notification, in connection with the Mortgage. The Security Trustee on your behalf has consented to any registration or notification by us and agrees not to make an amendment demand.

28.6 You must:

- (a) carry out on time all your obligations, observe any restrictions, and do anything we require in connection with the property under the Mortgage;
- (b) immediately after becoming aware of any rights or Entitlements, provide us with particulars of them;
- (c) if you become aware of any defect in your or the Security Trustee's ownership of the property under the Mortgage, immediately take steps to rectify it;
- (d) do anything else that is necessary to maintain the property under the Mortgage;
- (e) instruct the Security Trustee to take up or sell new rights or Entitlements in respect of the property under the Mortgage if we ask;
- (f) give us a copy of all documents you receive in connection with the property under the Mortgage upon request;
- (g) comply with, and instruct the Security Trustee to comply with, any conditions we attach to any approvals or consents we give in connection with the property under the Mortgage; and
- (h) do anything we reasonably request to further assure our interest in the Mortgage.

28.7 You will be liable to pay or reimburse us on request the amount of any regulatory or government charges or Taxes that may be incurred by us in connection with the Mortgage.

29. Other Mortgage Terms

29.1 Upon Default occurring and with no requirement for notice to be given to you, all rights of the Security Trustee on your behalf shall cease in respect of any Secured Property and we shall be entitled to exercise those rights and you shall, at your own cost and expense, promptly execute any instrument (including proxies) as we may require. An amount equal to any ordinary cash Dividend, rights or any other property that would be received by the Security Trustee on your behalf as registered holder of any Secured Property after the receipt of the notification from us must be paid or delivered to us and may be applied by us in payment of the Total Amount Owing on any Loan.

29.2 If any Securities that form the Secured Property are held in the form of a Certificate, you agree to the conversion of the Certificate to a Holding and agree to instruct the Security Trustee to execute any transfer form as requested by us. Any costs incurred by us in respect of this conversion shall be borne by you.

- 29.3 In respect of any Secured Property, the powers conferred on us, as mortgagee, by law:
- (a) are in addition to the Powers conferred by the Agreements or any other document or agreement;
 - (b) (to the extent permitted by Law) may be exercised by us immediately at the time a Default occurs and at any time subsequently; and
 - (c) are excluded or varied only so far as they are inconsistent with the express terms of the Agreements or any other agreement.
- 29.4 To the extent permitted by Law, but without prejudice to any express requirement in the Agreements, or any other document or agreements:
- (a) the Security Trustee on your behalf has dispensed with any notice or lapse of time required by Law before enforcing the Mortgage or exercising any Power; and
 - (b) without limitation, the Security Trustee on your behalf has agreed that:
 - (i) we are not required to give notice to any person before enforcement or exercise; and
 - (ii) where a Law which cannot be excluded requires a period of notice to be given but allows the period to be specified or changed, that period is one day.

30. Discharge of Security Interest

- 30.1 Subject to clause 30.2 and clause 8.3:
- (a) with regard to a repayment of part of a Loan under clause 8, we must discharge the Security Interest in relation to the Parcel the subject of the repayment in the proportion that the value of the amount repaid under clause 8 (other than Break Costs) bears to the amount of the Loan advanced with respect to that Parcel;
 - (b) we must discharge the entire Security Interest in relation to the Parcel when we receive payment in full of the Total Amount Owing including any applicable Break Costs in relation to the Loan advanced in respect of that Parcel; and
 - (c) to the extent that the Security Interest in relation to a Parcel has been discharged in accordance with this clause 30.1, we or the Security Trustee shall transfer to you those Securities in relation to which the Security Interest has been discharged, or we or the Security Trustee shall deal with such Securities as you direct.

- 30.2 If:
- (a) we have at any time released or discharged any Guarantor from their obligations under any Security Interest in reliance on a payment, receipt or other transaction to or in favour of us;
 - (b) that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason, including under a Law relating to bankruptcy, insolvency or liquidation; and
 - (c) that claim is upheld, conceded or compromised, then:
 - (d) we will immediately become entitled to all such rights that we had immediately before that release or discharge;
 - (e) the Guarantor must immediately do all things and execute all documents as we may reasonably require to restore all those rights to us; and
 - (f) you must indemnify us and keep us indemnified against all costs, losses and expenses suffered or incurred by us as a result of the upholding, concession or compromise of the claim.

31. Security Trustee Appointment

- 31.1 The Security Trustee holds the Securities as trustee for you on the Terms of the Trust Deed. By applying for or acquiring a Loan, you agree to be bound by the terms of the Trust Deed. A reference in these Terms and Conditions (including the definitions) to the Security Trustee acting on your behalf is a reference to it acting on your behalf as trustee, but not as your agent.
- 31.2 You irrevocably appoint us or any of our employees whose title includes the words 'head of', 'director', 'associate' or 'manager' as your attorney, and you irrevocably authorise each attorney to:
- (a) execute any document that the attorney believes is necessary or desirable to appoint the Security Trustee in connection with the Trust Deed or to transfer Securities to or from the Security Trustee for the purposes of these Terms and Conditions; or
 - (b) do anything incidental or necessary in relation to the above.

32. Role of the Security Trustee

- 32.1 Unless otherwise directed by us, and subject to the terms of the Trust Deed, the Security Trustee shall:
- (a) subject to clause 22, pay to you any income derived from the Securities; and
 - (b) subject to clause 22, take up any new rights relating to the Securities, as directed by us, but only if the Security Trustee is provided with any necessary funds by you.

- 32.2 The Security Trustee may exercise any other powers or discretions relating to the Securities with or without seeking instructions from you.
- 32.3 You acknowledge that in consideration of us making the Loan available, the Security Trustee, on your behalf, may mortgage or offer to mortgage to Westpac on the terms of the Trust Deed the Securities in each Parcel to secure the due and punctual payment of the Total Amount Owing. If you are not a SMSF Investor, the mortgage will include cross default mechanisms permitting Westpac to sell other Parcels of Securities held by the Security Trustee on your behalf to cover any amounts due and payable by you even if you are not in Default of your obligations in Loans corresponding to all of those Parcels.
- 33. Sale of Securities**
- 33.1 In certain circumstances, we may be entitled to sell a Parcel and apply the Proceeds toward the Total Amount Owing in respect of that parcel of Securities.
- 34. Acknowledgement**
- 34.1 You acknowledge that:
- (a) the appointment of the Security Trustee is made solely for our benefit for the purpose of more effectively securing the Loan and to enable us to preserve and exercise its rights over the Secured Property; and
 - (b) so long as the Loan or any part of the Loan is outstanding, the Security Trustee will not release, transfer, dispose of or otherwise deal with the Securities, unless we have given our prior written consent.
- 34.2 You and the Security Trustee acknowledge that:
- (a) the Sponsor is authorised to control Holdings in accordance with the ASX Market Rules, ASX Clear Operating and the ASX Settlement Operating Rules;
 - (b) the Sponsor is the holder of a licence under the Corporations Act, the terms of which do not prevent the Sponsor from dealing in financial products (as defined in the Corporations Act); and
 - (c) the Security Trustee appoints the Sponsor as its Participant for the purposes of CHESS in connection with any Securities which may from time to time be subject to the Agreements being the Holding(s) with the Holder Identification Number(s) to be specified and which the Security Trustee will notify to Westpac. A Holder Identification Number (or **HIN**) is a number that is used to identify a Holding in CHESS.
- 34.3 Subject to the terms of the Sponsorship Agreement, the Security Trustee authorises the Sponsor to do any act under CHESS in relation to the relevant Holding. You acknowledge that the Security Trustee authorises and directs the Sponsor to take any action that is required by us in accordance with the ASX Clear Operating Rules, the ASX Settlement Operating Rules or the Agreements to give effect to our rights under the Agreements and the Mortgage and acknowledge that the Sponsor will not take any actions at your or the Security Trustee's direction which are not authorised by us. Without limiting this, the Sponsor is not allowed to comply with any instructions of the Security Trustee on your behalf in relation to the Secured Property without our consent, and the Sponsor must comply with any instructions we give the Sponsor in relation to the Secured Property.
- 34.4 You, the Security Trustee and Westpac acknowledge that:
- (a) the only Securities which may be subject to the Sponsorship Agreement are those intended by you and Westpac to be subject to the Mortgage. On discharge of the Mortgage, or any part of the Mortgage, the Sponsor will cause any Transfer or Conversion of the Securities as directed by the Security Trustee;
 - (b) you shall provide to the Security Trustee and the Sponsor all information and supporting documentation which is reasonably required to permit the Sponsor to comply with the registration requirements, as are in force from time to time, under the ASX Settlement Operating Rules; and
 - (c) your rights under the Sponsorship Agreement are subject to our rights under the Security Interest. In the event of any inconsistency between your instructions to the Sponsor pursuant to the Sponsorship Agreement and the rights which we seek to exercise as mortgagee, our rights as mortgagee shall prevail.
- In this clause 34.4, references to you instructing, directing or otherwise, the Sponsor is a reference to the Security Trustee doing those things on your behalf, and a reference to your rights under the Sponsorship Agreement is a reference to the Security Trustee's rights under the Sponsorship Agreement on your behalf.

35. Enforcement of the Mortgage

- 35.1 Upon the Mortgage becoming enforceable, the Security Trustee will be deemed to hold the Securities as agent for us.
- 35.2 If requested by us, the Security Trustee will notify the issuer of the Securities and any other relevant person that it holds the Securities for our benefit.
- 35.3 On the Mortgage becoming enforceable, we may:
- (a) take any action in relation to the Securities as we think fit; and
 - (b) instruct the Security Trustee in relation to the Securities without referring to you. The Security Trustee will act on our instructions without your confirmation or ratification.

36. Limit on the Security Trustee's Liability

- 36.1 The Security Trustee is not liable to you for any loss or damage allegedly arising from actions taken or omitted to be taken in relation to its appointment under clause 31 of these Terms and Conditions except where that loss or damage is caused by its or any of its agents' dishonesty, or its wilful misconduct or gross negligence.

37. No Guarantee of Performance of Security Trustee

- 37.1 Subject to any relevant Law:
- (a) We do not guarantee that the Security Trustee will perform or comply with its obligations under the Trust Deed; and
 - (b) nothing in these Terms and Conditions constitutes or may be construed as a representation by us that the Security Trustee will perform or comply with its obligations under the Trust Deed.

38. Trust Deed

- 38.1 You acknowledge that you are bound by the Trust Deed and authorise us to give instructions to the Security Trustee and agree not to give any instructions or directions to the Security Trustee that is inconsistent with a provision of an Agreement or an instruction or direction given by us.

39. Miscellaneous

- 39.1 We can assign or transfer to any person, and can deal in any manner with and disclose any information with regard to any right, obligation or interest under the Agreements and any Security Interest. If we choose, we can do this by "novation" (meaning that a new contract is formed with a third party substituted for us).
- 39.2 Subject to any relevant Law:
- (a) we may, in exercising the powers under clause 39.1, disclose to any person; and
 - (b) we and the Sponsor may disclose to each other, information about you, the Secured Property, the Agreements or any Security Interest.

- 39.3 You will on demand by us (at your entire cost and expense) perform all such acts and execute all such agreements, assurances and other documents and instruments as we reasonably require to perfect or improve any of our rights and Powers afforded, created, or intended to be afforded or created, by the Agreements and any Security Interest.
- 39.4 None of the Agreements nor any of the Powers will merge or prejudicially affect or be merged in or be prejudicially affected by your obligations under the Agreements or any Security Interest to which you are a party and will not in any way be abrogated or released by any other security, any judgment or order, any contract, any cause of action or remedy, or any other matter or thing at any time existing in respect of any Loan or Interest Loan.
- 39.5 A certificate which has been signed and dated by or on behalf of us is sufficient evidence of any fact or matter stated in the certificate, including:
- (a) the rate of interest payable for the Loan or the Interest Loan or any part of a Loan or Interest Loan;
 - (b) that a Default has occurred; and
 - (c) the Total Amount Owing in relation to any Loan.
- 39.6 Each Power is cumulative and is in addition to each other Power available to us.
- 39.7 A waiver by us will only be effective if it is in writing signed by at least two of our officers.
- 39.8 Where any act, matter or thing in the Agreements or any Security Interest depends on our consent or approval then that consent or approval may be given or withheld in our absolute and unfettered discretion and may be given subject to such conditions as we think fit.
- 39.9 Unless expressly stated otherwise in any agreement, where any calculation, event or action is to occur on a particular day under the Agreements, if that day is not a Business Day, then that calculation, event or action shall occur on the immediately preceding Business Day.
- 39.10 The Agreements and any Security Interest are to be read and interpreted as consistent with all Laws and if any provision of the Agreements or Security Interest is invalid or unenforceable in whole or in part, the rest of the Agreements or Security Interest (as the case may be) will remain valid and enforceable.

40. Calculation provisions

- 40.1 Unless expressly provided for in the Terms and Conditions, we shall make all determinations and calculations required under the Agreements. Our calculations and determinations under these Terms and Conditions must be made in accordance with these Terms and Conditions and in a commercially reasonable manner.
- 40.2 We may amend any calculation or determination (or make appropriate alternative arrangements by way of adjustment) which we perform under these Terms and Conditions without prior notice but must notify you after doing so.
- 40.3 Each calculation we make under these Terms and Conditions is, in the absence of manifest or proven error, final and binding on you.
- 40.4 Where we consider it is appropriate, for the purposes of any calculations required under these Terms and Conditions:
- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundredth of a percentage point (with 0.005 per cent being rounded up to 0.01 per cent.);
 - (b) amounts in Australian dollars will be rounded to the nearest cent; and
 - (c) all other figures will be rounded to 4 decimal places (with halves being rounded up).

41. Adviser Service Fee

- (a) If you agree to pay your adviser an Adviser Service Fee in connection with entering into a Loan, you appoint us as your agent to pay to your adviser on your behalf your specified Adviser Service Fee amount. You must provide us details of the dollar amount of the Adviser Service Fee as well as your adviser's details and advise whether the Adviser Service Fee is to be paid out of your Loan.
- (b) You will be required to pay to us, with the first payment on your Loan, an amount equal to your agreed Adviser Service Fee, which we will on-pay to your adviser on your behalf. Alternatively, we may allow you to pay your Adviser Service Fee out of your Loan.

42. Notices

- 42.1 All notices to be sent to us should be sent by post, facsimile or email to:
- Westpac Structured Investments
GPO Box 3297
Sydney NSW 2001
Facsimile: 02 9274 5083
Email: structured.investments@westpac.com.au

- 42.2 Unless otherwise agreed or stated in any Agreement or Security Interest, all notices and other communications to or by a party to an Agreement or Security Interest:
- (a) must be in writing and signed by you (as required by the Agreement or Security Interest), or if you are a Company, then by a director or secretary, or otherwise, by other duly appointed authorised officer of the sender;
 - (b) will be taken to have been given or made when delivered, received or left at the address or fax number of the recipient shown in the Application Form or to any address or fax number which it may have notified the sender but, if delivery or receipt is not on a Business Day or the communication is sent later than 4:00 pm (at the place of the sender), it will be taken to have been given or made at the commencement of business on the next Business Day.

- 42.3 Unless any applicable law or code of conduct provides otherwise, we may give you a notice by:

- (a) electronic communication to a device, electronic equipment or electronic address nominated by you; or
- (b) displaying information at www.westpac.com.au after notifying you by electronic communication that the information is available on the website.

You may at any time vary the device, electronic equipment or electronic address you have nominated, or you may terminate your agreement to us notifying us by either or both of the electronic communication methods above.

43. Amendment

- 43.1 Subject to clauses 39.1 and 43.2, or to the extent expressly stated otherwise in an Agreement, the Agreements may be amended only by an agreement executed by all parties.
- 43.2 We may do the following without your consent:
- (a) introduce any new fee or charge or increase a fee or charge that applies to you or the Security Trustee, other than a government charge. We will always let you know if we intend to do this and provide the basis for the new fee or charge or increased fee or charge. The notice will be sent to your address shown on our records at least 30 days before the change comes into effect. However, such notice will not be given where you cannot reasonably be located;

- (b) change the default rate of interest under clause 10.12 at any time. This rate is, at the date of these Terms and Conditions, calculated by reference to the Reserve Bank of Australia Cash Rate. Accordingly it will change in line with changes in the Reserve Bank of Australia Cash Rate. We will not notify you of those changes. Subject to our obligations under the Code of Banking Practice, we may also change the way the default rate of interest is calculated (for example we may change the margin above the Reserve Bank of Australia Cash Rate which applies) at any time, but if we do so we will notify you before the change becomes effective by placing a notice in a major newspaper, or by writing to you in advance of the day on which the change comes into effect;
- (c) make any other variation to an existing fee or pass on to you a new or varied government charge that directly or indirectly affects you. If this happens, we will notify you by placing a notice in a major newspaper, or by writing to you, in advance of the day on which the change comes into effect;
- (d) change the method by which interest is calculated or the frequency with which interest is debited or credited (whether the interest is payable by you on any Loan or Interest Loan or Top-up Loan). If this happens, notice will be sent to your address shown on their records at least 30 days before the change comes into effect. However, such notice will not be given where you cannot reasonably be located; and
- (e) change any other term of an Agreement if we determine that it is necessary or desirable to do so to correct a manifest error (for example in the Welcome Letter) or to reflect an adjustment to our systems. Notice of the change will be sent to your address shown on our records at least 30 days before the change comes into effect. However, such notice will not be given where you cannot reasonably be located.

Advance notice may not be given when a change is necessitated by an immediate need to restore or maintain the security of our systems or of individual accounts.

43.3 We may also notify you of any of the types of changes referred to in clause 43.2 either by:

- (a) electronic communication to a device, electronic equipment or electronic address you nominate; or

- (b) making particulars of such changes available at our website www.westpac.com.au, and notifying you by email that the changes are available there, provided you have agreed to us doing so. You may, at any time, vary the device, electronic equipment or electronic address you have nominated, or you may terminate your agreement to us notifying us by either or both of the electronic communication methods mentioned.

44. Code of Banking Practice

If you are an individual or a 'small business' as defined in the Code of Banking Practice (the **Code**) or a 'retail client' under the Corporations Act, each relevant provision of the Code will apply to the banking services we provide to you under the Westpac PEL to the extent specified in the Code.

45. Counterparts

The Agreements may be executed in any number of counterparts. All counterparts taken together will be taken to constitute one Agreement.

46. Governing law

The Agreements and the Mortgage are governed by the laws of New South Wales. You submit to the non-exclusive jurisdiction of courts exercising jurisdiction of that State.

47. General interpretation

In the Agreements:

- (a) the singular includes the plural and conversely;
- (b) a gender includes all genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (e) a reference to a clause is to a clause of the Agreements;
- (f) a reference to any party to the Agreements or any other agreement or document includes the party's successors and permitted assigns;
- (g) a reference to any agreement or document is to that agreement or document as amended, novated, supplemented, varied or replaced from time to time, except to the extent prohibited by the Agreements;
- (h) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;

- (i) a reference to dollars or \$ is to Australian currency;
- (j) a reference to conduct includes any omission and any statement or undertaking, whether or not in writing;
- (k) a reference to writing includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form;
- (l) mentioning anything after include, includes or including does not limit what else might be included; and
- (m) references to any person (including you/the Borrower, a Guarantor or Westpac) include the person and the successors in title, transferees or executors of the person.

14 Glossary

In this PDS, including the Terms and Conditions, these words and phrases have the following meanings:

"Acknowledgment of Mortgage" means the acknowledgment of mortgage contained in the Application Form.

"Adjustment Event" has the meaning given to that term by the GST Law.

"Adjustment Note" has the meaning given to that term by the GST Law.

"Address" in relation to us means the address referred to in clause 42.1.

"Advisor Service Fee" the fee (if any) you agree to pay your adviser in connection with entering into a Loan.

"Adviser Service Fee Facility" a facility under which you appoint us as your agent to pay to your adviser on your behalf your specified Adviser Service Fee amount.

"Agreements" mean:

- (a) the Loan Agreement;
- (b) the Sponsorship Agreement;
- (c) the Power of Attorney; and
- (d) the Trust Deed.

"Allocation Interest" has the meaning given to it under the ASX Settlement Operating Rules.

"Ancillary Documents" means any documents listed as such in the Application Form and includes any documents required to register any Mortgage.

"Annually Resetting Rate" means in relation to a Loan the interest rate which applies to the current Interest Period of the Loan and may be reset periodically according to the method specified in the Welcome Letter.

"Application" means your application for a Loan under the Westpac PEL as constituted by completion and lodgement of the Application Form and any subsequent application for a Loan in a form acceptable to us.

"Application Fee" means a fee payable by you upon, as applicable, the granting of the initial Loan or of a Top-up Loan, of up to 1.1% of the relevant Loan amount, as advised by Westpac.

"Application Form" means the application form for a Loan or Interest Loan that accompanies this PDS.

"Approved Securities List" means the list of Securities that may potentially be invested in pursuant to a Loan, as approved by us from time to time in our absolute discretion.

"ASX" means ASX Limited ABN 98 008 624 691 and where the context requires means the market operated by ASX.

"ASX Clear" means ASX Clear Pty Limited ABN 48 001 314 503.

"ASX Clear Operating Rules" means the operating rules of ASX Clear as in force from time to time.

"ASX Listing Rules" means the listing rules of the ASX.

"ASX Operating Rules" means the operating rules of the ASX as amended from time to time by the ASX.

"ASX Rules" means the ASX Clear Operating Rules, the ASX Listing Rules, the ASX Operating Rules, the ASX Settlement Operating Rules, customs and usages of the ASX, ASX Clear and ASX Settlement, each including as modified or substituted from time to time.

"ASX Settlement" means ASX Settlement Pty Limited ABN 49 008 504 532.

"ASX Settlement Operating Rules" means the ASX Settlement Operating Rules as in force from time to time.

"ATO" means Australian Taxation Office.

"Attorney" means any attorney appointed under the Power of Attorney granted by you to us.

"Borrower" means the person or persons identified as such in the Application.

"Break Costs" means the break costs payable to us in connection with the early repayment of all or part of a Loan and the applicable Interest Loan, as set out in clause 9 of the Terms and Conditions.

"Broker" means Australian Investment Exchange Limited (trading as AUSIEX) ABN 71 076 515 930 or any other broker nominated by us from time to time.

"Brokerage" means fees associated with any Securities transactions payable by you to us or the Broker.

"Business Day" means a day other than a Saturday or Sunday on which banks are open for business in New South Wales.

"Cap Price" means for a Parcel, the amount calculated by multiplying the Cap Rate specified in the relevant Application (or as otherwise agreed between us and you), by:

- (a) the purchase price of each Security; or
- (b) if you are a Securityholder Borrower in relation to the Parcel, the Market Value of each Security, as determined by us, at Issue Time,

and as adjusted by us to take into account any Corporate Actions.

“Cap Rate” means the percentage as nominated in the relevant Application or as otherwise agreed between us and you, and as adjusted by us to take into account any Corporate Action.

“Cap Value” means the Cap Price multiplied by the number of Securities in the relevant Parcel.

“Capital Protection” for a Loan at Maturity refers to the effect of the Put Option under clause 17 of the Terms and Conditions. (In summary, and without affecting the operation of clause 17 of the Terms and Conditions, under the Put Option, if the Closing Value of the Parcel at Maturity is less than the Loan Principal, the Put Option will be exercised to cover that shortfall. Capital protection does not apply if your Loan terminates before Maturity. Also, capital protection does not cover the interest you pay on your Loan or on any Interest Loan, the Capital Protection Fee, any capital contribution you make (if you take a Protection Level that is less than 100%), and may not cover the Application Fee, Brokerage, any Adviser Service Fee or any other fees and charges you are charged. These amounts could be significant. **“Capital Protected”** has a corresponding meaning.

“Capital Protection Fee” means the fee payable for the Capital Protection offered in relation to a Loan under the Westpac PEL as described in clause 12 of the Terms and Conditions.

“Cash Settlement Amount” means the amount payable to us by you under the Reduced Rate Facility that is calculated under clause 18.7 of the Terms and Conditions.

“Certificate” has the meaning given to it under the ASX Settlement Operating Rules.

“Certificate from the Trustee’s Solicitor” means, in relation to a trustee, a certificate in form and substance satisfactory to us given by the trustee’s solicitor to us if you are acting in their capacity as trustee of any trust.

“CHESS” means the Clearing House Electronic Subregister System developed and operated by ASX Clear and ASX Settlement.

“CHESS Approved Securities” means securities which have been approved by ASX Settlement for transfer or dealing through CHESS.

“Closing Price” in relation to any Security on any day means:

- (a) the official closing price of that Security on that day as published by the ASX;
- (b) if no official closing price is published by the ASX for that Security on that day, then the official closing price of that Security on the following day as published by the ASX; or
- (c) if no official closing price is published by ASX on the following day, then the price as determined by us in our sole discretion.

“Closing Value” in relation to any Parcel on a given day means the Closing Price multiplied by the number of those Securities comprising the Parcel.

“Company” means a body corporate (whether incorporated in Australia or elsewhere).

“Controlling Participant” has the meaning given to it in the ASX Settlement Operating Rules.

“Conversion” means a movement of Securities from a Holding on one Subregister to a Holding on another Subregister without any change in legal ownership.

“Corporate Action” means:

- (a) any Securities that are part of the Secured Property are bought back by the issuer of the Securities under a buy-back scheme;
- (b) the issuer of the Securities is:
 - (i) subject to a takeover, merger, demerger or reconstruction or a proposed takeover, merger, demerger or reconstruction;
 - (ii) proposing to issue bonus securities or rights;
 - (iii) proposing a security split; or
 - (iv) proposing to consolidate, enter into a scheme of arrangement or other arrangement under which any rights to the Securities vest or accrue;
- (c) the issuer of the Securities makes or proposes to make a reduction of capital or make any other distribution to its security holders where that distribution is likely to have an effect on the value or price of the Securities;
- (d) the Securities are removed or withdrawn from quotation on the ASX or suspended from quotation on the ASX;
- (e) the issuer of the Securities makes or declares a Special Dividend with respect to the Securities;
- (f) anything not referred to in paragraphs (a) to (e) above which is a Corporate Action within the meaning given to that expression in the ASX Settlement Operating Rules happens;
- (g) any event which we determine to be similar in effect to anything referred to in paragraphs (a) to (f) occurs; or
- (h) any other action or proposal is taken or made by the issuer of the Securities or by a third party with respect to the Securities which we determine is likely to reduce the value of the Securities held by us pursuant to the Mortgage.

“Corporations Act” means the *Corporations Act 2001* (Cth).

“Corporations Regulations” means the *Corporations Regulations 2001* (Cth).

“Default” means each of the events set out or referred to in clause 24 of the Terms and Conditions.

"Directors" means, where you are a Company, each director of the Company.

"Dividend" in relation to Shares means a dividend and in relation to Units means a distribution of income or gains.

"Early Maturity Date" means any date declared by us under clause 25 of the Terms and Conditions.

"Early Repayment Notice" means a notice containing indicative terms provided by us to you upon receipt of notice of your intention to repay all or part of the loan early.

"Encumbrance" means any mortgage, charge, pledge, lien, encumbrance or other 'security interest' as defined in the PPSA.

"Entitlement" – refer to the definition of **"Secured Property"**.

"ETF" means a managed investment scheme interests in which are quoted for trading on the ASX which offers the features of an "Exchange Traded Fund" as that term is commonly understood in the Australian market.

"Fixed Rate" means in relation to a Loan or Interest Loan the interest rate which is specified as the interest rate (expressed as a percentage per annum) in the Welcome Letter for the Loan or Interest Loan and which applies to the Loan or the Interest Loan for the entire Term of the relevant loan.

"Force Majeure Event" means any event beyond our reasonable control including, but not limited to, any change to the ASX Rules, breakdown or failure of communication or computer facilities, acts of war or of God, civil strife or terrorism, postal or other strikes or similar industrial action, and the failure of any relevant exchange, clearing or depository system and/or broker for any reason to perform its obligations.

"Government Agency" means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any securities exchange.

"GST" means the goods and services tax as imposed by the GST Law together with any related interest, penalties, fines or other charge.

"GST Amount" means in relation to a Taxable Supply the amount of GST for which the supplier is liable in respect of the Taxable Supply taking into account any additional consideration payable pursuant to the GST provisions of this Agreement.

"GST Group" has the meaning given to that term by the GST Law.

"GST Law" has the meaning given to that term in *A New Tax System (Goods and Services Tax) Act 1999* (Cth), or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act.

"Guarantee and Indemnity" means any guarantee and/or indemnity given or to be given by a Guarantor to support the performance of your obligations under the Agreements.

"Guarantor" means each entity (if any) which under a guarantee and/or an indemnity given in connection with the Agreements guarantees and/or indemnifies in favour of us, your payment and performance obligations and, unless the Guarantor is you, your obligations, under the Agreements.

"Holder Identification Number" has the meaning given to the term 'HIN' in the ASX Settlement Operating Rules.

"Holder Record" has the meaning given to it under the ASX Settlement Operating Rules.

"Holding" has the meaning given to it under the ASX Settlement Operating Rules.

"Indicative Term Sheet" means an indicative term sheet issued by us from time to time after the date of this PDS which will specify indicative terms for your requested Loan including:

- the Securities, the Loan Amount, the Loan Term and the Protection Level, each in accordance with your Loan enquiry;
- the Interest Rate and whether it is a Fixed Rate or Annually Resetting Rate (if Annually Resetting, the Interest Rate will be subject to change for subsequent Interest Periods);
- if applicable, the Interest Rate for an Interest Loan (for the first Interest Period);
- the Capital Protection Fee if it is to be paid as an upfront amount; and
- if applicable, the Cap Price and Participation Rate for the Reduced Rate Facility.

A reference to the Indicative Term Sheet is a reference to the Indicative Term Sheet that has been provided to you in respect of a Loan.

"Input Tax Credit" has the meaning given to that term by the GST Law.

"Interest Loan" means a loan made under clause 11 of the Terms and Conditions.

"Interest Loan Application" means a request for an Interest Loan in the form required by us from time to time.

"Interest Loan Balance" in relation to an Interest Loan at any time means the aggregate principal amount outstanding on that Interest Loan under the Loan Agreement at that time.

"Interest Loan Maturity Date" means the date notified in writing by us to you in respect of the Interest Loan, being the last day of the Interest Period in respect of which the Interest Loan was made, or if such date would not be a Business Day, the immediately preceding Business Day.

“Interest Period” means a period for which interest on the Loan is calculated, which is set by us generally according to the following:

- (a) in relation to annually in advance Loans:
 - (i) the initial Interest Period commences on the Loan drawdown date and ends on the Maturity Date, unless the Maturity Date occurs more than a year after the Loan drawdown date, in which case the initial Interest Period ends on the first date occurring on or after the Loan drawdown date which is the same day and month as the Maturity Date. However, if the number of days in this period would be less than six days, the initial Interest Period ends on the first date occurring on or after the first anniversary of the Loan drawdown date which is the same day and month as the Maturity Date; and
 - (ii) each subsequent Interest Period commences on the last day of the prior Interest Period and ends on the earlier of the next anniversary of the last day of the prior Interest Period and the Maturity Date; and
- (b) in relation to monthly in arrears Loans:
 - (i) the initial Interest Period commences on the Loan drawdown date and ends on the next day that is the same day in a month as the Maturity Date. However, if the number of days in this period is less than six days, the last day of the initial Interest Period will be deemed to be the second date which is the same day in the month as the Maturity Date;
 - (ii) each subsequent Interest Period commences on the last day of the prior Interest Period and ends on the earlier of the Maturity Date and the next day in a month that is the same day in the month as the Maturity Date.

“Interest Rate” means either the interest rate applicable to a Loan or an Interest Loan.

“Invoice” has the meaning given to that term by the GST Law.

“Issue Time” for a Loan, means the time we accept your application for the Loan and set the Loan terms.

“Law” means common law, principles of equity and any enactment, proclamation, by-law or regulation passed by any governmental body or authority and includes:

- (a) any amendments, consolidations or replacements of them; and
- (b) all orders, ordinances, regulations, rules and by-laws made under them.

“Listed Entity” means an entity or trust the Securities of which are admitted to trading on the ASX.

“Loan” means in relation to a Parcel the principal amount advanced or to be advanced in respect of or relating to that Parcel (including any principal advanced to a Securityholder Borrower under clause 2 of the Terms and Conditions), and where the context permits includes any Top-up Loan in respect of or relating to that Parcel, and includes any part of any such financial accommodation, but does not include an Interest Loan. Where the context permits, a reference to a Loan includes the Put Option and the interest in Securities that correspond to the Loan.

“Loan Agreement” means the loan agreement the terms and conditions of which are set out in the Terms and Conditions, the Application, the applicable Welcome Letter and each subsequent Application.

“Loan Principal Outstanding” means in relation to a Loan at any particular time the principal amount of the Loan (including any Top-up Loan principal) at that time, but excluding any other amounts comprised in the Total Amount Owed and any amount outstanding in relation to a related Interest Loan. For the avoidance of doubt, the Loan Principal Outstanding does not include any interest, fees, charges or other amounts (such as any of the amounts listed in paragraphs (b) to (h) of the definition of “Total Amount Owed”) relating to the Loan.

“Market Disruption Event” means the occurrence or existence of the following events, in the determination of Westpac:

- (a) the suspension or material limitation of trading in, or cessation in quotation of any of the Securities, in securities generally or in the trading in options contracts on the securities exchange or other financial market;
- (b) if for any reason we are unable to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) we deem necessary to hedge our exposure or position;
- (c) we are likely to incur a material increase in costs, expenses, fees, tax or duty as a result of holding or continuing to hold a hedging position to hedge our exposure;
- (d) a Force Majeure Event; or
- (e) any other event, circumstance or condition that we reasonably determine in our absolute discretion is a Market Disruption Event.

For the purposes of this definition, matters of materiality are to be determined in our absolute discretion.

"Market Value" in relation to any Security or Parcel on any day means the value of that Security or Parcel from time to time, in particular the time at which a purchase or sale order is transacted or transferred, as determined by us, acting in good faith.

"Maturity" or **"Maturity Date"** means in relation to a Loan the date which is specified as the end date of the Term of the Loan as set out in the Welcome Letter, and in relation to an Interest Loan the date on which the last principal repayment is due.

"Mortgage" means the mortgage under the Trust Deed.

"Mortgage Terms" means the terms and conditions of the Mortgage set out in the Trust Deed.

"Ordinary Dividends" means Dividends other than Special Dividends.

"Parcel" means, subject to clause 16 of the Terms and Conditions, all of the Securities in the same class issued by the same Listed Entity and with the same characteristics, which are part of the Secured Property in relation to a Loan. Securities can only form part of the same Parcel if they are identical to each other.

"Parcel Adjustment" on a Parcel means you obtain a Top-up Loan in relation to that Parcel, use the Security Reset Facility in relation to that Parcel or use the Portfolio Adjustment Facility in relation to that Parcel to switch to a different Security under clause 16 of the Terms and Conditions.

"Participant" has the meaning given to it under the ASX Settlement Operating Rules.

"Participation Rate" means, when the Reduced Rate Facility is utilised, the percentage rate of the excess return of the Parcel of Securities the subject of the Reduced Rate Facility over the Cap Price to which you are entitled as set out in the Application Form or Indicative Term Sheet.

"Payment" means any amount payable under, by reference to, or in connection with the Agreements including, without limitation, the provision of any non-monetary consideration and any amount dealt with by way of set off.

"PPSA" means the *Personal Property Securities Act 2009* (Cth).

"Portfolio" means all the aggregate of all the Parcels mortgaged to us to secure your Loans under the Westpac PEL.

"Portfolio Adjustment Facility" and **"Portfolio Adjustment"** each has the meaning given to it in clause 16 of the Terms and Conditions and includes such a facility either where the type of Securities repurchased is the same as, or different from, the type of Securities sold.

"Portfolio Adjustment Fee" means the fee payable to us for the use of the Portfolio Adjustment Facility where the Securities purchased are a different type from that sold, as further described in clause 16.8 of the Terms and Conditions.

"Power" means any right, power, authority, discretion, remedy or privilege conferred on us by the Agreements, any Security Interest or any Law and includes the power to:

- (a) take possession or control of or make use of the Secured Property and/or the Proceeds or relinquish such possession or control;
- (b) sell, convert, liquidate and reduce the Secured Property into money;
- (c) register us or our nominee as the holder of all or any Securities comprising the Secured Property;
- (d) appoint a receiver in respect of the Secured Property and/or the Proceeds on such terms as we think fit;
- (e) receive all Dividends, interest, income and other money payable on the Secured Property and/or the Proceeds; and
- (f) institute, conduct or defend, or make any settlement, arrangement or compromise in respect of any proceedings in law, equity or bankruptcy in connection with the Secured Property and/or the Proceeds or otherwise.

"Power of Attorney" means the power of attorney granted to us and certain Westpac employees by you as set out in the Application Form.

"Proceeds" means the proceeds of realisation of any of the Secured Property net of applicable taxes on the sale and fees or expenses incurred in the sale.

"Protection Level" means an amount equal to the Loan amount per Security.

"Put Option" means the put option granted under clause 17 (including any new or replacement Put Option under clauses 2.3(b), 14.5, 15.1 or 16.6) of the Terms and Conditions.

"Reduced Rate Facility" describes the facility made available by us under clause 18 of the Terms and Conditions.

"Relevant SIS Provisions" means each of:

- (a) sections 67A and 67B of the *Superannuation Industry (Supervision) Act 1993*; and
- (b) regulations 13.14 and 13.15 of the *Superannuation Industry (Supervision) Regulations 1994*.

"Representative Member" has the meaning given to that term by the GST Law.

“Secured Property” means all present and future right, title and interest of the Security Trustee on your behalf in and to:

- (a) any Securities acquired with the proceeds of a Loan;
- (b) in the case of a Securityholder Borrower, any Securities you nominate and deliver to the Security Trustee (if the Security Trustee does not already hold the Securities) as security for us in advancing a Loan;
- (c) all Special Dividends, special distributions (where “special” takes the same meaning as for Special Dividend), cash returns of capital, bonus securities, rights issues, options, warrants, notes, securities and other instruments of any kind and all allotments, rights, offers, benefits and advantages now or subsequently made, accruing, granted, issued or otherwise arising or distributed in connection with, in substitution for, in addition to, or in exchange for the Securities referred to in paragraphs (a) and (b) (**Entitlements**), whether or not the Sponsor is the Controlling Participant in respect of any Securities forming part of the Entitlements, and in respect of a particular Loan or Parcel means that part of the Secured Property which relates to the particular Loan or Parcel;
- (d) any replacement securities following substitution of the Securities as part of a Portfolio Adjustment; and
- (e) all ‘proceeds’ (as defined in the PPSA) of any Securities set out in paragraph (a) or (b) and all ‘proceeds’ (as defined in the PPSA) of any Entitlements set out in paragraph (c);

and in respect of a particular Loan or Parcel means that part of the Secured Property which relates to the particular Loan or Parcel.

However, if you are a SMSF Investor paragraphs (c) and (e) only apply where an asset referred to in those paragraphs qualifies as a “replacement asset” within the meaning of section 67B of the *Superannuation Industry (Supervision) Act 1993* (Cth).

“Security” means:

- (a) a Share or a Unit; and
- (b) any other CHESS Approved Security,

which we agree is a Security for the purposes of the Agreements.

“Security Interest” means any Guarantee and any Mortgage.

“Security Reset Facility” means the facility made available by us under clause 15 of the Terms and Conditions.

“Security Reset Fee” means the fee payable to us for the early release of a portion of the Securities from the Secured Property, under clause 15 of the Terms and Conditions, as determined by us and notified to you.

“Security Trustee” means Net Nominees Limited (ACN 090 122 375).

“Securityholder Application” means an Application made by a Securityholder Borrower.

“Securityholder Borrower” means a Borrower who delivers Securities to the Sponsor in consideration for Westpac advancing a Loan to a Borrower under clause 2 of the Terms and Conditions.

“Shares” means fully paid ordinary shares in the capital of a Listed Entity, which are CHESS Approved Securities.

“SMSF” or **“SMSF Investor”** means a self-managed superannuation fund as such term is defined under the *Superannuation Industry (Supervision) Act 1993* (Cth).

“Special Dividend” is a Dividend that is special or abnormal and includes a Dividend that:

- (a) is described by the entity that pays the Dividend as special, extraordinary, abnormal, extra or additional;
- (b) forms part of a scheme of arrangement or takeover consideration;
- (c) forms part of a special distribution involving a return of capital;
- (d) is paid on a demerger; or
- (e) is characterised by ASX as a special Dividend.

“Sponsor” means Australian Investment Exchange Limited (trading as AUSIEX) or any other broker or non-broker participant nominated by us in writing from time to time.

“Sponsorship Agreement” means the agreement in relation to the Securities between the Security Trustee, the Sponsor and us made pursuant to the ASX Settlement Operating Rules.

“Taxable Supply” has the meaning given to that term by the GST Law.

“Taxes” means all income tax, GST, stamp duty, debits tax and other taxes, levies, imposts, deductions, charges and withholding plus interest, fines and penalties, if any, and charges, fees or other amounts made on or in respect of those taxes.

“Term” means:

- (a) in relation to a Loan, the period from the Loan drawdown to Maturity
- (b) in relation to an Interest Loan, the period from the Interest Loan drawdown to the Maturity Date.

“Terms and Conditions” means the terms and conditions contained in section 13 of this PDS.

“Top-up Fee” means the fee payable to us in relation to a Top-up Loan as set out in clause 14.8 of the Terms and Conditions.

“Top-up Loan” has the meaning given to it in clause 14.1 of the Terms and Conditions.

“Top-up Loan Application” means a request for a Top-up Loan in the form required by us from time to time.

“Total Amount Owning” in respect of a Loan at any time means the amount equal to:

- (a) the balance of that Loan at that time;
- (b) the Interest Loan Balance at that time in respect of any Interest Loan which relates to that Loan;
- (c) all accrued and unpaid interest on the Loan and the Interest Loan;
- (d) any unpaid Break Costs or any other unpaid fee or charge payable under the Loan Agreement in relation to the Loan or the Interest Loan, other than any Break Costs calculated as at the date on which the Total Amount Owning is calculated and payable;
- (e) any outstanding Cash Settlement Amount;
- (f) any withholding tax amount that is owed by you to us in connection with the Loan;
- (g) any government charges or Taxes payable by us (which may include charges for release of the Mortgage) on any repayment of the Loan or Interest Loan; and
- (h) any amount payable under the indemnities set out under the Agreements (if applicable),

and, in respect of part of a Loan, such amount as set out above that is referable to that part of the Loan.

“Transfer” means a transfer of Securities or Allocation Interests from a Holding to any other Holding or from any Holding to a Holding.

“Transfer Form for Non-market Transactions” means the form entitled “Transfer Form for Non-market Transactions” contained within the Application Form or subsequently provided to you in relation to a Loan.

“Trigger Event” means an event that causes the Loan to terminate (in whole or in part).

“Trust” means any trust in respect of which the Borrower or the Borrower is the trustee.

“Trust Deed” means the Deed Poll – Declaration of Trust to be entered into by the Security Trustee, on or about the date of this PDS, as amended from time to time.

“Units” means units representing beneficial interests in a trust (including an ETF) represented by a Listed Entity, which units are CHES Approved Securities.

“Welcome Letter” means the letter described as such under the heading “Communication regarding your Loan” in this PDS.

“Westpac” means Westpac Banking Corporation ABN 33 007 457 141.

“Westpac PEL” means the Westpac Protected Equity Loan facility provided by Westpac.

Getting started

Step 1: Consider whether the Westpac PEL is a suitable investment for you

Before you decide to invest in a Loan under the Westpac PEL, you should assess whether it is a suitable investment for you. You should seek independent advice before you invest, including independent professional tax advice.

A Loan under the Westpac PEL may be suitable if you:

- ✓ believe in the potential of a Security to deliver positive investment returns;
- ✓ want to invest in Securities through gearing with no risk of margin calls;
- ✓ would like to borrow money against Securities you already hold.

A Loan under the Westpac PEL may not be suitable if you:

- ✗ don't have a regular source of income from which you would be able to make your Loan payments;
- ✗ don't intend to hold the Loan until its Maturity Date;
- ✗ plan to retire or otherwise expect that your employment situation will change during the Term of the Loan, causing a reduction in income used to make interest payments and as a result your income that you use to make your Loan payments is expected to reduce;
- ✗ have other commitments to pay money, or expect to incur new commitments that will reduce your capacity to make your Loan payments; or
- ✗ have other leveraged exposure to equity markets that would impair your capacity to service your Loan payments, particularly in case of a market downturn.

As part of this assessment, you should also consider the following issues:

- Does an investment in Securities fit within your target asset allocation and suit your investment objectives and risk profile? Do you need to take on the additional investment exposure, or would a less risky investment satisfy your objectives?
- What will your financial position be if the value of your investment falls significantly? A Loan under the Westpac PEL provides leveraged exposure to the relevant Security which entails investment risk, in particular the potential losses if the Securities don't appreciate or, even if they do, where the increase is not sufficient to cover the cost of Interest, the Capital Protection Fee, the Application Fee, Brokerage, any Adviser Service Fee and other fees and charges associated with the Loan.
- You will have an ongoing commitment to make interest payments on the Loan and, if applicable, the Interest Loan. You need to be sure that you will be able to make your interest payments throughout the Term as you will still be liable to continue to make these payments regardless of how the Securities perform. You should consider possible changes in personal circumstances, e.g. how would you continue to make payments if you lost your main source of income?
- Although your Capital Protection applies if the Closing Price of the Securities is below the Protection Level at Maturity, circumstances may arise that are beyond your control (such as certain Corporate Actions or other Trigger Events as described in section 3) which mean that a Loan must be repaid early without any Capital Protection. If this happens, you will also be required to pay Break Costs. You need to consider whether you will be able to pay the shortfall of the proceeds of sale of the Securities compared to the Loan amount outstanding and Break Costs, in these circumstances.

Finally, before you decide to take out a Loan, it is important that you are comfortable that:

- you have sufficient income and net cash flow to be able to pay the interest on the Loan throughout the Term (and for those who take Interest Loans, repay both interest and principal on the Interest Loan);
- you understand the risks involved in a leveraged investment in Securities, including the possibility that the dividends and capital appreciation (if any) of the Securities may be less than the associated costs and fees, resulting in a net loss on the investment;
- you understand that if the Loan is terminated before the Maturity Date there may be significant Break Costs incurred;
- you understand the impact of Corporate Actions and the exercise by Westpac of its discretions on the Loan;
- if you are a joint borrower with someone else, you are still liable for the full amount of the Total Amount Owing. This is the case even though, between yourselves, you and each other borrower may have agreed that each is only responsible for part of the Total Amount Owing or that only one or some borrowers are responsible; and
- If you are the trustee of a trust other than a SMSF Investor, then you will enter into the Loan as trustee. This means that you will be personally liable for those obligations. We may also require a Guarantee and Indemnity.

Step 2: Choose your Portfolio and the Loan best suited to your needs

The Westpac PEL gives you the flexibility to structure your facility to suit your requirements. You can request an Indicative Term Sheet at any time and we will prepare each Indicative Term Sheet in accordance with your (or your adviser's) request. Features which you can select include:

Feature	Select	PDS
Loan amount	Loans with aggregate Loan amounts equal to a minimum of \$50,000 and a minimum Loan amount of \$10,000 per Parcel	Section 1
Interest payment frequency	Annually in advance or monthly in arrears	Section 4
Interest Rate type	Fixed Rate or Annually Resetting Rate	Section 4
Term	Up to and including 5 years	Section 1
Securities	Select from the Approved Securities List	Section 4
Cash application or Securityholder application	Buy Securities or borrow money against Securities you already hold	Section 4
Protection Level	Level of protection between 50% –100%	Section 4
Capital Protection Fee	To pay upfront or over the life of the investment	Section 4
Reduced Rate Facility	The Cap Rate % and the Participation Rate	Section 4
Adviser Service Fee	The amount and details for any Adviser Service Fee you have requested and whether the Adviser Service Fee is to be paid out of your Loan	Section 8
Interest Loan	An Interest Loan to pay the Annually in Advance Interest	Section 9

This Indicative Term Sheet will set out the loan terms and indicative loan terms based on your request including the features highlighted above. **The indicative terms set out in your Indicative Term Sheet could change before the Issue Time.**

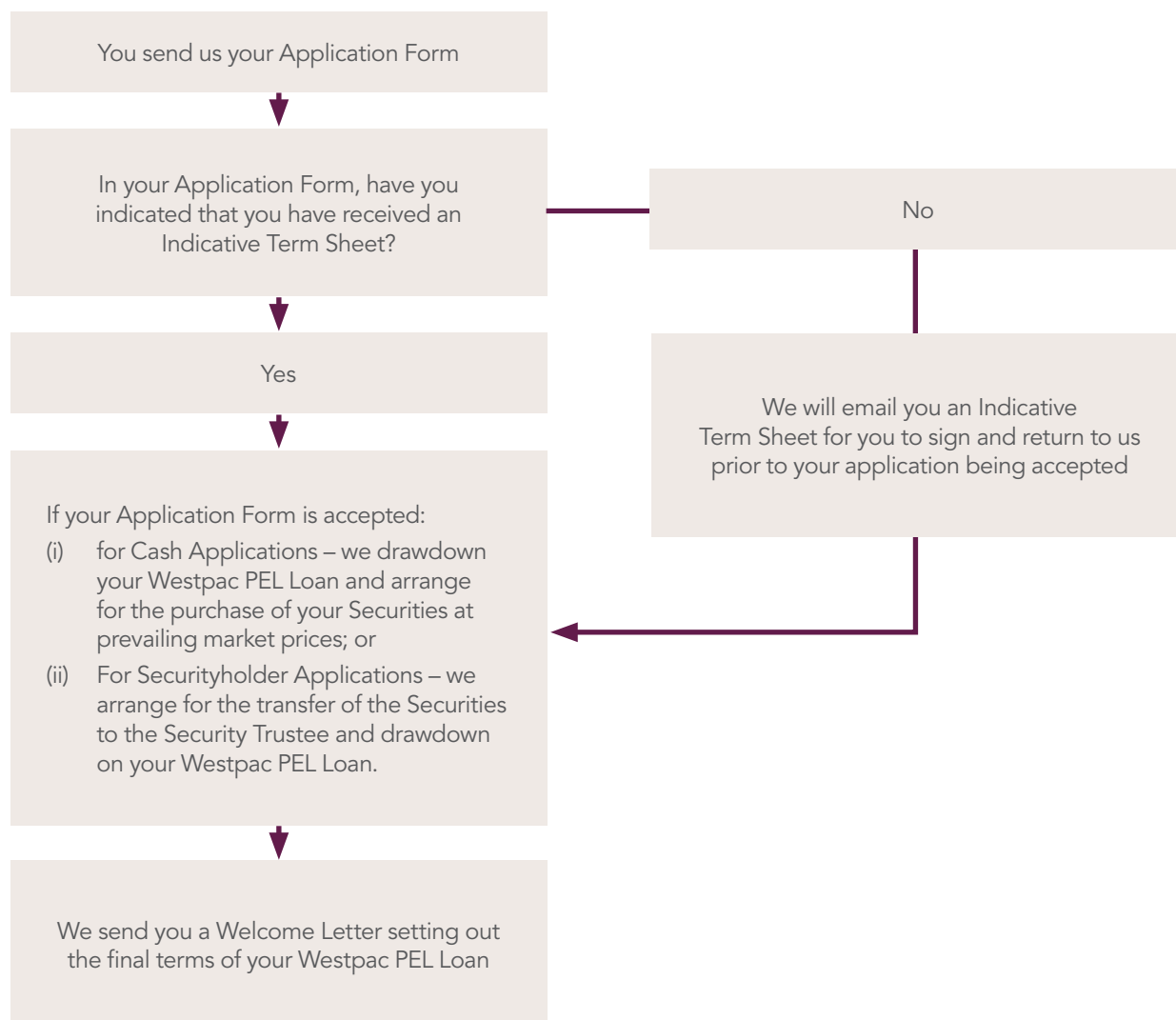
You should have regard to the PDS, the Application Form, any Indicative Term Sheet and any other information provided by Westpac when structuring your Loans under the Westpac PEL.

Step 3: Complete an Application Form

You will then need to complete the Application Form and forward it to us (if you haven't already done so). Your Application Form will need to refer to your relevant Indicative Term Sheet (or you can sign and return to us a copy of the relevant Indicative Term Sheet). Processing may take several Business Days. Incomplete Applications or Applications that are supported by a Guarantee and Indemnity may take longer.

The offer to apply for a Loan pursuant to the Westpac PEL described in this PDS is generally only available by this method to persons accessing and downloading or printing the electronic version of the PDS in Australia. We may also provide paper copies of this PDS and the Application Form to Australian residents free of charge upon request.

The usual Application process is set out below.



Westpac reserves the right to accept or reject Applications or to not proceed with any Loan under the Westpac PEL.

Please note that the terms contained in the Indicative Term Sheet remain indicative, and the Interest Rate and Capital Protection Fee applicable to your Loan may still vary according to changes to markets and economic conditions between the time the Indicative Term Sheet is prepared and the Issue Time. If a change occurs that is materially adverse to you, we will generally issue you a revised Indicative Term Sheet reflecting new indicative terms. (We will not automatically do this. If you have any concerns in this respect, please speak to your adviser or contact us for a revised Indicative Term Sheet.)

Step 4: Your Securities are acquired or transferred to the Security Trustee

Once your Loan is approved, we will notify you and/or your adviser and will then arrange for the Securities nominated in your Application Form to be acquired or transferred to the Security Trustee.

- Brokerage, any Adviser Service Fee and the Application Fee will generally be deducted from your Loan proceeds, however in certain circumstances, Brokerage, any Adviser Service Fee and the Application Fee may instead be deducted from your nominated bank account – see section 8 “Interest, Fees and Charges”.
- The Securities will be held in the name of the Security Trustee on your behalf, subject to the Mortgage to us to secure your obligations under the Loan and, if applicable, the Interest Loan and sponsored on CHES by the Sponsor.
- Any amounts payable by you will generally be deducted from your nominated bank account.

Step 5: Welcome Letter

If your Application is successful we will send you a Welcome Letter, which will include a Portfolio summary and in relation to each Loan:

- confirmation of your Loan;
- confirmation of your nominated Securities;
- confirmation of your interest rate and interest terms;
- confirmation of any Interest Loan with the applicable interest rate and terms;
- confirmation of the Protection Level in respect of each Parcel and Reduced Rate Facility terms (if applicable);
- confirmation of any Adviser Service Fee (if applicable) and whether the Adviser Service Fee is to be paid out of your Loan amount or with your first payment to us;
- summary of all payments/expenses incurred; and
- confirmation of your nominated account (as per your Application Form) from which any payments will be debited under your Loan.

If your Application is unsuccessful, we will let you know.

Westpac Protected Equity Loan facility (Westpac PEL)



Application Form

Term Sheet Reference Number
(If you have received an Indicative Term Sheet, please quote the Term Sheet Reference number, otherwise leave blank)

Portfolio Number
(For office use only)

Application Number
(For office use only)

Complete this form using **blue** or **black pen** – print in clear **CAPITAL LETTERS**

Before completing this Application Form

Please carefully read the product disclosure statement for the Westpac Protected Equity Loan facility dated 22 July 2013 (including the terms and conditions) (PDS) issued by Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714). By completing this Application Form you declare that you have read the PDS.

Please also review the list of required supporting documents you will need to provide when you submit your Application.

All applicants must be Australian residents.

Please send completed Application Forms and all supporting documentation to:

Westpac Structured Investments

GPO Box 3297
Sydney
NSW 2001

Your Application Form should:

- have been provided to you with the PDS, and not separately;
- be stamped by your stockbroker or investment adviser (if applicable); and
- be returned with the necessary supporting documents, as listed in the checklist.

We recommend that you consult with your financial adviser for advice on the suitability of a Loan under the Westpac PEL to your needs, based on your personal circumstances.

Words used in this Application Form that are defined in the PDS have the meaning given in the PDS, unless the context otherwise requires. If you require a copy of the PDS, please call Westpac on 1800 990 107 or visit www.westpac.com.au/pel.

Checklist

	Individual	Joint individual	Company	Trust with individual trustee(s)	Trust with corporate trustee(s)	SMSF with individual trustee(s)	SMSF with corporate trustee(s)
SECTION A Adviser details	<input type="checkbox"/> Adviser to complete	<input type="checkbox"/> Adviser to complete	<input type="checkbox"/> Adviser to complete	<input type="checkbox"/> Adviser to complete	<input type="checkbox"/> Adviser to complete	<input type="checkbox"/> Adviser to complete	<input type="checkbox"/> Adviser to complete
SECTION B Borrower details	<input type="checkbox"/> B1	<input type="checkbox"/> B1 <input type="checkbox"/> B2	<input type="checkbox"/> B3 <input type="checkbox"/> B1 for director <input type="checkbox"/> (B2 if > 1 director)	<input type="checkbox"/> B1 <input type="checkbox"/> B2 (if > 1 trustee) <input type="checkbox"/> B4	<input type="checkbox"/> B3 <input type="checkbox"/> B4	<input type="checkbox"/> B1 <input type="checkbox"/> B2 (if > 1 Director) <input type="checkbox"/> B3 <input type="checkbox"/> B4	<input type="checkbox"/> B1 <input type="checkbox"/> B2 (if > 1 Director) <input type="checkbox"/> B3 <input type="checkbox"/> B4
SECTION C Statement of Financial Position	<input type="checkbox"/> C1	<input type="checkbox"/> C1 <input type="checkbox"/> C2	<input type="checkbox"/> C1	<input type="checkbox"/> C1 <input type="checkbox"/> C3 (if applicable)	<input type="checkbox"/> C1 <input type="checkbox"/> C3 (if applicable)	<input type="checkbox"/> C1 <input type="checkbox"/> C3 (if applicable)	<input type="checkbox"/> C1 <input type="checkbox"/> C3 (if applicable)
SECTION D Guarantors			<input type="checkbox"/> C2 <input type="checkbox"/> D2 <input type="checkbox"/> Each director to sign	<input type="checkbox"/> C2 <input type="checkbox"/> D1 <input type="checkbox"/> Guarantor to sign	<input type="checkbox"/> C2 <input type="checkbox"/> D2 <input type="checkbox"/> Each director to sign	<input type="checkbox"/> C2 <input type="checkbox"/> D2 <input type="checkbox"/> Each director to sign	<input type="checkbox"/> C2 <input type="checkbox"/> D2 <input type="checkbox"/> Each director to sign
SECTION E Loan details	<input type="checkbox"/> Please complete	<input type="checkbox"/> Please complete	<input type="checkbox"/> Please complete	<input type="checkbox"/> Please complete	<input type="checkbox"/> Please complete	<input type="checkbox"/> Please complete	<input type="checkbox"/> Please complete
SECTION F Transfer Form for Non-market Transactions	<input type="checkbox"/> Securityholder Applicants only	<input type="checkbox"/> Securityholder Applicants only	<input type="checkbox"/> Securityholder Applicants only	<input type="checkbox"/> Securityholder Applicants only	<input type="checkbox"/> Securityholder Applicants only	<input type="checkbox"/> Securityholder Applicants only	<input type="checkbox"/> Securityholder Applicants only
SECTION G Direct Debit	<input type="checkbox"/> Please complete	<input type="checkbox"/> Please complete	<input type="checkbox"/> Directors to sign	<input type="checkbox"/> Individual trustee(s) to sign	<input type="checkbox"/> Corporate trustee(s) to sign	<input type="checkbox"/> Corporate trustee(s) to sign	<input type="checkbox"/> Corporate trustee(s) to sign
SECTION H Privacy Statement	Please read	Please read	Please read	Please read	Please read	Please read	Please read
SECTION I Acknowledgement of Mortgage							
SECTION J Power of Attorney							
SECTION K Declaration and Acknowledgment	<input type="checkbox"/> Please sign	<input type="checkbox"/> Each to sign	<input type="checkbox"/> Directors to sign	<input type="checkbox"/> Individual trustee(s) to sign	<input type="checkbox"/> Corporate trustee(s) to sign	<input type="checkbox"/> Individual trustee(s) to sign	<input type="checkbox"/> Corporate trustee(s) to sign
SECTION L Credit Purpose Declaration	<input type="checkbox"/> Please sign	<input type="checkbox"/> Please sign		<input type="checkbox"/> Please sign	<input type="checkbox"/> Please sign	<input type="checkbox"/> Please sign	<input type="checkbox"/> Please sign
SECTION M Solicitors Trust Opinion				<input type="checkbox"/> Solicitor to complete	<input type="checkbox"/> Solicitor to complete	<input type="checkbox"/> Solicitor to complete	<input type="checkbox"/> Solicitor to complete
Westpac Certified Copy Certificate – Individuals	<input type="checkbox"/> New clients only	<input type="checkbox"/> New clients only		<input type="checkbox"/> If Guarantor is a new client	<input type="checkbox"/> If Guarantor is a new client	<input type="checkbox"/> If Guarantor is a new client	<input type="checkbox"/> If Guarantor is a new client
Westpac Certified Copy Certificate – Organisations			<input type="checkbox"/> New clients only	<input type="checkbox"/> New clients only	<input type="checkbox"/> New clients only	<input type="checkbox"/> New clients only	<input type="checkbox"/> New clients only

A Adviser details (to be completed by financial advisers only)

Adviser Name

Planner Code (If applicable)

Dealer Group

AFSL Number (mandatory)

Company Name

Street Address

Suburb

State

Postcode

Work Phone

Mobile Phone

Fax

Email Address

Upfront Advisor Placement Fee

Not applicable

% of Total Loan amount paid by Westpac. Placement Fees are only permitted in certain circumstances. An Adviser Service Fee may also be payable as described in Section 8 of the PDS.

Adviser Undertaking

I confirm that:

1. I hold or I am an authorised representative of an entity that holds a current Australian financial services licence and that no application has been made or is pending to vary, amend or remove this licence;
2. I have or I am an authorised representative of an entity that has entered into a distribution agreement with Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714);
3. I hold or I am an authorised representative of an entity that holds all appropriate licences and authorities and I am accredited to sell the financial product described in the PDS;
4. I am entitled to receive the Placement Fees payable to licensed financial planners or brokers if this application is approved by Westpac and I have disclosed any Placement Fees I may receive in the statement of advice provided to each borrower named in this Application Form (**Borrower**);
5. I agreed the Adviser Service Fee specified in Section E with the Borrower and advised the Borrower that the Borrower is authorising me to receive the Adviser Service Fee, before the Borrower signed this Application Form. I will agree with the Borrower any additional Adviser Service Fee amounts to be paid to me, before Westpac is requested to make such payment. I will advise Westpac in writing immediately if I am no longer entitled to receive any Adviser Service Fee for any reason, including (without limitation) because any applicable ongoing fee arrangement has terminated under Division 3 of Part 7.7A of the *Corporations Act 2001* (Cth).
6. The payment of any Adviser Service Fee to me will not at any time breach any law.
7. I consent to the payment of the Adviser Service Fee in accordance with Section E. I acknowledge that Westpac is only obliged to pay to me an Adviser Service Fee to the extent the Adviser Service Fee is funded from a draw down on a Loan or is received from the Borrower.
8. I have not held myself out to any Borrower(s) unless I am entitled to do so by law, as being a representative of Westpac Banking Corporation or any member of the Westpac Group;
9. I have not misrepresented the financial product described in the PDS or misled the Borrower(s) and I have acted honestly, responsibly and lawfully in providing the financial products and services described in and associated with this Application Form;
10. I certify that the information provided on the Borrower is consistent with my understanding of the Borrower's financial position;
11. I have no reason to believe the Borrower's Credit Purpose Declaration is incorrect; and
12. I have, on behalf of Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714), provided the Borrower(s) with the current PDS and any supplementary product disclosure statements in relation to the Westpac PEL facility.

Adviser Signature

Adviser Stamp

Adviser Name

Date

B Borrower details

Please complete your details below

The information provided by you in this Application Form is required to process your Application, to administer any Loan and to ensure compliance with relevant anti-money laundering and anti-terrorism funding obligations. If you do not provide all of the information required in this Application Form, your Application may not be processed.

Please ensure that all names and details provided in this Application Form exactly match those on your bank account, share holdings, options and margin loans (as the case may be).

Borrower Entity Type

Individual(s) Sole Trader Company Trust – Individual as Trustee Trust – Company as Trustee SMSF

B1 Applicant 1/Director 1/Individual Trustee 1

Title Mr Mrs Ms Miss Dr Other (specify)

Surname

Full Given Name(s)

Other names known by (if any)

Date of Birth / /

Driver's Licence Number

State of issue

Marital Status

Single Married Divorced Widowed De Facto

Number of dependants

Residential Address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Home Phone Number

Work Phone Number

()

()

Mobile Phone Number

Fax

()

Email Address

Time at Residential Address

Years Months

Residential Status

Home Owner with Mortgage

Home Owner without Mortgage

Rent/Board

Live with Relatives/Parents

Other (specify)

Previous Residential Address (if less than 18 months at current residential address)

Street

Suburb/City

State

Postcode

Time at Previous Residential Address

Years Months

Sole Traders Only

Full Business/Trading Name (if any)

ABN (if any)

Principal place of business if different from residential address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Occupation

Employment Type

Industry Description

Industry Code (if known)

Mailing Address (if different to Residential Address)

Street

Suburb/City

State

Postcode

Employment Details

Current Occupation

Present Employer (if self employed use trading name)

Length of Current Employment

Years Months

Employment Status

Full Time Part Time Temporary Self Employed Other (specify)

Previous Occupation (if less than 18 months at current employer)

Previous Employer (if self employed use trading name)

Length of Previous Employment

Years Months

Tax File Number (Applicant or Individual Trustee only) or Exemption Number and reason for exemption

The collection, use and disclosure of Tax File Numbers (TFNs) is strictly regulated by the tax laws and the *Privacy Act 1988* (Cth). You are not required by law to provide your TFN. However, if you do not supply your TFN or a valid exemption, tax will be withheld from any income earned on your investment and remitted to the ATO. Westpac reserves the right to reject the application if a TFN or Exemption Number is not provided.

B2 Applicant 2/Director 2/Individual Trustee 2

Title Mr Mrs Ms Miss Dr Other (specify)

Surname

Full Given Name(s)

Other names known by (if any)

Primary source of funds to be used for the investment:

Date of Birth

 / /

Driver's Licence Number

State of issue

Marital Status

Single Married Divorced Widowed De Facto

Number of dependants

Residential Address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Home Phone Number

 ()

Work Phone Number

 ()

Mobile Phone Number

Fax

 ()

Email Address

Time at Residential Address

Years Months

Residential Status

Home Owner with Mortgage

Home Owner without Mortgage

Rent/Board

Live with Relatives/Parents

Other (specify)

Previous Residential Address (if less than 18 months at current residential address)

Street

Suburb/City

State

Postcode

Time at Previous Residential Address

Years Months

Mailing Address (if different to Residential Address)

Street

Suburb/City

State

Postcode

Employment Details

Current Occupation

Present Employer (if self employed use trading name)

Length of Current Employment

Years Months

Employment Status

- Full Time Temporary
 Part Time Self Employed
 Other (specify)

Previous Occupation (if less than 18 months at current employer)

Previous Employer (if self employed use trading name)

Length of Previous Employment

Years Months

Tax File Number (Joint Applicant or Joint Trustee only) or Exemption Number and reason for exemption

The collection, use and disclosure of Tax File Numbers (TFNs) is strictly regulated by the tax laws and the *Privacy Act 1988* (Cth). You are not required by law to provide your TFN. However, if you do not supply your TFN or a valid exemption, tax will be withheld from any income earned on your investment and remitted to the ATO. Westpac reserves the right to reject the application if a TFN or Exemption Number is not provided.

Primary source of funds to be used for the investment

- | | |
|---|---|
| <input type="checkbox"/> Salary/wages | <input type="checkbox"/> Sale of assets |
| <input type="checkbox"/> Commission | <input type="checkbox"/> Liquidation of assets |
| <input type="checkbox"/> Bonus | <input type="checkbox"/> Redundancy |
| <input type="checkbox"/> Business income/earnings | <input type="checkbox"/> Inheritance |
| <input type="checkbox"/> Business profits | <input type="checkbox"/> Gift/donation |
| <input type="checkbox"/> Investment income / earnings | <input type="checkbox"/> Windfall |
| <input type="checkbox"/> Rental income | <input type="checkbox"/> Tax refund |
| <input type="checkbox"/> Superannuation/pension | <input type="checkbox"/> Additional source (provide source) |
| <input type="checkbox"/> Loan | |
| <input type="checkbox"/> Insurance Payment | |
| <input type="checkbox"/> Compensation Payment | |
| <input type="checkbox"/> Government benefits | |

What is your primary source of wealth?

- | | |
|---|---|
| <input type="checkbox"/> Employment income/earnings | <input type="checkbox"/> Sale of assets |
| <input type="checkbox"/> Business income/earnings | <input type="checkbox"/> Liquidation of assets |
| <input type="checkbox"/> Business profits | <input type="checkbox"/> Redundancy |
| <input type="checkbox"/> Investment income/earnings | <input type="checkbox"/> Inheritance |
| <input type="checkbox"/> Rental income | <input type="checkbox"/> Gift/donation |
| <input type="checkbox"/> Own real estate / property | <input type="checkbox"/> Windfall |
| <input type="checkbox"/> Superannuation/pension | <input type="checkbox"/> Additional source (provide source) |
| <input type="checkbox"/> Insurance Payment | |
| <input type="checkbox"/> Compensation Payment | |
| <input type="checkbox"/> Government benefits | |

Customer Identification

Are you an existing Westpac Client? Yes No

If **Yes**, please select and complete ONE of the following. The account or identification must be in the same name as you have provided above.

Westpac BSB and Account Number

BSB Account Number
[][][] - [][][] [][][][][][][][][]

Westpac Customer Number

[][][][][][][][][][][][][]

If **No**, to meet our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), ("AML/CTF Act 2006") we must identify customers before we provide a service. Unless you have an account with Westpac, you will need to send to us original certified copies of identification documents. Please complete the Certified Copy Certificate for Individuals, which is attached at the end of this Application Form, and attach the original certified documents to that certificate.

B3 Company/Corporate Trustee

If you are a Company/Corporate trustee Applicant, you must also complete Section B1 with Director 1 details (if more than one director, also complete Section B2), Sections C1, C2, C3 (if applicable) and Section D2. Each director is required to guarantee a Company Borrower. A Guarantee and Indemnity will be forwarded to you to complete.

Company Name	ACN	
Business Name (if any)	Company's Date of Registration	
Nature of Business	Company's Place of Registration (State or Territory)	
Industry Description	Industry Code (if known)	
Registered Office Address (do not use a PO Box or C/- Address)	<input type="checkbox"/> Please tick (✓) if this is also the Mailing Address Street	
Suburb/City	State	Postcode
Country	A U S T R A L I A	
Principal Place of Business if any (do not use a PO Box or c/- address if different to Registered Office Address)	<input type="checkbox"/> Please tick (✓) if this is also the Mailing Address	
Street		
Suburb/City	State	Postcode
Country	A U S T R A L I A	
Mailing Name (e.g. The Secretary)		
Mailing Address (if different from registered address or principal place of business)	Street	
Suburb/City	State	Postcode
Country	A U S T R A L I A	
Phone Number	Fax	
()	()	
Email Address		
ABN (if any)		
Tax File Number or Exemption Number and reason for exemption		

The collection, use and disclosure of Tax File Numbers (TFNs) are strictly regulated by the tax laws and the *Privacy Act 1988* (Cth). You are not required by law to provide your TFN. However, if you do not supply your TFN or a valid exemption, tax will be withheld from any income earned on your investment and remitted to the ATO. Westpac reserves the right to reject the application if a TFN or Exemption Number is not provided.

Company Ownership

Is the company licensed and subject to the regulatory oversight by a regulator such as APRA, APCA, ASIC, ASX, Private Health Insurance Administration Council, RBA or Sydney Futures Exchange? Yes No

If **Yes**,

Regulator's name

Regulator's licence number

If **Yes** to the above, then skip the remainder of this section, otherwise please complete below,

Is the Company type 'Domestic Propriety'? Yes No
Are any of the company's shareholders individuals? Yes No
Do they hold more than 25% of the issued capital of the company? Yes No

If **Yes** to all, please provide name, residential address and date of birth for all individuals who are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital in the **Shareholder/Other Beneficial Owner or Controlling Party** section below.

If **No**, then provide name, residential address and date of birth for all individuals who directly or indirectly control* the company in the **Shareholder/Other Beneficial Owner or Controlling Party** section.

If no such person can be identified then provide name, residential address and date of birth for the most senior managing official/s of the company (such as the managing director or directors who are authorised to sign on the company's behalf).

If the company has more than three shareholders/other beneficial owners or controlling parties, please provide their details on a separate sheet.

*includes exercising control through the capacity to determine decisions about financial or operating policies; or by means of trusts, agreements, arrangements, understanding & practices; voting rights of 25% or more; or power of veto.

Shareholder/Other Beneficial Owner or Controlling Party

Shareholder 1/Other Beneficial Owner or Controlling Party 1

Title Mr Mrs Ms Miss Dr Other (specify)

Surname

Full Given Name(s)

Other names known by (if any)

Date of Birth

Residential Address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Country

Customer Identification

Are you an existing Westpac Client? Yes No

If **Yes**, please select and complete **one** of the following forms of identification. The name of the account or identification must be in the same name as you have provided above.

Westpac Account Details

BSB

Account Number

Westpac Customer Number

If **No**, to meet our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth), we must identify customers before we provide a service. Unless you have an account with Westpac, you will need to provide us original certified copies of identification documents. Please complete the Certified Copy Certificate for Individuals, which is attached at the end of this Application Form, and attach the original certified documents to that certificate.

Shareholder 2/Other Beneficial Owner or Controlling Party 2

Title Mr Mrs Ms Miss Dr Other (specify)

Surname

Full Given Name(s)

Other names known by (if any)

Date of Birth / /

Residential Address (PO Box is not acceptable)
Street

Suburb/City State Postcode

Country

Customer Identification

Are you an existing Westpac Client? Yes No

If **Yes**, please select and complete **one** of the following forms of identification. The name of the account or identification must be in the same name as you have provided above.

Westpac Account Details

BSB - Account Number

Westpac Customer Number

If **No**, to meet our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, we must identify customers before we provide a service. Unless you have an account with Westpac, you will need to provide us original certified copies of identification documents. Please complete the Certified Copy Certificate for Individuals, which is attached at the end of this Application Form, and attach the original certified documents to that certificate.

Shareholder 3/Other Beneficial Owner or Controlling Party 3

Title Mr Mrs Ms Miss Dr Other (specify)

Surname

Full Given Name(s)

Other names known by (if any)

Date of Birth / /

Residential Address (PO Box is not acceptable)
Street

Suburb/City State Postcode

Country

Customer Identification

Are you an existing Westpac Client? Yes No

If **Yes**, please select and complete **one** of the following forms of identification. The name of the account or identification must be in the same name as you have provided above.

Westpac Account Details

BSB - Account Number

Westpac Customer Number

If **No**, to meet our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, we must identify customers before we provide a service. Unless you have an account with Westpac, you will need to provide us original certified copies of identification documents. Please complete the Certified Copy Certificate for Individuals, which is attached at the end of this Application Form, and attach the original certified documents to that certificate.

B4 Trust/Superannuation Fund Applicant

- Individual(s) as trustee(s): you must also complete Section B1, C1, C2 and D1 (also fill in Sections B2, C3 and D1 if more than one trustee).
- Company as a trustee: you must also complete Section B1 with Director 1 details (also fill in Section B2 with Director 2 details if more than one director), Section B3 with your Company details and Sections C1, C2, C3 (if applicable) and D2. Where you apply in the capacity of an individual or a company acting as trustee of a trust, you must provide an original certified copy of the trust deed. In addition, you must either arrange for your solicitor to complete and sign the Solicitor's Trust Opinion in Section M1, or complete Section M2 and agree to pay Westpac the Trust Deed Review Fee set out in Section 8 of the PDS.
- Each individual trustee and Director is required to guarantee a Trust Borrower. A Guarantee and Indemnity will be forwarded separately to complete.

Trust/Superannuation Fund Name

Business / Trading As Name (if any)

Industry Description

Industry Code (if known)

Principal place of business of the Trust (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Country

ABN/ARSN (if any)

TFN or Exemption Number and reason for exemption

The collection, use and disclosure of Tax File Numbers (TFNs) and Australian Business Numbers (ABNs) are strictly regulated by the tax laws and the *Privacy Act 1988* (Cth). You are not required by law to provide your ABN or TFN. However, if you do not supply your ABN, TFN or a valid exemption, tax will be withheld from any income earned on your investment and remitted to the ATO. Westpac reserves the right to reject the application if an ABN, TFN or Exemption Number is not provided.

Source of Funds/Source of Wealth (Organisations)

Primary source of funds to be used for the investment

- | | |
|---|---|
| <input type="checkbox"/> Salary/wages | <input type="checkbox"/> Sale of assets |
| <input type="checkbox"/> Commission | <input type="checkbox"/> Liquidation of assets |
| <input type="checkbox"/> Bonus | <input type="checkbox"/> Redundancy |
| <input type="checkbox"/> Business income/earnings | <input type="checkbox"/> Inheritance |
| <input type="checkbox"/> Business profits | <input type="checkbox"/> Gift/donation |
| <input type="checkbox"/> Investment income / earnings | <input type="checkbox"/> Windfall |
| <input type="checkbox"/> Rental income | <input type="checkbox"/> Tax refund |
| <input type="checkbox"/> Superannuation/pension | <input type="checkbox"/> Additional source (provide source) |
| <input type="checkbox"/> Loan | |
| <input type="checkbox"/> Insurance Payment | |
| <input type="checkbox"/> Compensation Payment | |
| <input type="checkbox"/> Government benefits | |

Beneficiary Details

Please provide the full name of each beneficiary OR type of membership class (e.g. unit holder, family member).

Beneficiary 1

Beneficiary 2

Beneficiary 3

Beneficiary 4

Beneficiary 5

OR

Membership Classes

Beneficial Ownership

Are there any individuals who have not already been captured as Trustees who are acting in the capacity of a beneficial owner?

Yes No

If **Yes**, please complete **Beneficial Owner** details below. (If the Trust has three or more Beneficial Owners, please provide their details on a separate sheet.)

A Beneficial owner is any individual who has ownership (directly or indirectly) or has control (directly or indirectly) of the Trust. Control includes the capacity to influence the way in which the trust conducts its affairs, including by having the ability to determine decisions about the trust's financial and operating policies. This includes but is not limited to Beneficiaries (who hold 25% or more beneficial interest in the trust property) and an appointer who has the power to appoint or remove trustees of the trust.

Beneficial Owner 1

Title Mr Mrs Ms Miss Dr Other (specify)

Surname

Full Given Name(s)

Other names known by (if any)

Date of Birth

 / /

Residential Address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Country

Is the Beneficial Owner an existing Westpac customer? Yes No

If **Yes**, please select and complete **one** of the following forms of identification. The name of the account or identification must be in the same name as you have provided above.

C Statement of Financial Position

All documentation required by and in support of the Westpac PEL Application Form in this Section C is to be original or a copy of the original.

Checklist – Supporting Documents to include with Application

Is your application complete?

If your application is incomplete and/or requested supporting documentation has not been provided, there may be delays in processing your application.

All Applicants are required to provide the following:

PAYG employee applicants

Please provide **one** of the following:

- A year-to-date pay slip covering the last two pay cycles and detailing base salary
- Your two most recent payslips detailing base salary
- A recent letter from your employer stating the length of employment, current base income and bonuses (if any)
- Latest PAYG payment summary
- Your latest tax return and ATO notice of assessment
- A bank statement covering the last six months

If you have alternate sources of income such as dividends, rental income etc, please provide:

- Documentary support such as a bank statement, dividend advice and/or real estate agent's statement

Self-employed applicants

Please provide:

- Signed financial statements of the business (balance sheet and profit and loss statements) for the last 2 years; and
- Your last two years of personal and business tax returns; or
- Last ATO notice of assessment

Company/Trust Borrowers

Please provide the following in relation to the company or company trustee and the trust:

- Signed financial statements (balance sheet and profit and loss statements) for the last 2 years; and
- Your last two years of personal and company/trust tax returns; or
- Last ATO notice of assessment

Self-managed super funds

Please provide:

- Signed financial statements (balance sheet and profit and loss statements) for the last 2 years; and
- Your last two years of personal and SMSF tax returns; or
- Last ATO notice of assessment

We may request additional information/supporting documentation. This may include verification of assets including real estate. Additional information to support your application may include rate notices (to support property holdings), bank statements, share holding statements, rental statements etc.

C3 Statement of Financial Position – Guarantor 2 (if applicable)

Please note:

- Individual applicants should disclose joint assets and joint liabilities at their full value (not only their nominated share).
- For Joint Guarantors, each individual should provide information on their share of joint assets, liabilities, income and expenditure where these are shared with another co-Guarantor. Where a Joint Guarantor has joint assets and liabilities that are shared with an entity who is not a Joint Guarantor, those assets and liabilities should be disclosed at their full value.
- Each Borrower and each Guarantor needs to provide their financial details in this Section C.
- Please attach a separate piece of paper if additional space is required.

Guarantor 2 Name

Residential Address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Statement of Financial Position – Assets and Liabilities

Assets

Details of real estate owned	Current market value	% interest if not sole owner	Address	Loan facility limit	Out-standing balance	Interest rate	Monthly repayments (principal and interest)
Mortgage – Residence							
Mortgage – Investment Property 1							
Mortgage – Investment Property 2							
Mortgage – Investment Property 3							
Mortgage – Equity access loan							
Total							

Other Assets

Asset type	\$
Cash/bank accounts	
Existing share/investment portfolio	
Share of company/business (if any)	
Superannuation	
Other (attach details)	

Liabilities

Liability Type – Include details of other loans (e.g. overdrafts, personal loans, margin loans and leases)	Facility limit	Outstanding balance	Interest rate	Monthly repayments (principal and interest)
Loan 1				
Loan 2				
Loan 3				
Loan 4				
Credit Cards				
Other				
Total				

Income Details

Monthly Income	\$	Monthly Expenses	\$
Salary or Wages (after tax)		Mortgages (as above)	
Bonus (after tax)		Loan payments (as above)	
Social security (specify)		Credit cards	
Rental income		Rent	
Dividend income		Aggregate Living Expenses ¹	
Interest income		Other (specify)	
Other income (specify)		Total	
Total			

¹ Applicants are required to declare all fixed and variable monthly household expenses. Some example of fixed expenses include groceries, transport, petrol, utilities, rates, clothing etc. Some examples of variable expenses include education costs, childcare fees, insurance including car, Compulsory Third Party, home and contents, health, income protection, mobile phone, internet, pay TV, gym membership, cleaner, holidays etc.

For Joint Applicants, the total aggregate living expenses are to be recorded. Where a spouse/defacto partner is not an applicant, the entire household expenses are to be assigned to the applicant.

D1 Individual – Guarantee Disclosure Election

This section is to be completed by ALL individual Guarantors. Where Westpac requires a guarantee in relation to an individual Borrower, you must have all Guarantees in place before the Loan can be approved.

Please complete the following details in respect of the Guarantor.

Guarantor

Title Mr Mrs Ms Miss Dr Other (specify)

Surname

Full Given Name(s)

Other names known by (if any)

Date of Birth

 / /

Driver's Licence Number

State of issue

Marital Status

Single Married Divorced Widowed De Facto

Number of dependants

Residential Status

Home Owner with Mortgage

Home Owner without Mortgage

Rent/Board

Live with Relatives/Parents

Other (specify)

Time at Previous Residential Address

Years Months

Residential Address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Home Phone Number

()

Work Phone Number

()

Mobile Phone Number

Fax

()

Email Address

Previous Residential Address (if less than 18 months at current residential address)

Street

Suburb/City

State

Postcode

Country

A U S T R A L I A

Mailing Address (if different from Residential Address)

Street

Suburb/City

State

Postcode

Sole Traders Only

Occupation/Nature of Business

Full Business/Trading Name (if any)

ABN (if any)

Principal place of business if different from residential address (PO Box is not acceptable)

Street

Suburb/City

State

Postcode

Mailing Address (if different from Residential Address)

Street

Suburb/City

State

Postcode

Employment Details

Current Occupation

Present Employer (if self employed use trading name)

Length of Current Employment

 Years Months

Employment Status

Full Time Temporary
 Part Time Self Employed
 Other (specify)

Previous Occupation (if less than 18 months at current employer)

Previous Employer (if self employed use trading name)

Length of Previous Employment

 Years Months

Tax File Number or Exemption Number and reason for exemption

The collection, use and disclosure of Tax File Numbers (TFNs) is strictly regulated by the tax laws and the *Privacy Act 1988* (Cth). You are not required by law to provide your TFN. However, if you do not supply your TFN or a valid exemption, tax will be withheld from any income earned on your investment and remitted to the ATO. Westpac reserves the right to reject the application if a TFN or Exemption Number is not provided.

All proposed guarantors must sign here.

By signing below, you acknowledge, declare and confirm that:

- You have read and accept the terms of the Privacy Statement on pages 29 to 30 of the Application Form.
- All the information about you in this Application Form is true and correct.

Signature – Individual Guarantor 1

Surname

Given Name

Date

Signature of Witness

Surname of Witness

Given Name of Witness

Date

Signature – Individual Guarantor 2

Surname

Given Name

Date

Signature of Witness

Surname of Witness

Given Name of Witness

Date

All proposed guarantors must sign here.

By signing below, you acknowledge, declare and confirm that:

- You have read and accept the terms of the Privacy Statement on pages 29 to 30 of the Application Form.
- All the information about you in this Application Form is true and correct.

Signature – Director Guarantor 1

Surname

Given Name

Date

Signature of Witness

Surname of Witness

Given Name of Witness

Date

Signature – Director Guarantor 3

Surname

Given Name

Date

Signature of Witness

Surname of Witness

Given Name of Witness

Date

Signature – Director Guarantor 2

Surname

Given Name

Date

Signature of Witness

Surname of Witness

Given Name of Witness

Date

Signature – Director Guarantor 4

Surname

Given Name

Date

Signature of Witness

Surname of Witness

Given Name of Witness

Date

E Loan details

The Application for a Loan under the Westpac PEL is a:

- Cash Application – Used to buy Securities OR
 Securityholder Application – To be drawn down against an existing Security portfolio

You request to borrow from us (minimum \$50,000) or such lesser amount as we agree.

Term

- 1 year 2 years 3 years 4 years 5 years Other (up to 5 years)

For other Term, please specify proposed Maturity Date

/ /

Interest Rate and Interest Payment frequency (tick the appropriate box)

- A. Fixed Rate payable annually in advance;
 B. Annually Resetting Rate payable annually in advance;
 C. Fixed Rate payable monthly in arrears; or
 D. Annually Resetting Rate payable monthly in arrears.

Please note if you would like to apply for an Interest Loan below you must choose either option A or B.

Adviser Service Fee

1. I/we wish to use the Adviser Service Fee Facility to pay to my/our adviser specified in section A of this Application Form (**Adviser**) an Adviser Service Fee in the amount of:

\$ (complete amount in dollars)

2. I/we direct Westpac to, as my/our agent (tick appropriate box):

- draw down on the Loan an amount equal to the Adviser Service Fee specified above and pay that amount to the Adviser; or
 pay to the Adviser the Adviser Service Fee amount I/we pay to Westpac (this amount will be paid to Westpac with the first payment on my/our Loan).

3. I/we confirm that I/we agreed the Adviser Service Fee with the Adviser before signing this Application Form.

4. I/we confirm that:

- the Adviser Service Fee relates to the issue or sale of a financial product by the Adviser to me/us, or financial product advice given by the Adviser to me/us; and
- the payment of the Adviser Service Fee to the Adviser will not at any time breach any law.

Indicative Term Sheet

Have you already received an Indicative Term Sheet Yes No

If **Yes**, please include the Indicative Term Sheet Reference Number (on top right of Indicative Term Sheet) or attach a signed copy of the Indicative Term Sheet with this Application.

Indicative Term Sheet Reference Number

If **No**, we will send you an Indicative Term Sheet based on your Portfolio details over page for you to review, sign and return to us prior to your Application being accepted.

You can also call us on 1800 990 107 (within Australia) to request an Indicative Term Sheet. The Indicative Term Sheet will set out the indicative Loan terms, including:

- the Securities
- the Interest Rate for the Loan;
- the Protection Level;
- the payment frequency and interest payment time (i.e. Fixed Rate or Annually Resetting Rate);
- the Loan Term and the Maturity Date;
- the Reduced Rate Facility terms (if applicable);
- the upfront Capital Protection Fee (if applicable); and
- the Application Fees, any Adviser Service Fee and Brokerage.

We prepare each Indicative Term Sheet in accordance with your instructions. You should have regard to the PDS and the Indicative Term Sheet and any other information provided by Westpac when selecting your options for your Loan.

Portfolio Details

Please nominate the Securities from the current Approved Securities List to be in the Parcel for your Loan. If more than one Parcel of Securities is nominated and approved by Westpac, there will be a separate Loan relating to each Parcel and interest, costs, fees and other obligations will be calculated separately in respect of each Loan.

The minimum total Loan amount that you may request under the Westpac PEL is \$50,000. In addition, if more than one Parcel of Securities is nominated, the minimum Loan amount that you may request to borrow in relation to each Parcel is \$10,000.

Please complete either Cash Application **or** Securityholder Application

Capital Protection Fee

You can choose to pay the Capital Protection Fee either as an upfront lump sum for the term of the loan or as part of the Interest Rate and payable with your periodic interest payments.

Reduced Rate Facility

To establish a Reduced Rate Facility, you elect a Cap Rate and a Participation Rate.

Interest Loan

Interest Loans are only available to Borrowers who nominate annual in advance interest payments. If you would like to apply for an Interest Loan you must first choose either option A or B in relation to **Interest Rate and Interest Payment frequency** above.

If you would like to apply for an Interest Loan to fund your first interest in advance payment, please tick the Interest Loan box in the Portfolio Details section over page in relation to the particular Parcel. At the end of the period, you may apply for another Interest Loan to fund the next period's interest in advance payment. Any interest payable on the Interest Loan will be direct debited on or around the drawdown date from the account you nominate in section G.

Interest Loans are not available if you are a SMSF Investor.

F Transfer Form for Non-market Transactions (Securityholder Applicants only to complete)

Complete this section if you wish to use the Westpac PEL to borrow funds against an existing holding of Securities.

GUIDE TO COMPLETING THE TRANSFER FORM FOR NON-MARKET TRANSACTIONS

You will need to complete a separate **TRANSFER FORM FOR NON-MARKET TRANSACTIONS** for each individual Security Parcel, even if they are with the same broker. Photocopy this form if you need additional copies.

1. **FULL NAME OF COMPANY OR CORPORATION** The full name of the company or corporation in which the securities are held e.g. Westpac Banking Corporation.
2. **DESCRIPTION OF SECURITIES e.g. Fully Paid Ordinary Shares, 9% Unsecured Convertible Notes etc.**
3. **QUANTITY** Number of securities being transferred (in both words and figures).
4. **FULL NAME OF TRANSFEROR(S) OR SELLER(S)** Full names must be included together with any designation (if applicable).
5. **FULL POSTAL ADDRESS OF TRANSFEROR(S)/(SELLER(S))** Insert the full address including the postcode exactly as printed on the Transferor(s)/(Seller(s) holding statement.
6. **PID** Insert the Participant Identification Number (PID). This is the sponsoring broker of the Transferor(s) (Seller(s) where the security is held.
7. **SECURITYHOLDER REFERENCE NUMBER (SRN) OR HOLDER IDENTIFICATION NUMBER (HIN)** This number can be found on the Issuer Holding statement or a CHESS Holding statement. For issuer sponsored and broker sponsored holdings (uncertificated), the transferor(s)/(Seller(s) SRN or HIN must be quoted as confirmation of the transferor(s)/(Seller(s) authority for the transfer to be registered. Failure to include the transferor(s)/(Seller(s) SRN or HIN may result in the transfer being returned for clarification.

If a SRN is quoted, a current Issuer Holding statement must be supplied.
8. **CONSIDERATION** You do not need to complete this section.
9. **DATE OF PURCHASE** Insert date of purchase or completion of the transfer. This should be on or before the date in 14. below.
10. **FULL NAME OF TRANSFEREE(S) OR BUYER(S)** You do not need to complete this section.
11. **FULL POSTAL ADDRESS OF TRANSFEREE(S) OR BUYER(S)** You do not need to complete this section.
12. **PID** You do not need to complete this section.
13. **SECURITYHOLDER REFERENCE NUMBER (SRN) OR HOLDER IDENTIFICATION NUMBER (HIN)** You do not need to complete this section.

14. TRANSFEROR(S) OR SELLER(S) SIGNATURE/S AND DATE SIGNED

- i) Individuals – The securityholder must sign.
- ii) Joint Holdings – Where the holding is in more than one name, all of the securityholders must sign.
- iii) Power of Attorney – To sign as power of attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the power of attorney to this form.
- iv) Companies – Director, Company Secretary, Sole Director and Sole Company Secretary or Sole Director (no Company Secretary) can sign.

Please sign in the appropriate box which indicates the office held by you.

Insert date signed. This should be the same as or after the date of purchase/transfer in 9. above.

15. TRANSFEREE(S) OR (BUYERS(S)) SIGNATURE/S AND DATE SIGNED

You do not need to complete this section.

Note: Transfers or other documents that do not fully meet the requirements of the broker and/or company are liable to be returned unregistered.

Transfer Form for Non-market Transactions

Use a black pen. Print in CAPITAL letters

Note: Any alterations must be initialled by the seller/s and the buyer/s. Any increase to the quantity of securities being transferred is not acceptable even if initialled. **Correction fluid or tape must not be used.**

1.	Full name of Company/Corporations		
2.	Description of Securities (e.g. shares etc)	Class	If not fully paid, paid to:
3.	Quantity	Words	Figures
4.	Full name/s of Transferor(s) (Sellers(s))	Surname(s)/Company Name: Mr/Mrs/Miss: Given Name(s): A/C Designation (if required) < >	
5.	Full Postal Address of Transferor(s) (Sellers(s))	State	Postcode
6.	PID	7. <input type="checkbox"/> SRN or <input type="checkbox"/> HIN (please tick) Number:	
8.	Consideration	(A\$) Nil	
9.	Date of Purchase	/ /	
10.	Full name/s of Transferee(s) (Buyer(s))	Net Nominees Limited <No 3 A/C>	
11.	Full Postal Address of Transferee(s) (Seller(s))	GPO Box 3297 Sydney NSW 2001	
12.	PID Australian Investment Exchange Ltd, PID 06381	13. <input type="checkbox"/> SRN or <input type="checkbox"/> HIN (please tick) Number:	

I/We the registered holder/s and undersigned seller/s for the above consideration do hereby transfer to the above name/s hereinafter called the Buyer/s the securities as specified above standing in my/our name/s in the books of the above named Company, subject to the several conditions on which I/We held the same at the time of signing hereof and I/We the Buyer/s do hereby agree to accept the said securities subject to the same conditions. I/We have not received any notice of revocation of the Power of Attorney by death of the grantor or otherwise, under which this transfer is signed (if applicable). To sign as power of attorney you must have already lodged it with the registry or your broker as appropriate or enclose a certified copy with this transfer.

For Company or Company Trustee Borrowers, either two Directors, or one Director and the Secretary, or the Sole Director and Secretary must sign. Indicate your company capacity by marking the appropriate box below your signature.

14.	Transferor(s) (Sellers(s)) Sign Here	Individual or Securityholder 1	Securityholder 2	Securityholder 3
		<input type="text"/>	<input type="text"/>	<input type="text"/>
		Director or Sole Director and Company Secretary	Director/Company Secretary Director 2/Company Secretary	Sole Director (No Company Secretary)
	Date (dd/mm/yy)	/ /		
15.	Transferee(s) (Buyer(s)) Sign Here	Individual or Securityholder 1	Securityholder 2	Securityholder 3
		<input type="text"/>	<input type="text"/>	<input type="text"/>
		Director or Sole Director and Company Secretary	Director/Company Secretary Director 2/Company Secretary	Sole Director (No Company Secretary)
	Date (dd/mm/yy)	/ /		

G Direct Debit Request Form

Use this form to enable Westpac Banking Corporation to debit and/or credit your bank account on request.

Bank account name(s) must match the name(s) given in Section B of this Application Form. Company and Trust accounts cannot be used for individual applications. Individual accounts cannot be used for Company or Trust applications For joint accounts, both signatures are required.

NOTE: Some bank accounts do not allow for direct debits. Please check with your financial institution to ensure that direct debits are allowed for this account.

Account Name

BSB

Account Number

Name of Financial institution

Branch

I/We request and authorise Westpac Banking Corporation ("**Westpac**") (User ID number 227778), to arrange for any amounts which become payable by me/us in respect of the Westpac PEL, including any Interest Loan, to be debited through the Bulk Electronic Clearing System from my account held with the financial institution detailed on above. I/We understand and acknowledge that:

- my/our financial institution has absolute discretion to decide the order in which it will pay monies under this request, or any other request, authority or mandate;
- my/our financial institution has absolute discretion to refuse to honour this request at anytime;
- Westpac may vary the amount or frequency of future debits to meet amounts payable under the Service (as defined in the Direct Debit Service Agreement as set out below (as varied by Westpac)); and
- this request operates on the terms of the Direct Debit Service Agreement as set out below (as varied by Westpac) which I/we have read and, by signing this Direct Debit Request, agreed to.

This Direct Debit Request is made on the terms of the Direct Debit Request Service Agreement as set out below. By completing this Direct Debit Request you are authorising Westpac to direct debit your account.

Signature Applicant 1/Director 1/Individual Trustee 1

Surname

Given Name

Date

Signature Applicant 2/Director 2/Individual Trustee 2

Surname

Given Name

Date

Direct Debit Request Service Agreement

This Agreement sets out the terms on which you have authorised Westpac to arrange for amounts owing to Westpac, to be made by credit or deduction from your account at your financial institution.

1. You will need to complete the Direct Debit Request Form in Section G to apply for a Loan provided by us (the Service).
2. By your Direct Debit Request, you authorise us to arrange for amounts that become payable under the Service, to be made by credit or deduction from your account at the financial institution named in the Direct Debit Request.
3. Your Direct Debit Request allows us to arrange for payment to us for the amounts, and at the times, required by the terms and conditions (Conditions) of the Service.
4. You can cancel your Direct Debit Request arrangement with Westpac, however this termination must be in writing. We will require six working days to process your cancellation request. You can also cancel your Direct Debit Request by contacting the financial institution with which you have your account. You cannot, however, vary or suspend it, or stop or suspend an individual debit from taking place under it.
5. If you cancel your Direct Debit Request at any time, you need to be aware of any outstanding obligations to make payments under your Loan. You need to ensure that suitable arrangements are made if the Direct Debit Request is cancelled: by yourself; by your nominated financial institution; or for any other reason.
6. You agree to advise Westpac as soon as possible, if the nominated account is transferred or closed, or your account details change.
7. All account holders nominated on the financial institution account to be debited must sign the Direct Debit Request.
8. Debits will be processed in accordance with the Conditions of the Service. If a due date for a debit falls on a weekend or public holiday, the debit will be processed on the following settlement day unless the following settlement day falls in the next calendar month, in which case the debit will be processed on the preceding settlement day. Please contact your financial institution if you are uncertain when a debit will be processed to your account.
9. You must ensure that you have sufficient clear funds available in the nominated account by the due date to permit the payments under the Direct Debit Request as required by the Conditions of the Service.
10. If a drawing is unsuccessful, we reserve the right to attempt to redraw at such times as we determine. Your financial institution may charge you a fee where a drawing is unsuccessful. If the nominated account is with Westpac a fee for the unsuccessful drawing may be debited to that account in accordance with the terms and conditions for that account.
11. Please contact Westpac by phone on 1800 990 107 if you have any questions about your Direct Debit Request, such as concerns about a debit that we make under it, or if you want to make any alteration to your arrangements. You should contact Westpac in the first instance, but you can, if you choose, also contact the financial institution with which you have your account. If you call us to dispute a debit we will respond to you within 7 days of your call to us. If you call us to change the account from which your debits are made we will send you a form to sign and return. If you call to cancel your Direct Debit Request we can also send you a form, but the cancellation will be implemented more quickly if you write to us straight away.
12. We can vary this Service Agreement at any time after giving you 14 days' notice of the changes.
13. We will keep information about your financial institution account confidential, except to the extent necessary to conduct payments with your financial institution or to resolve any claim you might make relating to a debit which you claim has been made incorrectly.
14. You should:
 - note that direct debiting through the Bulk Electronic Clearing System is not available on all accounts – please ensure your financial institution allows direct debits on your nominated account;
 - confirm the account details by checking a recent statement from your financial institution; and
 - note that this form must be signed in the same way as the account signing instruction held by your financial institution. You are responsible for checking and ensuring these things.

H Privacy Statement – for all Applicants and Guarantors

1. Personal information

We collect personal information from you to process your application, provide you with your product or service, and manage your product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

If you are a proposed guarantor, we collect your personal information in order to assess you as a guarantor, take a guarantee from you and administer that guarantee. If you do not provide all the information we request, we may be unable to accept you as a guarantor.

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf, and other organisations that assist us with our business.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at westpac.com.au or by calling 132 032. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Australian Privacy Principles or a registered privacy code and how we will deal with your complaint;
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

2. Credit information

We may:

- obtain consumer credit information about you from a credit reporting body to enable us to assess your creditworthiness;
- obtain information about your commercial activities or commercial credit worthiness from a business which provides information about the commercial credit worthiness;
- exchange personal information and credit information about you with other credit providers to assess your application and creditworthiness and to notify them of any defaults by you;
- disclose credit information and other personal information about you to a guarantor or to a proposed guarantor (for the purpose of them considering whether to offer to act as guarantor);
- give or obtain a banker's opinion about you.

If you are a proposed guarantor, we may obtain credit reporting information about you from a credit reporting body for the purpose of assessing whether to accept you as a guarantor.

If you have made your application or have been introduced to us through a broker or other intermediary, we may exchange credit information and other personal information about you with them.

We may also communicate with them directly in relation to your application instead of communicating with you.

The privacy page of our website westpac.com.au includes a "Statement of Notifiable Matters". These are matters you should be aware of in relation to the use and disclosure of your credit information. This statement includes:

- details of the credit reporting bodies to which we are likely to disclose your credit information, the types of credit information we may give them and how this information will be used;
- your rights over your credit information, including how you can access and correct your information and make complaints;
- your rights to direct a credit reporting body to limit the use of your information for direct marketing purposes and what protections are available if you believe you are a victim of fraud; and
- information about our Credit Reporting Policy.

You can call us on 132 032 or visit us in branch for a hard copy of the Statement of Notifiable Matters.

3. Other acknowledgements and consents

We may confirm the details of the information provided in this application.

Where you have provided information about another individual, you must make them aware of that fact and the contents of the Privacy Statement.

This application form is not an offer or acceptance of credit.

4. Our reporting obligations

We are required to identify tax residents of a country(ies) other than Australia in order to meet account information reporting requirements under local and international laws.

If at any time after account opening, information in our possession suggests that you, the entity and/or any individual who holds ownership and/or control in the entity of 25% or more (Controlling Person/Beneficial Owner) may be a tax resident of a country(ies) other than Australia, you may be contacted to provide further information on your foreign tax status and/or the foreign tax status of the entity and/or any Controlling Person/Beneficial Owner. Failure to respond may lead to certain reporting requirements applying to the account.

By completing this application you certify that if at any time there is a change to the foreign tax status details for you, the entity and/or any controlling persons/beneficial owner, you will inform the bank. You also certify that if at any time there is a change of a controlling person/s/beneficial owner/s in your entity, you will inform the bank.

A controlling person/beneficial owner refers to the individual(s) that directly or indirectly owns a legal interest in the entity of 25% or more and/or exercises actual effective control over the entity, whether from an economic or other perspective such as through voting rights. In addition, in the case of a trust, a controlling person/beneficial owner includes the settlor(s), trustee(s), appointer(s), protector(s), beneficiary(ies) or classes of beneficiaries and in the case of an entity other than a trust, the term includes persons in equivalent or similar positions.

By completing this application, you also certify that the settlor(s) (applicable to Standard Trusts only) are not foreign tax residents. If the settlor(s) are a foreign tax resident, you must telephone 1300 725 863 at the time of completing this application. When you contact us, you will be asked to provide additional information for the settlor(s).

5. Information about products and services

We will use or disclose your personal information to contact you or send you information about other products and services offered by the Westpac Group or its preferred suppliers. Please call us on 132 032 or visit any of our branches if you do not wish to receive marketing communications from us.

6. Definitions

In this Privacy Statement, "we", "our", "us", means Westpac Banking Corporation ABN 33 007 457 141. "Westpac Group" means Westpac Banking Corporation ABN 33 007 457 141 and its related bodies corporate.

I Acknowledgment of Mortgage

Each person named in the Application Form as a Borrower authorises the Mortgage and acknowledges that all Secured Property held on its behalf on trust by the Security Trustee is held subject to the Mortgage described in clauses 28 to 30 of the Terms and Conditions contained in the PDS.

The Acknowledgment of Mortgage will be accepted by us on the first to occur of:

1. the Security Trustee's acquisition of the Secured Property; and

2. our agreement to accept the Borrower's nomination of the Secured Property as Secured Property for the purposes of the Mortgage.

The Mortgage will have effect with respect to that Secured Property on that acceptance.

For the avoidance of doubt, words used in this Section I have the same meaning as set out in the Glossary contained in section 14 of the PDS.

J Power of Attorney

This Section J contains a power of attorney made on the day that you sign the Application Form. For valuable consideration you each irrevocably appoint us and each person who is at any time authorised by us or our related body corporate (an "Attorney"), to exercise the powers contained in this power of attorney ("Power of Attorney") separately as your attorneys. You agree that the attorney has the power to:

- (a) execute any document necessary to give effect to the Agreements (including, if necessary, to execute the Agreements);
- (b) execute any document necessary to sell the Parcel of Securities in accordance with your election on the Maturity Date (if applicable) and apply the sale proceeds to repay the Loan and transfer any surplus to your nominated account;
- (c) deal in any way with any of the Secured Property and, without limitation, sell any of the Secured Property, whether or not the Security Interest has become enforceable;
- (d) do anything necessary to cause the Parcel of Securities to be transferred to you in accordance with your election on the Maturity Date (if applicable), subject to the repayment of the Loan and the Terms and Conditions of the PDS;
- (e) transfer the Secured Property to the Security Trustee or us (or our nominee) or to a purchaser or otherwise convey the Secured Property where you are required or permitted to do so under the Agreements;
- (f) exercise any Put Option in relation to the Parcel of Securities on the Maturity Date, provided the value of any Parcel of Securities has fallen below the Protection Level at Maturity and there is no Default; and
- (g) complete, sign and date any document in order to do anything necessary to perfect the Mortgage in respect of any collateral whether by registration or control;
- (h) do anything which the Attorney thinks fit in any way relating to its involvement in the PDS, Agreements or the Mortgage or any transaction contemplated by them in a sale or dealing contemplated by the PDS or the Agreements;
- (i) give directions to the Broker, the Security Trustee and the Sponsor in relation to the Secured Property (or any part of it);
- (j) sign any forms or other documents which in the Attorney's opinion are necessary or desirable to ensure Securities subject to the Mortgage or intended to be subject to the Agreements are on a CHES subregister in the name of the Security Trustee (or its nominee) and under the control of the Sponsor (as nominated by us from time to time) as contemplated by the Agreements;

- (k) direct the Broker, Security Trustee or Sponsor to acquire or transfer the Securities nominated by it in Section J of this Application Form as applicable; and

- (l) do anything else contemplated by the Agreements.

This Power of Attorney does not limit any power of attorney in the PDS, Agreements or this Application Form and cannot be revoked without our written consent. The Power of Attorney will remain until it is revoked in accordance with its terms and each Attorney becomes aware that it has been revoked.

An Attorney may delegate his or her powers (including this power) and revoke such a delegation.

If we ask you, you must formally approve anything that the Attorney may do as its attorney under or in connection with the Agreements or the Mortgage.

You each indemnify each Attorney against all claims, actions, proceedings, judgments, damages, costs, losses, expenses or liabilities incurred or suffered by or brought or made or recovered against the Attorney in connections with the exercise of any of the powers and authorities conferred by it under this Power of Attorney.

The exercise by an Attorney of the powers and authorities conferred by this Power of Attorney does not involve any assumption by the Attorney, or any entity by which he or she is employed, of any personal liability in connection with the exercise of the powers and authorities or the consequences of that exercise.

Each Attorney is authorised to exercise the powers and authorities conferred by this Power of Attorney even if it involves a conflict of interest or duty or the Attorney (or a person they know or work for) has a personal interest in them doing so.

This Power of Attorney is intended to have effect as a deed, and is governed by the laws of New South Wales.

For the avoidance of doubt, words used in this Section J have the same meaning as set out in the Glossary contained in Section 14 of the PDS.

K Declaration and Acknowledgement – must be completed by all Borrowers (referred to in this section as 'I'/'me'/'my' or 'we'/'us'/'our')

By lodging the Application Form I/we whose full name(s) and address(es) appear above hereby acknowledge and confirm my/our Application for the Loan under the PEL set out in this Application Form to be provided in accordance with the Terms and Conditions set out in the Product Disclosure Statement dated 22 July 2013 (PDS) issued by Westpac, I/we acknowledge that in making my/our Application:

1. I/We have read and accept the terms of the PDS (including the Terms and Conditions) to which this Application Form relates, the terms and conditions of the Direct Debit Request Service Agreement contained at Section G of this Application Form, the Privacy Statement contained in Section H of this Application Form, the Offer of Mortgage contained at Section I of this Application Form and the Power of Attorney contained in Section J of this Application Form.
2. I/We irrevocably appoint Net Nominees Limited ABN 94 090 122 375 (Security Trustee) as my/our nominee on the terms of the Trust Deed in respect of any Securities for valuable consideration.
3. I/We authorise and direct the Security Trustee or its nominee to become the registered holder of the Securities and to do anything incidental or necessary to become the registered holder.
4. I/We consent to and authorise Westpac to act as principal when purchasing Securities from the Security Trustee.
5. By signing and sending to Westpac a copy of an Indicative Term Sheet I/we offer to enter into a Loan on the terms of this Application Form in relation to the Loan described in the Indicative Term Sheet.
6. I/We acknowledge that the details of my/our investment in a Loan under the Westpac PEL will be advised in the Welcome Letter.
7. I/We declare that before completing this Application Form, I/we have received and was/were given access to the PDS together with this Application Form.
8. I/We have read the PDS (which I/we received together with this Application Form), and have agreed to accept each Loan on the conditions set out in the PDS. I/We represent and warrant that, in making this Application, I/we have not relied in any way whatsoever on any statements made by, or purported to be made by, Westpac or its related entities or any of their respective servants, agents, employees or professional advisers in relation to my/our investment in the Loan, other than the information contained in the PDS.
9. I/We acknowledge that Westpac has not made any representations or recommendations to me/us in relation to the suitability or otherwise of this investment to my/our personal circumstances.
10. I/We understand and acknowledge that nothing in the PDS can be considered or characterised as personal investment advice or a recommendation to invest in the Loan or the Securities.
11. I/We acknowledge that Westpac has recommended that I/we seek and obtain, and I/we have had the opportunity to, seek and obtain, independent legal and taxation advice about the Loan, the risks involved and the tax consequences of investing in the Loan. I/we have either obtained that advice from independent advisers or declined the opportunity to obtain that advice.
12. I/We have not sought legal or taxation advice from Westpac in relation to the Loan. Westpac has also recommended that I/we obtain financial advice about investing in the Loan and the risks involved. I/we have either obtained, or declined the opportunity to obtain, that advice.
13. I/We acknowledge that Westpac has not made any promise or inducement about, or been party to any conduct material to, me/us entering into the Loan (other than as set out in this Application Form and the PDS). Westpac does not want me/us to rely on any such promise or inducement. To the fullest extent permitted by law, Westpac excludes liability for any such promise or inducement.
14. I/We understand that Westpac may pay to an adviser/broker (including Westpac Securities Limited/AUSIEX) fees in connection with the offer and approval of the Loan, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees. I/We acknowledge that Westpac will provide details if I/we request.
15. I/We consent to Westpac paying commission to my/our financial adviser as indicated in this Application Form.
16. I/We understand and acknowledge that Westpac has an absolute right to reject my/our Application and that, even if the conditions set out in the Agreements are satisfied, Westpac may (in its absolute discretion) refuse to grant the Loan to me/us.
17. I/We confirm that the information contained in the Application Form is in all respects complete and correct and is not, by omission or otherwise, misleading.
18. We agree to Westpac collecting, using and disclosing my/our personal information as set out in Section H of this Application Form.
19. Westpac may provide information on the status of my/our investment to my/our nominated financial adviser or usual stockbroker or any Westpac Group company.
20. If at any time I/we supply Westpac with personal information about another individual, I/we will ensure that I am/we are authorised to do so and agree to inform that individual of the matters set out in Section H of this Application Form as they relate to that individual.
21. Any information about me/us may be given to any guarantor or proposed guarantor of the Loan I/we have applied for, for the purpose of enabling the guarantor to decide whether to act as guarantor or to keep informed about the guarantee.
22. I/We may (but do not have to) give instructions or notices (Communications) to Westpac by email or facsimile. If I/we give Westpac our email address or fax number, I/we consent to receiving notices by email or facsimile. I/We also agree to:
 - ensure that only persons authorised by me/us will give any Communications by email or facsimile; and
 - comply with any security or verification procedures required by Westpac.
23. Westpac is entitled to assume that any communication by email or facsimile (Communication) which purports to have been sent by me/us or on my/our behalf has been authorised, and Westpac is not required to investigate or confirm that authority. This applies whether or not there are circumstances which might suggest that the Communication was not authorised, unless Westpac has actual knowledge that the Communication was unauthorised. Westpac has no liability to me/us for relying on any Communication by email or facsimile, whether or not the Communication has been authorised. Without limiting the foregoing, Westpac may refuse to act on any Communication by email or facsimile until its validity has been confirmed, and will have no liability to me/us or any other person for any consequences as a result of its refusal to act. I/We indemnify Westpac against any cost, expense, liability or claim incurred by any of them as a consequence of accepting a Communication by email or facsimile, unless the cost, expense, liability or claim is a direct result of Westpac's gross negligence or wilful default.

- 24. I/We understand the risks in connection with the Westpac PEL outlined in the PDS and, except as expressly agreed with Westpac in writing to the contrary, have not relied on any representation (whether oral or written) from Westpac as investment, financial, legal or taxation advice as to its suitability to my/our circumstances.
- 25. I/We am/are Australian residents for tax purposes residing in Australia.
- 26. I/We acknowledge that Westpac will rely on the information contained in this Application Form when making its decision whether to approve my/our application and may not independently verify the information relating to my/our income, outgoings, assets or liabilities.
- 27. I/We represent and warrant that I am/we are financially solvent.

- 28. I/We agree to be given any terms and conditions, any disclosure documents (including Financial Services Guides and Product Disclosure Statements), and any updates and supplements to the disclosure documents from Westpac or its related entities (including the Security Trustee) by: (i) having them made available via www.westpac.com.au or such internet website notified to me/us; or (ii) any other electronic means (including by email). I/We represent and warrant that I/we have received in printable form and read the Westpac PEL Product Disclosure Statement issued by Westpac and the Financial Services Guide of Westpac in relation to the Westpac PEL.

29. (For individuals only) I/We am/are at least 18 years old.

For the avoidance of doubt, words used in this Section K have the same meaning as set out in the Glossary contained in Section 14 of the PDS.

Signature of Applicant 1/Director 1/Individual Trustee 1

Surname

Given Name

Date

 / /

Signature of Witness

Surname of Witness

Given Name of Witness

Date

 / /

Signature of Applicant 2/Director 2/Individual Trustee 2

Surname

Given Name

Date

 / /

Signature of Witness

Surname of Witness

Given Name of Witness

Date

 / /

L Credit Purpose Declaration (Individual and Joint Applicants and Individual Trustees only)

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

IMPORTANT

You should **only** sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

By signing this declaration you may **lose** your protection under the National Credit Code.

Signature of Applicant 1/Individual Trustee 1

Surname

Given Name

Date

Signature of Applicant 2/Individual Trustee 2

Surname

Given Name

Date

M2 Trustee Certificate

Where you are applying for a Loan in the capacity of an individual or company acting as trustee of a trust and are not providing M1 Solicitor's Trust Opinion, you must complete the form below. You must also attach an original certified copy of the Trust Deed (including any subsequent amendments).

Name of Applicant/Trustee:

I certify that:

- I am the Applicant, as the term is described in the Application Form (**Trustee**) and trustee of

as Trustee for
- as trustee of the **trust**, I will ensure that the **trust** continues to maintain its status as a complying self managed superannuation fund in accordance with the Superannuation Industry (Supervision) Act 1993 (Cth) and its Regulations (**SIS Act**);
- as trustee of the **trust**, I will ensure that the **trust** always comply with the SIS Act;
- to the best of my knowledge and belief, the entry into the **transactions** and performance of the obligations under the **loan documents** by me as **Trustee** is considered to be for the benefit of the **trust**;

- the terms of the trust documents do not restrict my right as trustee of the trust to be fully indemnified out of the assets of the **trust** to satisfy any liability of Westpac properly incurred by me as trustee of the **trust** arising out of the **transactions** contemplated by the **loan documents**;
- as the trustee of the **trust**, I have the power to enter into and perform the **transactions** despite any conflict of interest and duty which may arise on the part of Trustee, and if the Trustee is a company, of any of its directors, when entering into the **transactions** contemplated by the **loan documents**;
- I am authorised to delegate my trustee powers and enter into contracts in relation to trust property, to borrow and to enter into derivatives, in each case, in my capacity as trustee of the **trust**; and
- this document is to be relied upon by Westpac, the Security Trustee, the Sponsor and their respective assigns.

Terms in this document that are not defined shall have the meaning as set out in the Westpac Protected Equity Loan Facility Product Disclosure Statement, Terms & Conditions and Application Form.

Signature of Applicant 1/Director 1/Individual Trustee 1

Surname

Given Name

Title

Date

Signature of Applicant 2/Director 2/Individual Trustee 2

Surname

Given Name

Title

Date

Signature of Witness 1

Surname of Witness 1

Given Name of Witness 1

Address of Witness 1

Date

Signature of Witness 2

Surname of Witness 2

Given Name of Witness 2

Address of Witness 2

Date

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Westpac Certified Copy Certificate – Individuals



Customer Identification Documents

(To be used for individuals only, including sole traders)

Upon instruction from Westpac, this form may be used where the customer is not able to present the original identification documents to Westpac in person. This form may be used by Australian customers. The original of this form must be provided to Westpac.

A Customer details

Full Name

Date of Birth

 / /

Other names known by (if any)

Residential Address

Street

Suburb

State

Postcode

Country

Are you a tax resident of any other country outside of Australia? Yes No

If yes, please indicate the country (ies) in which you are a resident for tax purposes and each country's associated Tax Identification Number (TIN).

If a 'TIN' is not available, please specify one of the following reasons against the appropriate country:

Reason 1: Foreign TIN not issued by this country

Reason 2: Individual is under age (applies to individuals only)

Reason 3: Foreign TIN pending issue by the country's tax authority

Country of Tax Residency

Tax Identification Number (TIN)* or TIN not applicable reason (see reasons above)

OR Reason 1 Reason 2 Reason 3

Country of Tax Residency

Tax Identification Number (TIN)* or TIN not applicable reason (see reasons above)

OR Reason 1 Reason 2 Reason 3

Country of Tax Residency

Tax Identification Number (TIN)* or TIN not applicable reason (see reasons above)

OR Reason 1 Reason 2 Reason 3

*A Foreign TIN is an identifying number or equivalent issued by the country of tax residency that is used for tax purposes.

NOTE: If you have more than 3 countries in which you are a tax resident, please photocopy this section to provide more details.

Signature of Customer (to be signed in the presence of the certifier)

B Certifier details

Please complete Part B to enable Westpac to contact you if necessary to confirm any information provided on this form.

Full Name of Certifier

Occupation

Name of Certifier's Employer

Business Phone Number

Certifier's Employment Address
Street

Suburb/City

State

Postcode

Country

Category of Certifier (refer to Instructions and Checklist for Certifier)

Details of original Identification Documents sighted and photocopies attached (e.g. Foreign passport, National Identity Card)

1.

2.

Where the name on the identification documents differs from the name used by the customer, provide an explanation given by the customer or sight and record documentation which identifies the customer in their former name e.g. marriage certificate or deed poll.

Declaration of Certifier

- I have examined the originals of all the customer's identification documents listed above.
- The copy of the customer's identification documents attached are true and correct copies of the original documents that I have examined and certified.
- The customer signed this form in my presence.

Privacy Statement: The personal information we collect from you on this form will be used to assist in the identification of the customer named in Part A. We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf, and other organisations that assist us with our business. Our privacy policy, available at westpac.com.au or by calling 132 032, contains information about how we handle your personal information.

Signature of Certifier

Date

 / /

Bank use only

Bank Officer's Name

Salary Number

Branch/Department

BSB

Customer IDV Number

Signature

Date

 / /

Instructions and Checklist for Certifier – Please (✓)

- All parts of the Certified Copy Certificate have been completed.
- You are a person within a specified class of accepted certifiers defined below in “Category of Certifiers.”
- All identification documents are current and the first page of the copies has been certified with “This is a true copy of the original document” followed by the certifier’s signature, full name, position and date. All subsequent pages have been initialled.
- Either ONE Primary Photographic identification document or ONE Primary Non-photographic identification document AND ONE Secondary identification document are to be certified.
- The combination of identification documents certified contains the customer’s full name and date of birth.
- The customer has signed the Certified Copy Certificate in your presence.
- The certified copies of the identification documents are attached to the Certified Copy Certificate.

Note:

- It is an offence under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 to knowingly provide false or misleading information or knowingly produce a false or misleading document. Penalty: Imprisonment for 10 years.
- If any document is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator.

Category of Certifiers (The following people can certify the customer’s identification documents)

Note:

- Overseas customers can use certifiers in categories 1 to 17 where the certifier is an officer who holds these positions within Australia; or
- Where the certifier does not meet the above criteria, ONLY certifiers in category 11, 12 or 13 may be used.

1. A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described)
2. A judge of a court
3. A magistrate
4. A chief executive officer of a Commonwealth court
5. A registrar or deputy registrar of a court
6. A Justice of the Peace
7. A notary public (for the purposes of the Statutory Declaration Regulations 1993)
8. A Police Officer
9. An agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
10. A permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public.
11. An Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955)
12. A bank or building society officer with 2 or more years continuous years of service (includes acceptable international bank)
13. A finance company officer with 2 or more continuous years of service (includes acceptable international bank)
14. An officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees
15. A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership
16. A Commissioner for Declarations
17. A Commissioner for Affidavits

Identification Documents

PRIMARY PHOTOGRAPHIC IDENTIFICATION DOCUMENTS

- Australian passport (can either be current or expired within the last 2 years but must not be cancelled, defaced or mutilated)[^]
- Australian licence/permit (can either be a driver’s licence, learner’s permit)[^]
- Proof of age card issued by a State or Territory (or equivalent)[^]
- Foreign passport issued by a foreign government, the United Nations or an agency of the United Nations (must not be cancelled, defaced or mutilated)[^]
- Foreign travel document issued by a foreign government, the United Nations or an agency of the United Nations[^]
- Foreign driver’s licence which contains a photograph^{^^}
- National identity card issued by a foreign government, the United Nations or an agency of the United Nations[^]

PRIMARY NON-PHOTOGRAPHIC IDENTIFICATION DOCUMENTS

- Full Australian birth certificate (or extract) issued by State/Territory Registry of Births, Deaths and Marriages
- Australian citizenship certificate
- Centrelink pension card (Australian)
- Full Foreign birth certificate issued by a foreign government, the United Nations or an agency of the United Nations

SECONDARY IDENTIFICATION DOCUMENTS

- A financial benefits notice issued by the Commonwealth or a State/Territory within the last 12 months and includes the customer’s name and residential address (e.g. a notice from Centrelink)
- Australian Taxation Office (ATO) notice issued within the last 12 months and includes the customer’s name and residential address
- Utilities notice issued by a local government or utilities provider within the last 3 months and includes the customer’s name and residential address
- Department of Veterans’ Affairs pension concession card (Australian)
- A current tenancy/lease agreement (must not be cancelled or expired)
- Medicare card
- Australian Marriage certificate issued by State/Territory Registry of Births, Deaths and Marriages
- Identification card issued to a student at an Australian higher education institution (TAFE or University)^{^^}
- Notice issued by the principal of a school (must be less than 3 months old, include the name of the customer, residential address, period of school attendance and issued on a school letterhead)
- A current card issued under a Commonwealth, State, or Territory law for the purpose of identification, for a government service, or as a licence
- Foreign driver’s licence which does not contain a photograph

[^]must contain photograph and signature

^{^^}must contain photograph and/or signature

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Westpac Certified Copy Certificate – Organisations

Customer Identification Documents

(To be used for Companies, Sole Traders, Trusts, Partnerships, Associations, Registered Cooperatives and Government Bodies)

Upon instruction from Westpac, this form may be used where the customer is not able to present the original identification documents to Westpac in person. This form may be used by Australian organisations. The original of this form must be provided to Westpac.

Part A Customer details

Type of Customer – Please tick (✓)

Company Trust Partnership Association Registered Cooperative Government Body

Full Name (Registered name if applicable)

Other names known by (if any)

Address (Registered address if applicable)

Street

Suburb

State

Postcode

Country

ACN/ABN/ARBN

Is the organisation a tax resident of any other country outside of Australia? Yes No

If yes, please indicate the country (ies) in which the organisation is a resident for tax purposes and each country's associated Tax Identification Number (TIN).

If a 'TIN' is not available, please specify one of the following reasons against the appropriate country:

Reason 1: Foreign TIN not issued by this country

Reason 2: Foreign TIN pending issue by the country's tax authority

Country of Tax Residency

Tax Identification Number (TIN)* or TIN not applicable reason (see reasons above)

OR Reason 1 Reason 2

Country of Tax Residency

Tax Identification Number (TIN)* or TIN not applicable reason (see reasons above)

OR Reason 1 Reason 2

Country of Tax Residency

Tax Identification Number (TIN)* or TIN not applicable reason (see reasons above)

OR Reason 1 Reason 2

*A Foreign TIN is an identifying number or equivalent issued by the country of tax residency that is used for tax purposes.

NOTE: If the organisation has more than 3 countries in which they are a tax resident, please photocopy this section to provide more details.

Part B Certifier details

Please complete Part B to enable Westpac to contact you if necessary to confirm any information provided on this form.

Full Name of Certifier

Occupation

Name of Certifier's Employer

Business Phone Number

Certifier's Employment Address

Street

Suburb/City

State

Postcode

Country

Category of Certifier (see list in Part E – insert relevant number)

Declaration of Certifier

- I have examined the originals of all the documents which are set out in **Part C** of this form.
- The copy documents attached are true and correct copies of the original documents examined by me.

Privacy Statement: The personal information we collect from you on this form will be used to assist in the identification of the customer named in Part A. We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf, and other organisations that assist us with our business. Our privacy policy, available at westpac.com.au or by calling 132 032, contains information about how we handle your personal information.

Signature of Certifier

Date

 / /

Part C Details of documents certified

- Please tick (✓) which document(s) are certified.
- Certify the document(s) with 'This is a true copy of the original document', followed by the Certifier's signature and the date. Initial any subsequent pages.
- If any document is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator.

Customer Type	Document	Certified
Company	ASIC certificate of registration	<input type="checkbox"/>
	Certificate of registration issued by the relevant foreign registration body	<input type="checkbox"/>
Sole Trader	Certificate of registration of business name	<input type="checkbox"/>
Trust	Trust Deed (or extract) where the names of the trust, trustees, beneficiaries, settlor(s) and execution page are evident	<input type="checkbox"/>
	Settlement Deed or other document that contains a declaration of trust where the names of the trust and/or settlor(s) are evident	<input type="checkbox"/>
Partnership	Partnership agreement (or extract) where the full name of the partnership is evident	<input type="checkbox"/>
	Certificate of registration of business name	<input type="checkbox"/>
Association	Constitution or rules of the association (or extract) where the full name and incorporation number (if applicable) of the association are evident	<input type="checkbox"/>
	ASIC certificate of registration or equivalent document from the relevant government body	<input type="checkbox"/>
Registered Cooperative	ASIC certificate of registration or equivalent document from the relevant government body	<input type="checkbox"/>
	Register maintained by the cooperative (or extract) where the full name and registration number of the cooperative are evident	<input type="checkbox"/>
Government Body	Documents issued by the relevant government office/department or commission	<input type="checkbox"/>
Other documents – please specify. Note: Westpac reserves the right to reject any documents listed here		<input type="checkbox"/>
		<input type="checkbox"/>

Part D Checklist for certifier (must be completed IN FULL by the certifier)

Please tick (✓)

<input type="checkbox"/>	All parts of this form have been completed.
<input type="checkbox"/>	You are a person within a specified class of accepted certifiers defined in Part E, in 'Category of Certifiers'.
<input type="checkbox"/>	All documents are certified as a true copy of the original document.
<input type="checkbox"/>	The certified copies are attached to this form.

Note: It is an offence under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) to knowingly provide false or misleading information or knowingly produce a false or misleading document. **Penalty: Imprisonment for 10 years.**

Part E Category of Certifiers

Note:

- Overseas customers can use certifiers in categories 1 to 17 where the certifier is an officer who holds these positions within Australia; or
- Where the certifier does not meet the above criteria, ONLY certifiers in category 11, 12 or 13 may be used.

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. A person who is enrolled on the roll of the Supreme court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described) 2. A judge of a court 3. A magistrate 4. A chief executive officer of a Commonwealth court 5. A registrar or deputy registrar of a court 6. A Justice of the Peace 7. A notary public (for the purposes of the Statutory Declaration Regulations 1993) 8. A police officer 9. An agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public 10. A permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public | <ol style="list-style-type: none"> 11. An Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955 (Cth)) 12. A bank or building society officer with 2 or more continuous years of service. 13. A finance company officer with 2 or more continuous years of service. 14. An officer with, or authorised representative of, a holder of an Australian financial services licence, having two or more continuous years of service with one or more licensees 15. A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership 16. A Commissioner for Declarations 17. A Commissioner for Affidavits |
|--|--|

Bank use only

Bank Officer's Name

Salary Number

Branch/Department

BSB

Customer IDV Number

Signature

Date

