

SPONSORSHIP AGREEMENT

This Agreement applies when a person or entity ("The Client") agrees to be sponsored by ETRADE Australia Securities Limited (ACN 078 174 973; AFLS No. 238277) in the Clearing House Electronic Subregister System ("CHESS")

1. INTERPRETATION

- 1.1. Any term used in this Agreement which is defined in the ASTC Settlement Rules ("the Rules") has the meaning given in the Rules.
- 1.2. In this Agreement, ETRADE Australia Securities Limited is referred to as the "Participant" and the Client is referred to as the "Participant Sponsored Holder". These terms are defined in the ASTC Settlement Rules.
- 1.3. In this Agreement, the entity which acts as the Participant Sponsored Holder's agent in placing order or settlement instructions with the Participant, on the Participant Sponsored Holder's behalf, is referred to as the "Authorised Agent".

2. APPOINTMENT

The Participant Sponsored Holder appoints the Participant to provide, and the Participant agrees to provide, transfer and settlement services as the Participant Sponsored Holder's agent in relation to Sponsored Holdings identified by the HIN notified to you in writing after the date of this Agreement, on the terms and conditions of this Agreement. The Participant Sponsored Holder authorises the Participant as its agent to do any act under CHESS, relating to its Sponsored Holdings.

3. PARTICIPANT AND PARTICIPANT SPONSORED HOLDER'S RIGHTS

3.1. PARTICIPANT RIGHTS

- 3.1.1. Where the Participant Sponsored Holder or its Authorised Agent authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those Financial Products within three (3) Business Days of the date of purchase.
- 3.1.2. Subject to Clause 3.1.3, the Participant is not obliged to Transfer Financial Products into the Participant Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.
- 3.1.3. Where a contract for the purchase of Financial Products remains unpaid, after the Participant has made a demand of the Participant Sponsored Holder or its Authorised Agent to pay for the Financial Products, the Participant may sell those Financial Products that are the subject of that contract at the Participant Sponsored Holder's risk and expense and that expense will include brokerage and stamp duty.

- 3.1.4. Where the Participant claims that an amount lawfully owed to it has not been paid by the Participant Sponsored Holder, the Participant has the right to refuse to comply with the Participant Sponsored Holder's Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current market value of the amount claimed).

3.2. PARTICIPANT SPONSORED HOLDER'S RIGHTS

- 3.2.1 Subject to Clauses 3.1.3 and 3.1.4 the Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.
- 3.2.2 The Participant will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without the express authority of the Participant Sponsored Holder.
- 3.2.3 The regulatory regime which applies to the Participant is the regime established under the Corporations Act and Corporations Regulations, and rules of the Australian Stock Exchange Limited Group, including the ASX Market Rules, the ASTC Settlement Rules and the ACH Clearing Rules. The Participant Sponsored Holder can obtain information as to the status of the Participant from the relevant regulatory authorities, including the Australian Securities and Investments Commission ("ASIC"), the Australian Stock Exchange Limited ("ASX"), ASX Settlement and Transfer Corporation Pty Ltd ("ATSC") and Australian Clearing House Pty Ltd ("ACH").
- 3.2.4 The Participant Sponsored Holder may lodge a complaint against the Participant with ASIC, ASX, ASTC, ACH or the Financial Industry Complaints Service Limited ("FICS"). The Participant Sponsored Holder may lodge any claim for compensation with the Participant in the first instance, and if not satisfied with the Participant's response, may refer the claim to FICS. The Participant Sponsored Holder may lodge any claims in relation to the National Guarantee Fund with the Securities Exchange Guarantee Corporation Limited.

4. OTHER RIGHTS AND DUTIES

4.1. SUPPLY OF INFORMATION

- 4.1.1 The Participant Sponsored Holder will supply all information and supporting documentation which is reasonably required to permit the Participant to comply

with the registration requirements, as are in force from time to time, under the ASTC Settlement Rules.

4.2. EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS

4.2.1. Where the Participant Sponsored Holder or its Authorised Agent arranges with ACH to lodge Financial Products in a Participant Sponsored Holding as cover for written positions in the Australian Options Market, and informs the Participant of the arrangement, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonably required by ACH in accordance with the Rules to give effect to that arrangement.

4.2.2. Where the Participant Sponsored Holder or its Authorised Agent arranges with any person to give a charge or any other interest in Financial Products in a Participant Sponsored Holding, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.

4.2.3. The Participant Sponsored Holder acknowledges that where, in accordance with this Agreement and/or the Participant Sponsored Holder's instructions, the Participant initiates any action which has the effect of creating a sub-position over Financial Products in the Participant Sponsored Holding, the right of the Participant Sponsored Holder or its Authorised Agent to transfer, convert or otherwise deal with those Financial Products is restricted in accordance with the terms of the Rules relating to sub-positions.

4.2.4. Nothing in this Agreement operates to override any interest of ACH in the Financial Products.

4.3. FEES

4.3.1. The Participant Sponsored Holder will pay all Brokerage fees and associated transactional costs within the period prescribed by the Participant.

5. NOTIFICATIONS AND ACKNOWLEDGMENTS

5.1. The Participant Sponsored Holder acknowledges that if the Participant is not a Participating Organisation of ASX, neither ASX nor any Related Party of ASX has any responsibility for supervising or regulating the relationship between the Participant Sponsored Holder and the Participant, other than in relation to the Rules relating to Sponsorship Agreements.

5.2 The Participant Sponsored Holder acknowledges that if a Transfer is taken to be effected by the Participant under Section 9 of the ASTC Settlement Rules and the Source Holding for the Transfer is a Participant Sponsored Holding under the Sponsorship Agreement, then:

- (a) the Participant Sponsored Holder may not assert or claim against ASTC or the

relevant Issuer that the Transfer was not effected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by the Participant Sponsored Holder to effect the Transfer; and

- (b) unless the Transfer is also taken to have been effected by a Participating Organisation of ASX or a Clearing Participant of ACH, the Participant Sponsored Holder has no claim arising out of the Transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations.

5.3. In the event that the Participant breaches any of the provisions of this Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASTC.

5.4. In the event that the Participant is suspended from CHES participation, subject to the assertion of an interest in Financial Products controlled by the Participant, by the liquidator, receiver, administrator or trustee of that Participant:

- (a) the Participant Sponsored Holder has the right, within twenty (20) Business Days of ASTC giving Notice of suspension, to give notice to ASTC requesting that any Participant Sponsored Holdings be removed either:

- (i) from the CHES Subregister; or

- (ii) from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10; or

- (b) where the Participant Sponsored Holder does not give notice under clause 5.4(a), ASTC may effect a change of Controlling Participant under Rule 12.19.11, and the Participant Sponsored Holder will be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where a Participant Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Participant Sponsored Holder within ten (10) Business Days of the change of Controlling Participant.

5.5. The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed the Sponsorship Agreement, the Participant provided the Participant Sponsored Holder or its Authorised Agent

with an explanation of the effect of the Sponsorship Agreement and that the Participant Sponsored Holder or its Authorised Agent understood the effect of the Sponsorship Agreement.

- 5.6. The Participant Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Participant Sponsored Holder, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASTC Settlement Rules, unless the Participant Sponsored Holder's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHESSE Subregister.
- 5.7. The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied pursuant to Clause 5.6.

FOR JOINT HOLDINGS ONLY

- 5.8. The Participant Sponsored Holder acknowledges that in the event of the death of one of the Holders, the Participant will transfer all Holdings under the joint Holder Record into new Holdings under a new Holder Record in the name of the surviving Participant Sponsored Holder/s, and that this Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 5.9. The Participant Sponsored Holder acknowledges that in the event of the bankruptcy of one of the Holders the Participant will:
- (a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHESSE Subregister, establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under the new Holder Record and request that ASTC apply a Holder Record Lock to all Holdings under that Holder Record; and
 - (b) establish a new Holder Record in the name(s) of the remaining Participant Sponsored Holder(s) and Transfer the interest of the remaining Participant Sponsored Holder(s) into new Holdings under the new Holder Record.

6. CHANGE OF CONTROLLING PARTICIPANT

- 6.1 If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least twenty (20) Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the Participant Sponsored Holder is under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in clauses 6.2 or 6.3.
- 6.2 The Participant Sponsored Holder may choose to terminate the Agreement by giving Withdrawal Instructions under the SCH Business Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:
- (a) transfer its Participant Sponsored Holding to another Controlling Participant; or
 - (b) transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.
- 6.3 If the Participant Sponsored Holder does not take any action to terminate the agreement in accordance with clause 6.2 above, and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree to the change of Controlling Participant then, on the Effective Date, the Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the Effective Date:
- (a) the New Controlling Participant is a party to the Agreement in substitution for the Existing Controlling Participant;
 - (b) any rights of the Existing Controlling Participant are transferred to the new Controlling Participant; and
 - (c) the Existing Controlling Participant is released by the Participant Sponsored Holder from any obligations arising on or after the Effective Date.
- 6.4 The novation in clause 6.3 will not take effect until the Participant Sponsored Holder has received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Participant Sponsored Holder. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 6.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in clause 6.4 by the doing of any act which is consistent with the novation of the Agreement to the New Controlling Participant (for

example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.

6.6 The Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in clause 6.3 not binding or effective on the Effective Date, then the Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of the Agreement on trust for the New Controlling Participant.

6.7 Nothing in this clause 6 will prevent the completion of CHESS transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the Effective Date and the Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the Agreement to the New Controlling Participant under this clause 6.

7. CLAIMS FOR COMPENSATION

7.1 With respect to compensation arrangements applying to the Participant Sponsored Holder, the Participant will rely, to the extent possible, on the cover which it has under the professional indemnity insurance policy relating to its activities as an Australian Financial Services licensee and as a Participant of the Australian Stock Exchange Limited.

7.2 If the Participant breaches a provision of this Agreement and the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant.

7.3 If a breach by a Participant of a provision of this Agreement falls within the circumstances specified under Part 7.5, Division 4 of the Corporations Regulations, a Participant Sponsored Holder may make a claim on the National Guarantee Fund for compensation.

(For more information on the circumstances in which a Participant Sponsored Holder may make a claim on the National Guarantee Fund or for information on the National Guarantee Fund generally, contact the Securities Exchange Guarantee Corporation Limited).

8. TERMINATION

8.1. Subject to the ASTC Settlement Rules, this Agreement will be terminated upon the occurrence of any of the following events:

- (a) by notice in writing from either the Participant Sponsored Holder or the Participant to the other party to the Agreement;
- (b) upon the Participant becoming insolvent;
- (c) upon the termination or suspension of the Participant; or
- (d) upon the giving of Withdrawal Instructions by a Participant Sponsored Holder to a Controlling Participant in accordance with Rule 7.1.10(c).

8.2. Termination under Clause 8.1(a) will be effective upon receipt of Notice by the other party to the Agreement.

9. RENOUNCEABLE RIGHTS

If any Renounceable Rights arise in relation to a Sponsored Holding, they will be held, renounced and transferred on the same basis under this Agreement as the Financial Products in the Sponsored Holding, with any modifications which the circumstances require.

10. VARIATION

10.1 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASTC Settlement Rules, the Participant will, by giving the Participant Sponsored Holder not less than seven (7) Business Days written Notice, vary the Agreement to the extent to which in the Participant's reasonable opinion is necessary to remove any inconsistency.

10.2 Subject to clause 10.1, the Participant reserves the right to vary this Agreement at any time by giving the Participant Sponsored Holder not less than five (5) Business Days notice of the variation, in writing or by electronic communication.

EXPLANATION OF CHESS SPONSORSHIP AGREEMENT

* EXPLANATION OF CHESS SPONSORSHIP AGREEMENT. This explanation of the terms of the CHESS Sponsorship Agreement provides you and your Authorised Agent with an outline of the main terms of the CHESS Sponsorship Agreement. Please also read the Chess Sponsorship Agreement. It is important that you read this document and understand its contents before signing the Agreement. However if there is anything you do not understand after reading this explanation and the Agreement, we encourage you to ring E*TRADE Australia on 1300 658 355. To be able to use CHESS to facilitate settlement of your trades and to maintain details of your holdings on an ongoing basis, you need to be sponsored in CHESS by a broker. Only certain persons may control Financial Products in CHESS. E*TRADE Australia falls within this category. E*TRADE Australia (also referred to as we or us) must be your sponsoring broker in respect of those Financial Products you wish to trade through us. We are also happy to sponsor you in relation to Financial Products not originally purchased through us. To do this, please complete the CHESS Sponsorship Transfer section of the client application. As a result of us being appointed as your sponsoring broker, only we can give instructions to CHESS in relation to your holdings and the settlement of your trades for the Financial Products traded through us. We may also transfer Financial Products in and out of holding accounts to facilitate settlement of your dealings. Within CHESS, your financial products are identified by your Holding Identification Number (HIN). E*TRADE Australia reserves the right to pass on any costs associated with your sponsorship instructions. You need to make sure that all information you have given to us is accurate and that you advise us if there are any changes. We are allowed to use this information in certain circumstances. If a client fails to settle a Financial Product buy transaction within the period specified on the contract note issued to the client, E*TRADE Australia is entitled to sell sufficient of the Financial Products relating to that transaction, to reimburse it for the amount owing. Renounceable rights that relate to the financial products in your HIN will be treated in the same manner as the financial products themselves. You can give us instructions at any time to withdraw your financial products from those CHESS holdings. Provided you have met all your obligations, we will comply with your instructions. If you have not met all your obligations to pay money to us, we can retain your financial products to a maximum value of 120% of the amount owing. Either of us can terminate the CHESS Sponsorship Agreement by notice in writing. Termination of the Agreement will be effective upon receipt of Notice by the other party to the Agreement. If we breach the Agreement, you can refer the breach to a regulatory authority. You also have certain rights if we are suspended from CHESS participation. Our ability to meet any claim you make on us will depend, amongst other things, on our financial circumstances at the time the claim is made. You may be entitled to make a claim on the National Guarantee Fund. The Agreement also sets out what happens in the event of the death or bankruptcy of the account holder, or one of the account holders if the account is in joint names. Under the Agreement, we are entitled to charge you the fees that CHESS charges us or for information we obtain at your request. The terms of the Agreement can be varied by us giving notice to you in writing or by Electronic Communications. The Agreement is subject to the ASTC Settlement Rules. The terms of the Agreement can be varied by us on seven days' notice to remove any inconsistency between the Agreement and these Rules. Should you require further explanation relating to the effect of the Sponsorship Agreement, please contact our customer services staff on 1300 658 355. Version March 2004

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