



MACQUARIE

Macquarie Equity Lever

Product Disclosure Statement
1 July 2013

Important Information

Offer Documents

This combined Product Disclosure Statement and Financial Services Guide for Macquarie Equity Lever is dated 1 July 2013 and is issued by Macquarie Bank Limited ABN 46 008 583 542, AFSL 237 502 (**Macquarie**). Since a Macquarie Equity Lever facility falls within the definition of a "standard margin lending facility" under the Corporations Act, Macquarie is also required to issue a short form product disclosure statement in respect of this product. You should accordingly also read the information contained in the Short Form Product Disclosure Statement (**Short Form PDS**) issued by Macquarie which is also dated 1 July 2013, before making a decision about this product. The Short Form PDS and this PDS set out important information you need in order to decide whether to invest in Instalment Receipts through a Macquarie Equity Lever facility (**Facility**) and are available to you on the Macquarie Equity Lever website at: macquarie.com.au/equitylever.

Glossary

Expressions defined for the purposes of this PDS are set out in the 'Glossary' in section 12.

This PDS

Macquarie has prepared this combined Product Disclosure Statement and Financial Services Guide (**PDS**) for provision to potential investors in Macquarie Equity Lever. The Financial Services Guide is Section 11 of this PDS and the Product Disclosure Statement is the remainder of this PDS. Additional information forming part of this PDS is available from the Macquarie Equity Lever website: macquarie.com.au/equitylever.

A brief summary of this information is contained in Section 9 of this document.

No person (including Macquarie or any other Macquarie Group company) is authorised by Macquarie to give any information or to make any representation on behalf of Macquarie in respect of a Facility which is not contained in this PDS. Any information or representation not so contained may not be relied upon as having been authorised by Macquarie.

Investors should read both the Short Form PDS and this PDS (including the additional information forming part of this PDS which is available on the Macquarie Equity Lever website at macquarie.com.au/equitylever) and any updated information also available on that website carefully and in full before making an investment decision. You can obtain copies of information included on the Macquarie Equity Lever website free of charge by contacting Macquarie.

Indicative Rates

Any interest rates and amounts used throughout this PDS are indicative only. The actual interest rate applicable to an Instalment Receipt on its issue date and each Interest Reset Date will, depending on the interest rate selection made by you, be the fixed or variable rate published on the Macquarie Equity Lever website: macquarie.com.au/equitylever on that date, subject to any adjustment agreed to by you. The interest rate applicable to your Instalment Receipts upon issue will be confirmed to you in the Investment Confirmation. Where a fixed rate applies, the rate applicable on each Interest Reset Date will be confirmed to you in a Fixed Interest Rate Confirmation. Where a variable rate applies notices of variations to the variable rate will be published on the Macquarie Equity Lever website at least three Business Days (or any longer period required by law) before they become effective.

Underlying Entities

No Underlying Entity has authorised, caused the issue of, or contributed to the preparation of this PDS. Any information about any Underlying Entity or Underlying Securities in or accompanying this PDS has not been independently verified. Macquarie therefore does not accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of, any such information. You should make your own enquiries.

References in this PDS to an Underlying Entity or Underlying Securities are included solely to identify the securities to which the Instalment Receipt relates and must not be construed as any express or implied endorsement of the Instalment Receipt by any Underlying Entity or any other person. No representation as to the future performance of any Underlying Security are made in this PDS or any offer or invitation to subscribe for, sell or issue any Instalment Receipt offered through a Facility.

Not deposits with Macquarie

Investments in Instalment Receipts are not deposits with or liabilities of Macquarie Bank Limited, or of any entity in the Macquarie Group, and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither of Macquarie Bank Limited nor any other member of the Macquarie Group guarantees any particular rate of return or the performance of the Instalment Receipts, nor do they guarantee the repayment of capital from the Instalment Receipts.

Making an Informed Decision

All investments involve risk. Please ensure that you consider the risks of investment in Instalment Receipts through a Facility, including those set out in Section 4 of this PDS.

As well as the risks of this particular product, you should also consider how an investment in this product fits into your overall portfolio. You should also consider whether the Investment Amount of any investment in this product is appropriate given the overall size of your investment portfolio. Diversification of your investment portfolio can be used as part of your overall portfolio risk management to limit your exposure to failure or underperformance of any one investment, manager or asset class.

An investment in Instalment Receipts through a Facility is not a traditional investment product and may not suit investors unless they:

- are familiar with listed securities, warrants and with leveraged investments in general, and
- understand and are comfortable with the risks of investing in Instalment Receipts through a facility.

This PDS and the Short Form PDS have been prepared for general information only. They do not take into account your investment objectives, financial situation or particular needs. Accordingly nothing in this PDS or the Short Form PDS is a recommendation by Macquarie or any other person concerning investment in a Facility, any Instalment Receipts, any Underlying Securities or any other security. Before making any decision to invest through a Facility, you should:

1. Read and understand this PDS and the Short Form PDS. The PDS and Short Form PDS are available in electronic form on the Macquarie Equity Lever website at macquarie.com.au/equitylever; alternatively you may request a paper copy free of charge from your Adviser or by contacting Macquarie on 1800 080 033.
2. Understand the role of the Instalment Receipts Deed, which sets out the relationship between you, Macquarie and the Security Trustee in relation to your Instalment Receipts and which is binding on each Holder. Please see section 9 "Additional Information" of this PDS for more information about the Instalment Receipts Deed and how to access the Instalment Receipts Deed.
3. Seek independent professional financial, legal and taxation advice (**Professional Advice**) to determine whether an investment in Instalment Receipts through a Facility is appropriate for you, having regard to your own investment objectives, financial situation and needs.

Acting on inappropriate Professional Advice could lead to a poor result for you regardless of the performance of an investment in Instalment Receipts under a Facility. Your Adviser (including an adviser that is a member of the Macquarie Group of companies) is not an agent of Macquarie in respect of this product. Accordingly, Macquarie is not responsible for any advice given or omitted to be given to you by your Adviser. In particular, you should ensure that you understand the taxation consequences for you if you invest through a Facility and your payment obligations including, but not limited to, the occurrence of an Instalment Acceleration Event.

Superannuation funds

Trustees of superannuation funds who propose to invest in Instalment Receipts through a Facility should be aware of their obligation to formulate and implement an appropriate investment strategy that has regard to the whole of the circumstances of their fund and to act in the best interests of the members of their fund.

Applications and Application Form

Applications under this PDS will only be accepted on the Application Form accompanying this PDS or printed from the Macquarie Equity Lever website together with this PDS and Short Form PDS. Macquarie may, to the extent permitted by law, withdraw any offers made under this PDS and Short Form PDS at its discretion at any time. Macquarie may (in its discretion) refuse an Application (in whole or in part) for any reason. A Facility will only be issued upon receipt of an Application Form which was attached to this PDS or which was printed from the Macquarie Equity Lever website. For instructions on how to apply for a Facility, refer to section 14 'How to Apply' of this PDS.

Cooling off

A 14 day cooling off period applies to Instalment Receipts. Investors are entitled to return their Instalment Receipts by giving written notice to Macquarie at any time within the cooling off period (and have their application monies (after adjustment for movements in the value of their investment) returned without interest). The cooling off period is 14 days commencing on the earlier of the date the issue of Instalment Receipts is confirmed to you and the end of the fifth day after the issue of the Instalment Receipts. Please note that if you request to cancel your investment in Instalment Receipts, there is a possibility that the amount you receive will be less than the amount of your investment. This is because you will bear any fluctuation in the price of the Underlying Security in the period after the Security Trustee is allocated the relevant Underlying Securities. Please refer to section 8.3 of this PDS for more details of the cooling off period.

Restrictions on Distribution of PDS and Selling Restrictions

This PDS and the Short Form PDS do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS and the Short Form PDS outside Australia may be restricted by law. Persons who come into possession of this PDS (electronically or otherwise) who are not in Australia should seek advice on and observe such restrictions. Any failure to comply with such restrictions may be a violation of applicable securities laws.

In particular, no Instalment Receipts have been or will be registered under the *United States Securities Act of 1933*, as amended (the **US Securities Act**), or the laws of any State of the United States and may not be offered, sold or resold within the United States or to, or for the account or benefit of, a US Person (as defined in Regulation S under the *US Securities Act*).

A Facility is only available to recipients of this PDS and the Short Form PDS, whether in paper or electronic form, in Australia.

If the PDS and Short Form PDS are downloaded electronically, they must be downloaded together and in their entirety. Investors who receive this PDS and Short Form PDS in electronic form are entitled to obtain a paper copy of this document (and an Application Form) free of charge by contacting Macquarie on 1800 080 033.

Changes to information in the PDS

The information in this PDS is current at the date of this PDS. Information in this PDS is subject to change from time to time. Where the change is not materially adverse to investors, Macquarie will update the information by posting a notice on the Macquarie Equity Lever website at macquarie.com.au/equitylever. Macquarie may be required to issue a supplementary PDS as a result of certain changes, in particular where the changes are materially adverse from the point of view of a reasonable person deciding whether to invest in Instalment Receipts through a Facility. You can request a free paper copy of updated information by telephoning 1800 080 033.

Enquiries and complaints

For information regarding enquiries and complaints, refer to section 10 of this PDS.

General

Unless otherwise stated, all dollar amounts referred to in this PDS are Australian Dollars (**AUD**).

Macquarie Equity Lever

Supplementary Product Disclosure Statement dated 9 November 2015
Product Disclosure Statement dated 1 July 2013



Important information

This document is a Supplementary Product Disclosure Statement (**SPDS**) for the Macquarie Equity Lever Combined Product Disclosure Statement and Financial Services Guide dated 1 July 2013 (**PDS**). This document must be read together with the PDS, the Short Form Product Disclosure Statement also dated 1 July 2013 (**Short Form PDS**) and any updated information on our website at macquarie.com.au/equitylever. Terms defined in the PDS have the same meaning as in this SPDS. To obtain a copy of the PDS, you should contact Macquarie Bank Limited ABN 46 008 583 542 AFSL No. 237502 (**MBL**) on 1800 080 033.

Not deposits with Macquarie

Investments in Instalment Receipts are not deposits with or other liabilities of Macquarie Bank Limited, or any other member of the Macquarie Group of companies and are subject to investment risk, including possible delays in repayment and loss of income or capital invested. None of MBL or any other Macquarie Group company guarantees any particular rate of return on, or the performance of, Macquarie Equity Lever, nor do any of them guarantee the repayment of capital from the Instalment Receipts.

Summary of changes to the PDS

The information below is of a summary nature only. It does not contain full details of all the changes to the PDS made by this SPDS; it is only intended to highlight some of the more significant changes to the PDS. More detailed information about the updates to the PDS can be found in Parts 1 to 5 of this SPDS. It is important that you do not rely on this summary alone, and you should ensure that you read this SPDS in entirety before making any investment decision.

Key changes to the PDS relate to:

- from 1 December 2015, Investment Instructions and Early Closure instructions must be submitted online via GearUp or in another form accepted by Macquarie. GearUp is the electronic platform made available by Macquarie through which investors can submit certain instructions and view information about their Facility.
- changes relating to cancellation of instructions and determination of Early Closure Dates.
- risks associated with use of an online platform to place instructions, including the risk that the platform malfunctions or there are delays in updating information about your Facility due to market movements. If these events result in delays or failures in submitting instructions, you may suffer losses.
- the requirement to provide Macquarie with an email address to ensure that you receive timely notification of any trades made on your Facility, including trades placed by Authorised Representatives or joint holders.
- new treatment for joint holder instructions. An instruction from one joint holder will now be treated by Macquarie as an instruction from all joint holders. You are required to provide Macquarie with an email address to ensure that you receive timely notification of any trades made on your Facility.
- a new requirement that initial Investment Amounts must be paid by direct debit.
- a change to MBL's address.
- notices can be given via GearUp to new applicants.

SPDS Part	Nature of changes	Page
Part 1	Changes regarding online submission of Investment and Early Closure Instructions via GearUp from 1 December 2015.	2
Part 2	Key risks specific to placing instructions via GearUp.	3
Part 3	Changes regarding instructions from joint holders and Authorised Representatives.	3
Part 4	Other changes – initial Investment Amounts can only be paid by direct debit, change of address and changes to how notices can be given.	3
Part 5	Changes to glossary terms.	4

Changes to the Product Disclosure Statement dated 1 July 2013

Part 1: Online submission of Investment and Early Closure Instructions from 1 December 2015

Section 1 – What is Macquarie Equity Lever?

- Section 1 is updated by **replacing** the first paragraph with:

“A Macquarie Equity Lever facility (a **Facility**) allows you to gain leveraged exposure to certain ASX-listed securities of your choice (called the **Underlying Securities**). A Facility achieves this by enabling you to invest in Instalment Receipts issued by Macquarie which are unlisted and limited recourse. You can view information about your Facility and submit Investment Instructions and other instructions accepted by Macquarie using our online portal, GearUp.”

- Section 1.10 is updated by **replacing** the first paragraph and subsequent two bullets with:

“At any time you may request Early Closure of your Instalment Receipts by submitting an instruction for Early Closure via GearUp or by such other means acceptable to Macquarie. If the instruction is submitted:

- prior to 2pm (Sydney time) on a Business Day, the Early Closure Date will be the date of submission, or
- after 2pm (Sydney time) on a Business Day or on a non-Business Day, the Early Closure Date will be the following Business Day, provided that the Early Closure Date is not a day on which the Underlying Securities are suspended from trading or otherwise unable to be sold.”

Section 3 – How does a Facility work and what factors affect it?

- Section 3.1.2 – the first paragraph is **replaced** with:

“After your Application has been accepted by Macquarie and your GearUp account has been opened, you can apply for Instalment Receipts (called an **Investment Instruction**) by placing Investment Instructions via GearUp, or through any other means made available to you by Macquarie.”

- Section 3.1.3 – the second paragraph in column 2 is **replaced** with:

“When you first submit an Investment Instruction on GearUp it will have the status “Submitted”. This status will be updated to “Processing” and finally “Accepted” when Macquarie agrees to issue you with the Instalment Receipts for a particular Purchase Price. You can only cancel an instruction via GearUp that is in “Submitted” status. However, you may have cooling off rights (see section 8.3 for more detail).”

- Section 3.1.6:

- references to “lodge” are **replaced** with “submit” and references to “lodges” are **replaced** with “submits”.
- the first part of the sixth bullet prior to the sub-bullets in the table under Example is **replaced** with:
“After Stephen’s Investment Instruction is Accepted, Macquarie issues Stephen with 20,000 Instalment Receipts and shortly after issues an Investment Confirmation showing:”

- Section 3.1.7:

- references to “lodge” are **replaced** with “submit” and references to “lodges” are **replaced** with “submits”.
- the sixth bullet in the table under Example is **replaced** with:
“In order to work out how much Stephen must contribute as a First Instalment, he logs into GearUp to find out if there is any available capacity in his Facility that he can utilise.”

- Section 3.2.4 – the first bullet is **replaced** with:

“You can elect to close out your Instalment Receipts prior to the scheduled Complete Date(s) by submitting an instruction for Early Closure via GearUp or by such other means made available by Macquarie. If the instruction is submitted:

- prior to 2pm (Sydney time) on a Business Day, the Early Closure Date will be the date of submission, and
- after 2pm (Sydney time) on a Business Day or on a non-Business Day, the Early Closure Date will be the following Business Day, provided that the Early Closure Date is not a day on which the Underlying Securities are suspended from trading or otherwise unable to be sold.”

Section 14 – How to apply

- Step 2 under “Who can apply?” is **replaced** with:

“If you wish to apply for a Facility, you should complete and submit the Application Form to Macquarie.

To invest in Instalment Receipts through your Facility, once you have access to GearUp, you can submit instructions via GearUp, or by other means acceptable to Macquarie.”

Part 2: Risks relating to online submission of instructions via GearUp

Section 4 – Risks

- **Insert** new paragraph 4.20:

“4.20 Use of GearUp

Your ability to submit instructions via GearUp depends on the continued operation of, among other things, the GearUp platform, your internet connection and your personal computer. There may be a delay in time in updating the information about your Facility on GearUp due to market movements or systems issues. A fault, delay or failure of any of these things could result in delays or failures to submit Instructions. If this were to occur, you could suffer financial losses. Macquarie does not take any responsibility for any liability incurred in connection with any such fault, delay or failure of GearUp or any related infrastructure.”

- **Insert** new paragraph 4.21:

“4.21 Joint holders and Authorised Representatives

If you have not provided Macquarie with your email address, and you are a joint holder or have appointed an Authorised Representative, your joint holder or Authorised Representative will be able to place instructions on your behalf and you will not be notified that an instruction has been Accepted for your Facility until such time as you receive written confirmation from Macquarie or you log into GearUp to view your transaction history. You will not be able to cancel an instruction at this time.”

Part 3: Instructions from joint holders and Authorised Representatives

Section 9 – Additional Information

- Section 9.9 – the last sentence of the second paragraph is **replaced** with the following new paragraph:

“An instruction from one joint holder will be treated by Macquarie as an instruction from all joint holders. If you have not provided Macquarie with your email address, and you are a joint holder or have appointed an Authorised Representative, your joint holder or Authorised Representative will be able to submit instructions on your behalf and you will not be notified that an instruction has been Accepted for your Facility until such time as you receive written confirmation from Macquarie or you log into GearUp to view your transaction history. You will not be able to cancel an instruction at this time.”

Part 4: Other changes

Section 9 – Additional Information

- Section 9.15 – the “and” is **deleted** from bullet 3. A semi-colon **replaces** the full stop in bullet 4 and the word “and” is **inserted** after the semi-colon. **Insert** new bullet 5:
 - “simultaneously if notification is given via GearUp.”
- Section 9.16 and Issuer contact details on the second last page – **replace** Macquarie’s address with:

“50 Martin Place
Sydney NSW 2000”

Section 13 – Direct Debit Request Service Agreement

- In the introductory paragraph **replace** “section 5” with “section 3”.

Section 14 – How to apply

- The paragraphs under “Investment Amount” under “How to submit your Application Form” are **replaced** with:

“All Applicants are required to pay their Investment Amount in order to invest in Instalment Receipts via a Facility. You can pay this amount by direct debit.”
- In “Adviser Payment Arrangement” under “How to submit your Application Form”, replace “section 3” with “section 6”.

Information incorporated by reference into the 2013 EQL PDS

- The section titled Notices is updated by **inserting** the words “or if notification is provided via GearUp” after the words “telephone number” and before the open bracket in paragraph 1.

Part 5: Glossary section

- **Insert or replace** the following terms in Section 12 of the PDS:

Term	Definition
Early Closure Date	means a date determined as follows. If the instruction for Early Closure is submitted: <ul style="list-style-type: none">• prior to 2pm (Sydney time) on a Business Day, the Early Closure Date will be the date of submission, and• after 2pm (Sydney time) on a Business Day or on a non-Business Day, the Early Closure Date will be the following Business Day, provided that the Early Closure Date is prior to the Completion Day and is not a day on which the Underlying Securities are suspended from trading or otherwise unable to be sold.
GearUp	means the electronic platform made available by Macquarie through which investors can submit certain instructions and view information about their Facility. The use of GearUp for Equity Lever is governed by the Macquarie Equity Lever online instructions terms and conditions and the general GearUp terms and conditions and is made available to investors at Macquarie's discretion.
Trade Date	means the date that Macquarie agrees to issue you an Instalment Receipt for a particular Purchase Price (as described in section 3.1.3).

For more information call us on **1800 080 033** or visit macquarie.com.au/equitylever or email us at structuredinvestments@macquarie.com

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1 What is Macquarie Equity Lever?

A Macquarie Equity Lever facility (a **Facility**) allows you to gain leveraged exposure to certain ASX-listed securities of your choice (called the **Underlying Securities**). A Facility achieves this by enabling you to invest in Instalment Receipts issued by Macquarie which are unlisted and limited recourse.

Below is a summary of the main features of Macquarie Equity Lever.

	Features	Additional information
1.1 What is an Instalment Receipt?	<p>An Instalment Receipt is an unlisted investment that allows you to purchase an Underlying Security from Macquarie, and pay the Purchase Price in two instalments (called the First Instalment and the Final Instalment).</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Purchase Price} = \text{First Instalment} + \text{Final Instalment}$ </div> <p>Each time you purchase an Underlying Security via a Facility, you are acquiring a single Instalment Receipt over that Underlying Security. However, all your Instalment Receipts are consolidated under your Facility for the purpose of managing leverage across your portfolio of Instalment Receipts, including for the purpose of determining Instalment Acceleration Events and for the purpose of Macquarie reporting to you on your investments.</p> <p>Instalment Receipts are unlisted and so they cannot be traded on the ASX or any other exchange. They are issued by Macquarie and not by the company or trust that issues the Underlying Security.</p> <p>Your minimum First Instalment will be determined by Macquarie and generally calculated using the following formula:</p> $\text{First Instalment} = \text{Purchase Price} \times (1 - \text{Published Instalment Receipt LVR}).$ <p>However, you may be required to pay a higher or lower First Instalment, depending on the level of your Current Facility LVR.</p> <p>However, if you already hold Instalment Receipts then, depending on the level of your Current Facility LVR, you may be able to pay a lower First Instalment on new Instalment Receipts.</p>	<p>See section 2 'Key Benefits of investing via Macquarie Equity Lever'.</p> <p>See section 4 'Risks'.</p> <p>See sections 1.6 and 3.2.3 'Instalment Acceleration Events'.</p> <p>See sections 1.5 'What is the Leverage to Valuation Ratio (LVR)', 3.1.6 'How do I purchase my initial Instalment Receipts?' and 3.1.7 'Can I purchase additional Instalment Receipts?'.</p>
1.2 Investment Amount	<p>When you make an investment in Macquarie Equity Lever, you pay an Investment Amount, which is made up of the First Instalment for each of the Instalment Receipts you acquire, plus the Issuance Fee.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Investment Amount} = \text{First Instalment (for each of the Instalment Receipts)} + \text{Issuance Fee}$ </div>	<p>See sections 3.1.5 'Investment Confirmation', 3.1.6 'How do I purchase my initial Instalment Receipts?' and 5.4.1 'Issuance Fee'.</p>
1.3 Outstanding Instalment Balance and Completion Payment	<p>Once you have acquired the Instalment Receipt, you incur interest on the outstanding part of the Purchase Price (ie the Final Instalment). This interest is capitalised. In other words, the interest is added to the amount you owe to Macquarie over the term of the Instalment Receipt. The Final Instalment plus Capitalised Interest is called your Outstanding Instalment Balance.</p> <p>The Interest Rate payable on your Instalment Receipt will either be a variable rate or fixed rate of interest as chosen by you. If you choose a variable Interest Rate, interest will be capitalised on the Outstanding Instalment Balance on a monthly basis in arrears. If you choose a fixed Interest Rate, that rate will be fixed for 12 months and interest will be capitalised for the entire fixed rate term in advance. You should be aware that if you choose a fixed Interest Rate, you may need to pay Break Costs if your investment in an Instalment Receipt is terminated early.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Outstanding Instalment Balance} = \text{Final Instalment} + \text{Capitalised Interest}$ </div>	<p>See section 3.2.1 'How do Interest and Dividends impact my Outstanding Instalment Balance?'.</p> <p>See section 5.4.3 for a description of Break Costs.</p> <p>See section 5.4.2 'Interest Amounts'.</p>

	Features	Additional information
<p>1.3 Outstanding Instalment Balance and Completion Payment (Continued)</p>	<p>The Completion Payment for an Instalment Receipt is made up of your Outstanding Instalment Balance, any Accrued Interest, Brokerage and any Fixed Interest Adjustment. The Completion Payment must be paid by the Completion Date, which will generally be 10 years from the date you acquire the Instalment Receipt and will be confirmed to you by Macquarie in the Investment Confirmation.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center;">Completion Payment = Outstanding Instalment Balance + Accrued Interest (if applicable) + Brokerage (if applicable) - Fixed Interest Adjustment</p> </div> <p>Accrued Interest is all interest that has accrued since the last Interest Payment Date (ie does not include any Capitalised Interest). Capitalised Interest is included in the calculation of the Outstanding Instalment Balance. The Fixed Interest Adjustment is the amount equal to any Residual Prepaid Interest Amount you receive, less any Break Costs you must pay, if the Interest Rate is fixed and the Outstanding Instalment Balance is paid (in whole or in part) prior to the Fixed Interest Rate Expiry Date. The amount of the applicable Break Costs will be determined by a number of factors including the number of days remaining between the date the Outstanding Instalment Balance is paid and the original Fixed Interest Rate Expiry Date and the difference between the fixed Interest Rate specified and the applicable fixed Interest Rate applying on the date the Outstanding Instalment Balance is paid.</p> <p>Prior to the Completion Date, you may elect to pay some of the Outstanding Instalment Balance by making an Early Instalment Payment, which will reduce your Outstanding Instalment Balance. This would have the effect of reducing future Interest Amounts.</p> <p>Once you pay the Completion Payment, you will be entitled to receive full legal ownership of the corresponding Underlying Security, provided your Current Facility LVR does not exceed your Facility LVR.</p>	<p>See section 3.3 <i>'Completion Payment'</i>.</p> <p>See sections 5.4.5 <i>'Other Fees and Expenses'</i> and 5.4.6 <i>'Adviser Remuneration'</i>.</p> <p>See sections 5.4.3 <i>'Break Costs'</i> and 5.4.2(f) <i>'Residual Prepaid Interest Amount'</i>.</p> <p>See section 3.2.2 <i>'Optional Early Instalment Payment'</i>.</p> <p>See section 1.9 <i>'Restrictions on early exit and acquiring legal ownership of Underlying Securities'</i>.</p>
<p>1.4 How is your Facility leveraged?</p>	<p>If you invest in an Instalment Receipt, you will leverage your exposure to the performance of the Underlying Security. This is because you will pay the Purchase Price in two instalments; that is, you will pay only the first portion of the Purchase Price upfront but you will be exposed to 100 per cent of the price movement of the Underlying Security.</p> <p>Leverage magnifies both gains and losses. This means that the higher your level of leverage, the more money you will lose if there is an adverse movement in the value of the Underlying Security.</p>	<p>See sections 2 <i>'Key Benefits of investing via Macquarie Equity Lever'</i> in particular, <i>'Leveraged exposure to any capital gains and income distributions on the Underlying Securities'</i> and 1.13 <i>'Significant Risks of investing in Instalment Receipts'</i>.</p>

1. What is Macquarie Equity Lever?

	Features	Additional information
<p>1.5 What is the Leverage to Valuation Ratio (LVR)?</p>	<p>The Leverage to Valuation Ratio (LVR) for an Instalment Receipt is the degree of leverage under that Instalment Receipt over the value of a particular Underlying Security. The LVR of each Instalment Receipt is the Final Instalment as a percentage of the Purchase Price of the Underlying Security.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> $\text{Instalment Receipt LVR} = \frac{\text{Final Instalment}}{\text{Purchase Price of Underlying Security}}$ </div> <p>At the time you invest in an Instalment Receipt, the maximum acceptable LVR for the Instalment Receipt is the Published Instalment Receipt LVR. Published Instalment Receipt LVRs will generally be 50 per cent, however they may be adjusted by Macquarie from time to time if it reasonably determines that a variation is necessary to protect its rights under the Security Interest, for example where there is low liquidity in an Underlying Security. Macquarie will also set a Minimum Initial Instalment Receipt LVR.</p> <p>The LVR which is then assigned to your Facility (Facility LVR) is based on the number and type of Instalment Receipts which you have invested in.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p>Facility LVR = Weighted average of the Published Instalment Receipt LVRs for the Instalment Receipts held in your Facility.</p> </div> <p>The leverage limit for your Facility (Maximum Facility LVR) is then calculated as the Facility LVR, plus a Buffer of 15 per cent.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p>Maximum Facility LVR = Facility LVR + Buffer (15%)</p> </div> <p>Over time, the actual LVR of your Facility (Current Facility LVR) may vary according to changes in both the Market Value of your Underlying Securities and in the amount of your Total Completion Payments. Your Total Completion Payments at any one time is the total of your Completion Payments (assuming Brokerage is not payable) and any Unpaid Completion Payments. Your Total Completion Payments also include an adjustment for “Break Costs” and “Residual Prepaid Interest Amount” if the Interest Rate applicable to any of your Instalment Receipts is fixed and Accrued Interest if it is variable.</p> <p>Your Current Facility LVR is calculated as your Total Completion Payments, as a percentage of the Market Value of your Underlying Portfolio.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> $\text{Current Facility LVR} = \frac{\text{Total Completion Payments}}{\text{Market Value of your Underlying Portfolio}}$ </div>	<p>Published Instalment Receipt LVRs¹ are available from the Macquarie Equity Lever website: macquarie.com.au/equitylever.</p> <p>The Facility LVR is 50 per cent as at 1 July 2013 (because all Published Instalment Receipt LVRs are 50 per cent as at that date). Please see the Published Instalment Receipt LVRs, available from the Macquarie Equity Lever website macquarie.com.au/equitylever for the most up to date LVR information.</p> <p>See section 3 ‘How does a Facility work and what factors affect it?’.</p>

¹ Where a Published Instalment Receipt LVR is assigned to an Instalment Receipt over a particular Underlying Security, this does not constitute a recommendation in relation to that Underlying Security and must not be construed as an express or implied endorsement of the Underlying Security.

	Features	Additional information
<p>1.6 Instalment Acceleration Events</p>	<p>An “Instalment Acceleration Event” will occur if your Current Facility LVR increases to a level above your Maximum Facility LVR. If an Instalment Acceleration Event occurs, you must reduce your Current Facility LVR by an amount (Instalment Acceleration Event Amount) in order to bring your Current Facility LVR (as at the time of the occurrence of the Instalment Acceleration Event) to 5 per cent below the Maximum Facility LVR. Upon the occurrence of an Instalment Acceleration Event, Macquarie will take reasonable steps to notify you and your Authorised Representative of the Instalment Acceleration Event (see ‘<i>How would I be notified of an Instalment Acceleration Event</i>’ below).</p> <p>By no later than the Instalment Acceleration Event Payment Time, you or your Authorised Representative, if any, are required to either:</p> <ol style="list-style-type: none"> 1) give an instruction to debit your nominated account with the Instalment Acceleration Event Amount 2) request the Early Closure of such number of your Instalment Receipts as will produce proceeds sufficient to pay the Instalment Acceleration Event Amount, or 3) provide confirmation that you have otherwise made payment of the Instalment Acceleration Event Amount. <p>If you choose to do nothing, or Macquarie is unable to contact you and your Authorised Representative (if any) or your instructions do not result in a reduction of your Current Facility LVR to an acceptable level for any reason, Macquarie is authorised, without notifying you first, to instruct the Security Trustee to dispose of all or part of your Underlying Portfolio. The proceeds from the sale will be applied to pay a portion of your Total Completion Payments in order to reduce your Current Facility LVR (at the time of disposal) to 5 per cent below your Maximum Facility LVR and to pay any Brokerage. You should be aware that in these circumstances Macquarie will determine the time at which and the manner in which Underlying Securities are disposed of and will reasonably determine which portion of your Total Completion Payments are to be paid or pre-paid. If you have chosen a fixed Interest Rate, you may also need to pay Break Costs.</p> <p>The Instalment Acceleration Event Payment Time will be a time between 9am and 5pm inclusive on a Business Day no less than 24 hours and generally no more than 30 hours after Macquarie takes steps to give notice of the Instalment Acceleration Event. However in Exceptional Circumstances, the Instalment Acceleration Event Payment Time may be brought forward to an earlier time between 9am and 5pm on a Business Day that is no less than 12 hours after Macquarie takes steps to give notice of the Instalment Acceleration Event. An “Exceptional Circumstance” will occur when the ASX 200 Index or the Market Value of an Underlying Security falls 10 per cent or more within any 24 hour period or when your Current Facility LVR increases to 85 per cent or above at any time.</p>	<p>See sections 3.2.3 and 4.3 ‘<i>Instalment Acceleration Events</i>’.</p> <p>See section 3.2.3 ‘<i>Instalment Acceleration Events</i>’.</p>

1. What is Macquarie Equity Lever?

	Features	Additional information
<p>1.6 Instalment Acceleration Events (Continued)</p>	<p>It is important to understand that, in circumstances where your Current Facility LVR exceeds the Maximum Facility LVR, it may be necessary for Macquarie to act on the basis of instructions which are not in writing (usually verbal instructions) from you or your Authorised Representative.</p> <p><i>How would I be notified of an Instalment Acceleration Event?</i></p> <p>Macquarie will take reasonable steps to notify:</p> <ol style="list-style-type: none"> 1) you, or 2) you and your Authorised Representative (if you have appointed one), <p>as soon as is reasonably practicable following the occurrence of an Instalment Acceleration Event by any of the following means:</p> <ol style="list-style-type: none"> a) email b) telephone c) SMS, or d) any other electronic messaging means, <p>in accordance with the contact details on your Application Form, or any other details subsequently notified to Macquarie from time to time.</p> <p>Contact details or changes to contact details must be notified to Macquarie in writing no less than five Business Days prior to an Instalment Acceleration Event. Therefore, if you have notified Macquarie of your new contact details but these have not been processed prior to an Instalment Acceleration Event, notification of an Instalment Acceleration Event may still be given via your existing contact details.</p> <p>Macquarie may, at its election, also notify your Adviser (even if not your Authorised Representative) of the occurrence of an Instalment Acceleration Event.</p> <p>However, it is important to understand that even if Macquarie cannot contact you, Macquarie can still sell your Underlying Securities.</p>	
<p>1.7 Macquarie's Security Interest</p>	<p>During the term of the Instalment Receipt the Underlying Security² is held on trust for you, subject to a security interest in favour of Macquarie (Macquarie's Security Interest). This means that if you don't pay any amount owing under your Instalment Receipts on the due date (including any Instalment Acceleration Event Amount), Macquarie may exercise its Security Interest and Underlying Securities will be sold and the sale proceeds applied to recover any amount owed by you.</p> <p>The Underlying Securities will be sold at a time determined by Macquarie or the Security Trustee, at the price quoted on the ASX for those Underlying Securities at that time, or if the Underlying Securities are not listed on the ASX, at the best price reasonably obtainable having regard to circumstances existing at the time.</p> <p>Neither Macquarie nor the Security Trustee is liable for any delay in exercising their power of sale except in the case of their negligence or wilful misconduct.</p>	<p>See sections 3.2.3 'Instalment Acceleration Events' and 6.10.1 'Exercise of Security Interest'.</p>

	Features	Additional information
1.8 Dividends and capital growth	<p>During the term of your Instalment Receipt, your investment is exposed to any capital growth in or any capital loss on the Underlying Security. You are also entitled to the benefit (if any) of Ordinary Dividends and Special Dividends and any related franking credits (subject to eligibility and any deduction for Tax).</p> <p>Ordinary Dividends paid (subject to any deduction for Tax) on an Underlying Security will generally be used to reduce the Outstanding Instalment Balance owing on your corresponding Instalment Receipt.³ However, if your Current Facility LVR is below 40 per cent these may, at your discretion, be directed to your nominated bank account. Any Special Dividends paid (subject to any deduction for Tax) will always be used to reduce the Outstanding Instalment Balance owing on the Instalment Receipt corresponding to the Underlying Security on which the Special Dividend was paid.</p>	<p>See section 6 '<i>Taxation considerations</i>'.</p> <p>See section 6.7.1 '<i>Dividends and distributions paid by an Underlying Entity that is a company</i>'.</p> <p>See section 3.2.1 '<i>How do Interest and Dividends impact my Outstanding Instalment Balance?</i>'.</p>
1.9 Restrictions on early exit and acquiring legal ownership of Underlying Securities	<p>You may wish to close out an Instalment Receipt early which will result in the Underlying Securities being sold. For example, you may have Instalment Receipts with a range of Completion Dates over the same Underlying Security and wish to close-out all Instalment Receipts issued over that Underlying Security at the same time.</p> <p>Alternatively, you may wish to pay the Completion Payment on some of your Instalment Receipts and have the Underlying Securities transferred to you.</p> <p>In both instances removing the Underlying Securities from your Facility may result in your Current Facility LVR exceeding your Facility LVR. In this case, you would be required to pay part of the Total Completion Payments to reduce your Current Facility LVR to your Facility LVR. In the case of early payment of the Completion Payment by you, you must pay this amount before being entitled to receive legal ownership of the Underlying Security. In the case of Early Closure, the proceeds of sale of the Underlying Securities will, after payment of the Completion Payments owing in respect of the relevant Instalment Receipts, be applied by Macquarie to pay a portion of your Total Completion Payments, so as to reduce your Current Facility LVR to your Facility LVR. If you have chosen a fixed Interest Rate, you may also need to pay Break Costs.</p>	<p>See section 1.10 '<i>Early Closure of your Instalment Receipts</i>'.</p> <p>See section 3.2.4 '<i>Can I close out my investment in Instalment Receipts early? – Early Closure</i>'.</p>
1.10 Early Closure of your Instalment Receipts	<p>At any time, you may request Early Closure of your Instalment Receipts by giving Macquarie notice in writing on any Business Day of an Early Closure Date, provided that:</p> <ul style="list-style-type: none"> the Early Closure Date specified is not a day on which the Underlying Securities are suspended from trading or otherwise unable to be sold, and if the notice is given after 2pm on the Early Closure Date specified, the Early Closure Date shall be deemed to be the following Business Day. <p>If you request Early Closure of an Instalment Receipt, Macquarie will direct the Security Trustee to sell the corresponding Underlying Security on the Early Closure Date. Macquarie does not give any assurances as to what time your Underlying Securities will be sold on the Early Closure Date.</p>	<p>See section 3.2.4 '<i>Can I close out my investment in Instalment Receipts early? – Early Closure</i>'.</p>

³ If the Completion Payment on the corresponding Instalment Receipt is reduced to nil, the remainder of the Dividend amount will be applied to reduce the Total Completion Payments on your other Instalment Receipts.

1. What is Macquarie Equity Lever?

	Features	Additional information
<p>1.10 Early Closure of your Instalment Receipts (Continued)</p>	<p>The sale proceeds of an Underlying Security will be applied in the following order:</p> <div style="text-align: center;"> <pre> graph TD A[Sale of Underlying Security] -- Sale proceeds⁴ --> B[1. Completion Payment of corresponding Instalment Receipt. If the sale proceeds do not cover the Completion Payment, the shortfall amount (called the Unpaid Completion Payment) will remain outstanding and be included in your Total Completion Payments for the purposes of calculating your Current Facility LVR.] B -- Remaining sale proceeds --> C{Is your Current Facility LVR greater than the Facility LVR?} C -- Yes --> D[2. Residual proceeds applied to pay part of your Total Completion Payments.] C -- No --> E[3. Residual proceeds directed as nominated by you.] D -- Any remaining sale proceeds --> E </pre> </div> <p>You may direct that any residual proceeds:</p> <ul style="list-style-type: none"> • be applied to pay Outstanding Instalment Balances on other Instalment Receipts in your Facility, or • be sent to your nominated bank account. <p>In the absence of any contrary direction from you, you will be taken to have directed Macquarie to apply residual proceeds to pay Outstanding Instalment Balances on other Instalment Receipts in your Facility.</p> <p>Any Unpaid Completion Payment will continue to bear interest.</p> <p>The sale of any Underlying Securities in these circumstances may give rise to taxation implications.</p>	<p>See section 6 'Taxation considerations.'</p>
<p>1.11 Limited recourse</p>	<p>If you do not pay an amount you owe such as an Instalment Acceleration Event Amount, Completion Payment or Unpaid Completion Payment, Macquarie can exercise its rights under the Security Interest to sell part or all of your Underlying Portfolio and use the proceeds to pay some or all the Total Completion Payments owed by you. If the proceeds of sale of the Underlying Securities are insufficient to pay the Completion Payments and Unpaid Completion Payments for all of your Instalment Receipts, Macquarie cannot seek further payment from you.</p>	<p>See section 2 'Key benefits of investing via Macquarie Equity Lever'.</p>
<p>1.12 Responsibility for investment decisions</p>	<p>You are responsible for your choice of Underlying Securities and consequently for the performance of the Instalment Receipt and whether it is suitable for you as part of your investment portfolio. A Facility enables you to obtain a leveraged investment in ASX-listed securities and Macquarie makes no representation as to the suitability or merits of investment in any particular Underlying Security.</p>	<p>Read any relevant disclosures by the Underlying Entity to the ASX and obtain independent financial advice.</p>

	Features	Additional information
<p>1.13 Significant risks of Investing in Instalment Receipts</p>	<p>As with any investment decision, you need to consider an investment in Instalment Receipts carefully and in light of your individual circumstances.</p> <p>You should also consider whether investing using leverage is appropriate for you. A Facility is designed for investors who have experience investing in leveraged products.</p> <p>The features of a Facility may not be suitable for you unless:</p> <ul style="list-style-type: none"> • you are able to constantly monitor your Facility LVR • you are always contactable for the purposes of Instalment Acceleration Event notifications • you are an experienced share trader who is familiar with the share market • you have the ability to tolerate a reasonable level of risk, and • you fully understand the way this product works, as well as the risks involved. <p>If you do not wish for your Underlying Securities to be sold upon the occurrence of an Instalment Acceleration Event, you should ensure you have sufficient liquid assets to be able to make a cash payment in response to an Instalment Acceleration Event on very short notice.</p> <p>Before making an investment decision, you should read section 4 'Risks' for more detailed information about some of the key risks associated with investing in Instalment Receipts through a Facility.</p> <p>1) A fall in the value of the Underlying Securities: In times of global economic downturn and high levels of volatility, there is an increased risk that the Underlying Securities will perform poorly. The value of your Underlying Securities may go up or down by a material amount, even over a short period of time. Volatility in some markets may be at very high levels. Investing in such highly volatile conditions implies a greater level of risk for investors than an investment in a more stable market, and may increase the chances of an Instalment Acceleration Event occurring. You should carefully consider this additional volatility risk before making an investment in Instalment Receipts. If the value of the Underlying Securities goes down, this will decrease the value of your Instalment Receipts and may result in an Instalment Acceleration Event.</p> <p>2) Leverage magnifies losses: Investing in Instalment Receipts means your exposure to the Underlying Securities is leveraged. Leverage magnifies losses, and because of this, leveraged investments carry a higher level of risk than non-leveraged investments (eg buying the Underlying Securities using your own money). Capitalising your interest may also increase your leverage level. A way to reduce this risk is to make regular cash payments to maintain a leverage level that is appropriate for you. You should not invest in Instalment Receipts unless you understand and are comfortable with the risks of investing using leverage.</p> <p>3) Occurrence of an Instalment Acceleration Event: If your Current Facility LVR exceeds your Maximum Facility LVR, for instance as a result of a fall in the value of the Underlying Securities, an Instalment Acceleration Event will occur. An Instalment Acceleration Event may also occur if Macquarie reduces the Published Instalment Receipt LVR for the Underlying Security. If you do not take steps to reduce your Current Facility LVR, Macquarie may sell some or all of your Underlying Securities. This may mean that you lose all of the money you have invested or disposal of your Underlying Securities may occur when the Underlying Securities have a relatively low value, crystallising your loss in circumstances where the Underlying Securities later recover in price.</p>	<p>See section 4.</p> <p>See sections 4.1 and 4.3.</p> <p>See section 4.2.</p> <p>See section 3.2.3 and 4.3.</p>

	Features	Additional information	
<p>1.13 Significant risks of Investing in Instalment Receipts (Continued)</p>	<p>4) Responsibility for your investment decisions: You are responsible for selecting the Underlying Securities and your level of leverage (subject to your Maximum Facility LVR). You should not rely on this PDS as the sole basis for any investment decision in relation to Instalment Receipts, Underlying Securities or any other financial product, but should obtain additional information about the Underlying Securities (including by reading the relevant disclosures by the Underlying Entity to the ASX) and, where necessary, obtain independent financial advice. The performance of your Instalment Receipts will depend on the performance of the Underlying Securities that you select.</p>	<p>See section 4.4.</p>	
	<p>5) Lack of liquidity: Instalment Receipts are unlisted and cannot be traded on the ASX so you may not be able to buy or sell Instalment Receipts when you want to. You cannot specify the time during a Business Day, the Purchase Price or the Sale Price at which Macquarie issues or closes out your Instalment Receipts. Macquarie may also not be able to issue Instalment Receipts or close them out early and you may not be able to sell the Underlying Securities after paying the Completion Payment as a result of a lack of liquidity in the market for Underlying Securities.</p>	<p>See section 4.5.</p> <p>See section 4.6.</p>	
	<p>6) Counterparty obligations: The value of the Instalment Receipts depends on, among other things, the ability of the Security Trustee or Macquarie to fulfil its obligations in relation to the Instalment Receipts. The Instalment Receipts are unsecured obligations of Macquarie and the Security Trustee and are not deposit liabilities of Macquarie and the Security Trustee. You must make your own assessment of the ability of Macquarie and the Security Trustee to meet their obligations.</p>	<p>See section 4.7.</p>	
	<p>7) Ability to breakeven: In order for you to breakeven, the value of your Instalment Receipts will need to have increased in excess of your total Interest payments, any Break Costs and other fees (excluding taxation considerations).</p>		
	<p>8) Early Completion and Events of Default: The Completion Date for your Instalment Receipts may be brought forward in a number of circumstances outlined in section 4.8 of this PDS. In addition, where an Event of Default occurs, including where you fail to pay any money when due, Macquarie may declare any amounts owing by you to be immediately payable and may sell your Underlying Securities.</p>	<p>See sections 4.8 and 9.5.</p>	
	<p>9) A rise in Interest Rates: There is a risk that on each Interest Reset Date the Interest Rate applicable to your Instalment Receipts may rise. If this happens, the interest costs incurred by you may exceed the returns available from your Underlying Portfolio.</p>	<p>See section 4.9.</p>	
	<p>10) Change in taxation laws: There is a risk that tax laws could change, or that the Australian Taxation Office (ATO) adopts a position which could mean that the tax summary contained in section 6 is no longer accurate and that your actual tax position is different from your anticipated position. A Trust Tax Change could result in the Completion Date for your Instalment Receipts being brought forward.</p>	<p>See section 4.10.</p>	
	<p>11) Change in superannuation laws: There is a risk that superannuation laws (or the interpretation of those laws) could change which could lead to superannuation funds holding Instalment Receipts that may not be permitted or appropriate investments for the funds.</p>	<p>See section 4.11.</p>	
	<p>Your investment is subject to additional risks. Accordingly, before investing in Instalment Receipts you should consider carefully the risks outlined in section 4 'Risks', as these may affect your decision to invest.</p>		

2 Key benefits of investing via Macquarie Equity Lever

An investment in Instalment Receipts through a Facility gives you the following key potential benefits:

Leveraged exposure to capital gains and income distributions (if any) on the Underlying Securities

- If the value of the Underlying Security goes up, you may earn greater returns than a non-leveraged investment of the amount of the First Instalment in the Underlying Securities.
- You are entitled to benefit from capital growth and Dividends (if any), including any franking credits (if any) relating to the Underlying Securities. Please see section 9 'Additional Information' for more detail.

(See section 4.2 'Leverage magnifies losses' for associated risks.)

Limited recourse

Your liability to Macquarie is limited to the proceeds which Macquarie receives from exercising its rights under the Security Interests to dispose of the entire Underlying Portfolio.

Flexibility

- A Facility gives you the freedom to choose the Underlying Securities to which you wish to have exposure.
- You may also determine the level of your Current Facility LVR (up to the Maximum Facility LVR) by either electing to set your First Instalment at a higher percentage of the Purchase Price or by making Early Instalment Payments to reduce it.
- A Facility also allows you to acquire additional Instalment Receipts at any time.
- You may also elect an Early Closure of your Instalment Receipts or an Early Completion Payment if your investment strategy changes or you change your view on an Underlying Security.
- The ability to choose between a fixed or variable Interest Rate allows you to structure your Instalment Receipts according to your view on interest rates.

(See sections 4.4 'Responsibility for your own investment decisions' and 4.9 'A rise in Interest Rates' for associated risks.)

Availability for Self Managed Superannuation Funds

Instalment Receipts are a permitted investment for Self Managed Superannuation Funds provided the investment complies with the fund's investment strategy and is in the best interests of the members of the superannuation fund (see section 8.1 'Superannuation investments' for more details).

(See section 4.11 'Superannuation investments' for associated risks.)

How does a Facility work and what factors affect it?

3.1 Application for a Facility and purchase of Instalment Receipts

3.1.1 How to apply for a Facility

To purchase Instalment Receipts, you will need to apply for a Macquarie Equity Lever Facility. The steps to apply for a Facility are outlined in section 14 of this PDS.

3.1.2 Investment Instructions

You can apply for Instalment Receipts (called an **Investment Instruction**) in section 4 of the Application Form or, if you prefer to invest at a later date, on any Business Day once your Application for a Facility has been accepted by Macquarie. If you choose to submit your Investment Instructions at a later date you can do so by mailing or faxing the relevant form to Macquarie, or through any other means made available to you by Macquarie.

Your Investment Instruction must generally specify the terms of the Instalment Receipts that you wish to acquire, including:

- the Underlying Security⁵ (over which Instalment Receipts are to be issued)
- the total value of the Underlying Security to purchase, and
- the proposed Investment Amount (see section 3.1.4 for details).

It is important that your Investment Instruction specifies a dollar Investment Amount (eg \$50,000) AND NOT a number of Instalment Receipts. You must ensure that your Investment Amount, the amount you pay when you provide Macquarie with an Investment Instruction, is paid to Macquarie as a Cleared Payment, otherwise your Investment Instruction may not be accepted.

Before accepting an Investment Instruction, Macquarie may be required by law to collect more information and documentation from you about your circumstances. In those circumstances, the processing of your Investment Instructions may be delayed.

3.1.3 Issuing Instalment Receipts

Following receipt of your Investment Instruction, Macquarie will endeavour to fill your request. Whether and how quickly Macquarie is able to issue you with Instalment Receipts will depend on a number of circumstances including, amongst others, whether your Application for a Facility has been accepted, whether Macquarie is required to collect more information to process that Investment Instruction for you and whether Macquarie is able to obtain the Underlying Securities to sell to you.

If your Investment Instruction has been accepted, then:

- the Purchase Price of the Underlying Security will be the Closing Price on the same Business Day if your Investment Instructions are accepted prior to 2pm Sydney time on a Business Day, and
- the Purchase Price of the Underlying Security will be the Closing Price on the following Business Day, if your Investment Instructions are accepted **after** 2pm Sydney time on a Business Day,

unless otherwise agreed with Macquarie.

Macquarie may, in its absolute discretion, accept or reject your Investment Instruction in whole or in part.

Prior to Macquarie accepting an Investment Instruction, you may withdraw your Investment Instruction in whole or in part. However, once it has been Accepted, you may not amend or cancel an Investment Instruction. However, you may have 'cooling off' rights (see section 8.3 for more detail).

Following Acceptance of your Investment Instruction (whether in whole or in part), Macquarie will apply the Investment Amount to the payment of the First Instalment (and the other fees referred to in section 3.1.4) for your Instalment Receipts, transfer the Underlying Securities to the Security Trustee and issue the Instalment Receipts to you. The number of Instalment Receipts you receive in respect of an Investment Instruction will be determined by Macquarie based on the total value of the Underlying Securities you nominate to be purchased and the applicable Purchase Price.

Acceptance is conditional upon Macquarie's receipt of the Investment Amount as a Cleared Payment. If Macquarie does not receive the Investment Amount as a Cleared Payment, Macquarie may, in its absolute discretion withdraw its Acceptance, sell the Underlying Securities and cancel the Instalment Receipts. You will be liable for any loss on the value of the Underlying Securities, Brokerage and any other costs incurred by Macquarie.

3.1.4 The Investment Amount

The Investment Amount will be applied to pay:

- the First Instalment and
- the Issuance Fee,

for each Instalment Receipt that Macquarie will issue to you.

See sections 5.4.1 'Issuance Fee' and section 1.1 'What is an Instalment Receipt' for further details.

Please note that the minimum Investment Amount for your initial Investment Instruction is \$20,000. The minimum Investment Amount for each subsequent Investment Instruction is \$2,000.

Macquarie may accept Investment Instructions for lesser amounts at its discretion.

Any Investment Amount held by Macquarie prior to the Acceptance of an Investment Instruction and the issue of Instalment Receipts will be held in a non-interest bearing trust account.

⁵ Underlying Securities that are available are identified on the Approved List, available via macquarie.com.au/equitylever or as otherwise agreed with Macquarie. Macquarie's Approved List does not constitute a recommendation in relation to the Underlying Securities and must not be construed as an express or implied endorsement of the Underlying Securities.

3.1.5 Investment Confirmation

Once your Investment Instruction is Accepted and your Instalment Receipts are issued, Macquarie will send you an Investment Confirmation for the Instalment Receipts, which will notify you of:

- the number of Instalment Receipts issued to you
- the Underlying Securities for those Instalment Receipts and the applicable Purchase Price
- the scheduled Completion Date
- the amount of the First Instalment paid on each Instalment Receipt
- the Issuance Fee
- the amount of the Final Instalment for each Instalment Receipt
- the Interest Payment Date (being the date upon which each Interest Amount is capitalised), and
- the current Interest Rate.

3.1.6 How do I purchase my initial Instalment Receipts?

Explanation	Example
<ul style="list-style-type: none"> • Once your Application for a Facility has been accepted, you lodge an Investment Instruction together with your Investment Amount. • Then, once Macquarie has accepted your Investment Instruction: <ul style="list-style-type: none"> – the Underlying Securities are transferred to the Security Trustee to be held on trust for you (subject to Macquarie's Security Interest) – the Investment Amount is applied in payment of the First Instalment and Issuance Fee, and – the Instalment Receipts are issued to you. • Following the issue of your Instalment Receipts, Macquarie sends you an Investment Confirmation, which confirms the terms of your investment. 	<ul style="list-style-type: none"> • Stephen wishes to purchase Instalment Receipts over UVW Securities. • UVW Securities are currently trading on the ASX at \$5.00.⁶ • UVW Securities are on Macquarie's Approved List and have a Published Instalment Receipt LVR of 50 per cent (and a Minimum Initial Instalment Receipt LVR of 10 per cent). • Stephen wishes to invest a total of \$50,000 as the First Instalment in Instalment Receipts over UVW Securities with a total Purchase Price of \$100,000. • Stephen lodges an Investment Instruction for Instalment Receipts with a total Purchase Price for the Underlying Securities of \$100,000 and an Investment Amount of \$50,200⁷ (being the First Instalment of \$50,000 plus the Issuance Fee of 0.20 per cent). • Three Business Days after Stephen's Investment Instruction is accepted, Macquarie issues Stephen with 20,000 Instalment Receipts and shortly after issues an Investment Confirmation showing: <ul style="list-style-type: none"> – number of Instalment Receipts over UVW Securities 20,000 – Purchase Price of \$5.00 per UVW Security – total of First Instalments paid \$50,000 – total of Final Instalments owing \$50,000 – Interest Rate is variable (currently 7.95 per cent pa)⁸ – Interest Payment Date is the first day of each calendar month in the term of the Instalment Receipts – Completion Date 15 March 2024, and – Issuance Fee paid \$200 (0.20 per cent of the Total Purchase Price of the Underlying Securities).

⁶ For the purposes of this example, it is assumed that this price remains the same until the Instalment Receipts are issued and that this price is therefore the Purchase Price.

⁷ In the examples in this section, unless otherwise stated, all dollar amounts of or above \$1,000 are rounded down to the nearest whole dollar; all dollar amounts below \$1,000 are rounded down to the nearest whole cent.

⁸ Interest may be fixed or variable (as specified in the Investment Confirmation). Fixed interest is payable annually in advance. Variable interest is payable monthly in arrears. Indicative variable rates are available at macquarie.com.au/equitylever.

3. How does a Facility work and what factors affect it?

3.1.7 Can I purchase additional Instalment Receipts?

You may submit additional Investment Instructions to Macquarie to purchase additional Instalment Receipts over the same or other Underlying Securities that are available on the Approved List (or as otherwise agreed with Macquarie). All additional Investment Instructions must be submitted with the required Investment Amounts.

If Macquarie accepts your request, you will be provided with an Investment Confirmation for the additional Instalment Receipts. The additional Instalment Receipts will be added to your Facility.

Please note that, depending on the Commencement Date of these new Instalment Receipts, the Completion Date of your new Instalment Receipts may be different to the existing Instalment Receipts held in your Facility.

Explanation	Example
<ul style="list-style-type: none"> You lodge an Investment Instruction together with your Investment Amount for additional Instalment Receipts. The minimum First Instalment for each Instalment Receipt is normally the Purchase Price of the Underlying Security multiplied by (1 - the Published Instalment Receipt LVR). So, if the Published Instalment Receipt LVR is 50 per cent and the Purchase Price is \$4.00, the minimum First Instalment would normally be 50 per cent of the Purchase Price (ie \$2.00). However, if you hold existing Instalment Receipts in your Facility AND your Current Facility LVR is lower than the Facility LVR, the First Instalments may be reduced by the available capacity in your Facility, determined in accordance with the following formula: Available capacity = Underlying Portfolio value x Facility LVR - Total Completion Payments You may also elect to purchase the new Instalment Receipts at a lower Instalment Receipt LVR by making a larger First Instalment contribution, provided the First Instalment remains less than the Purchase Price x (1 - the Minimum Initial Instalment Receipt LVR). 	<ul style="list-style-type: none"> Following his initial purchase of Instalment Receipts, Stephen wishes to apply for additional Instalment Receipts over XYZ Securities. XYZ Securities are currently trading on the ASX at \$4.00.⁹ Stephen wishes to apply for a total Purchase Price of the Underlying Securities of \$40,000. XYZ Securities are on Macquarie's Approved List and have a Published Instalment Receipt LVR of 50 per cent. The Issuance Fee is 0.20 per cent. In order to work out how much Stephen must contribute as a First Instalment, he contacts Client Service at Macquarie to find out if there is any capacity in his Facility that he can utilise. <p>Example 1: Current Facility LVR is lower than the Facility LVR</p> <ul style="list-style-type: none"> The existing Underlying Securities over which Stephen holds Instalment Receipts in his Facility (the UVW Securities) have appreciated in value such that his Current Facility LVR is lower than his Facility LVR by an amount that gives him an available capacity in his Facility of \$15,000. Stephen would normally be required to contribute \$20,000 (ie \$40,000 x (1 - Published Instalment Receipt LVR) (50 per cent)) in First Instalment payments. However, due to the available capacity in his Facility he is only required to invest a minimum of \$5,000 as his total First Instalments for these Instalment Receipts (he can contribute more if he chooses). Stephen lodges an Investment Instruction for a Purchase Price of \$40,000 in Instalment Receipts over XYZ Securities and an Investment Amount (First Instalment plus Issuance Fee) of \$5,080. On 16 May 2014, Macquarie issues Stephen with 10,000 Instalment Receipts over XYZ Securities and, shortly after, issues an Investment Confirmation showing: <ul style="list-style-type: none"> number of Instalment Receipts over XYZ Securities 10,000 Purchase Price of XYZ Securities \$4.00 total of First Instalments paid \$5,000 total of Final Instalments owing \$35,000 Interest Payment Date is the first day of each calendar month in the term of the Instalment Receipts Interest Rate is variable (currently 7.95 per cent pa)¹⁰ Completion Date 16 May 2024, and Issuance Fee paid of \$80 (0.20 per cent of the Purchase Price of the Underlying Securities).

⁹ For the purposes of this example, it is assumed that this price remains the same until the Instalment Receipts are issued and that this price is therefore the Purchase Price.

¹⁰ Interest may be fixed or variable. Indicative variable rates are available at macquarie.com.au/equitylever.

Explanation	Example
<ul style="list-style-type: none"> If your Current Facility LVR is higher than the Facility LVR, but less than the Maximum Facility LVR, your Investment Instruction may still be accepted if any additional Instalment Receipts are acquired with a Final Instalment equal to or less than the maximum Final Instalment based on the Published Instalment Receipt LVR. For further detail on the consequences of when your Current Facility LVR is higher than the Maximum Facility LVR, please see section 3.2.3 'Instalment Acceleration Events'. 	<p>Example 2: Current Facility LVR is higher than or equal to the Facility LVR</p> <ul style="list-style-type: none"> Assume that because the value of the UVW Securities over which Stephen already holds Instalment Receipts in his Facility have fallen in value, his Current Facility LVR has risen to 56 per cent and as such the available capacity in his Facility is nil. Stephen's Current Facility LVR is greater than the Facility LVR of 50 per cent but less than the Maximum Facility LVR of 65 per cent. As Stephen's Facility is operating in the 15 per cent Buffer, Stephen can apply for additional Instalment Receipts provided his First Instalments are equal to, or greater than, (1 - the Published Instalment Receipt LVR) multiplied by the total Purchase Price of the Underlying Securities. As Stephen wishes to purchase Underlying Securities with a total Purchase Price of \$40,000, he is required to contribute at least \$20,000 as his First Instalment (he can contribute more if he chooses). Stephen lodges an Investment Instruction for Instalment Receipts relating to XYZ Securities having a total Purchase Price of \$40,000 and an Investment Amount (First Instalment plus Issuance Fee) of \$20,080. On 16 May 2014, Macquarie issues Stephen with 10,000 Instalment Receipts and shortly after issues an Investment Confirmation showing: <ul style="list-style-type: none"> number of Instalment Receipts 10,000 total of First Instalments paid \$20,000 total of Final Instalments owing \$20,000 Interest Rate is variable (currently 7.95 per cent pa)¹¹ Interest Payment Date is the first day of each calendar month in the term of the Instalment Receipts Completion Date 16 May 2024, and Issuance Fee paid of \$80 (0.20 per cent of the Purchase Price of the Underlying Securities). If Stephen's Current Facility LVR had been greater than the Maximum Facility LVR of 65 per cent he would not have been permitted to transact, see section 3.2.3 'Instalment Acceleration Events' for more details.

¹¹ Interest may be fixed or variable. Indicative rates are available at macquarie.com.au/equity/lever.

3. How does a Facility work and what factors affect it?

3.2 What will happen during the term of my investment in Instalment Receipts through a Facility?

This section illustrates how your investment in Instalment Receipts through a Facility works over the investment term. You should note that there are a number of factors (including those outlined in section 4 'Risks' and section 9 'Additional information') which may affect the operation of your Facility.

You should also note that these examples do not account for any fees you may be charged by your Adviser in connection with your Facility.

3.2.1 How do Interest and Dividends impact my Outstanding Instalment Balance?

Depending on whether you choose a fixed or variable Interest Rate, the nature of payments for your Instalment Receipts will vary. Below are graphs which show the effect of this difference on the Outstanding Instalment Balance as Dividends are paid, and Capitalised Interest accrues, to a single Instalment Receipt. The graphs show the effect when dividends paid both exceed, and are less than, capitalised interest. The graphs assume that:

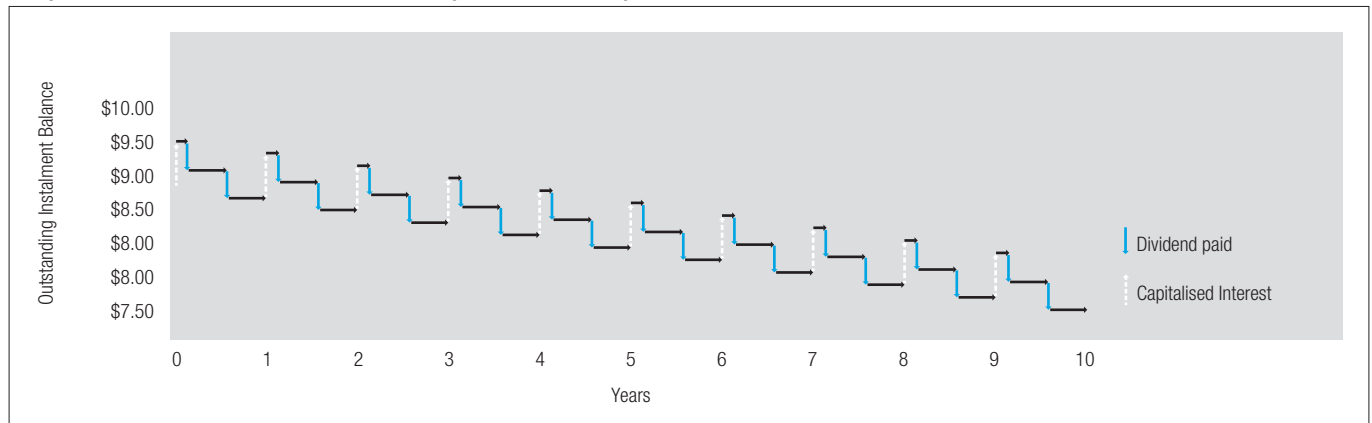
- Underlying Security dividends are paid twice annually and remain constant over the investment term
- interest rates in respect of the Instalment Receipts remain constant of the investment term, and
- all dividends paid are used to reduce the Outstanding Instalment Balance.

You should note that Underlying Security dividends and Instalment Receipt interest rates are highly unlikely to remain constant over time.

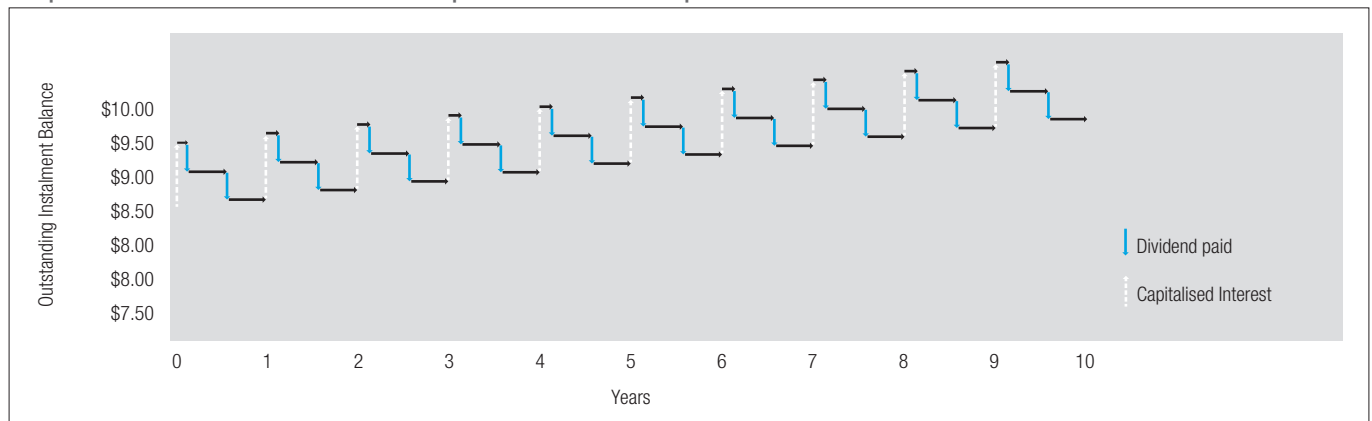
Graphs 1 (fixed interest) and 3 (variable interest) show examples where dividends received and used to pay down the Outstanding Instalment Balance over the term exceed interest capitalised.

Graphs 2 (fixed interest) and 4 (variable interest) show examples where dividends received and used to pay down the Outstanding Instalment Balance over the term are less than interest capitalised.

Graph 1: Fixed interest when dividends paid exceed capitalised interest

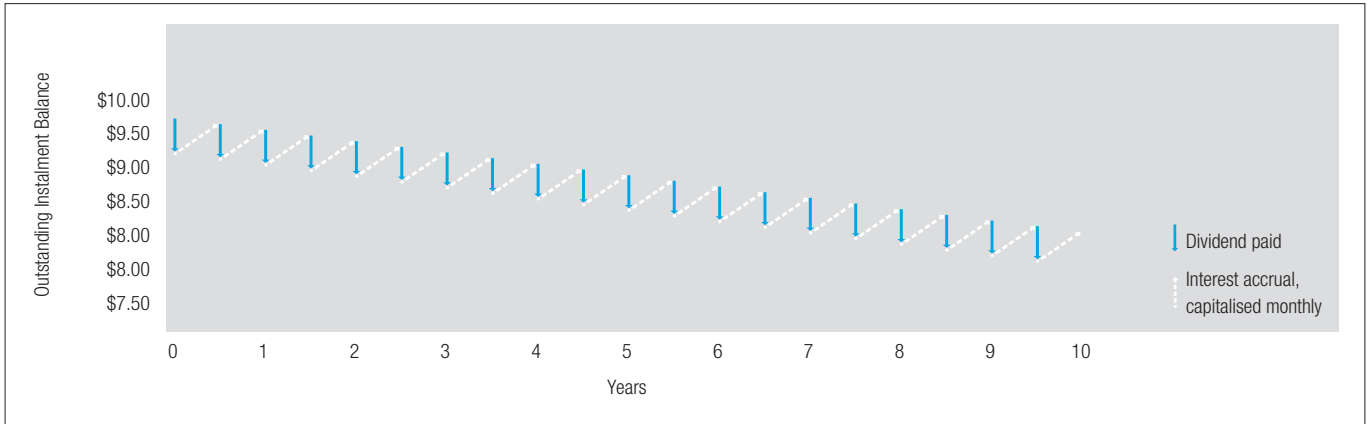


Graph 2: Fixed interest when dividends paid are less than capitalised interest

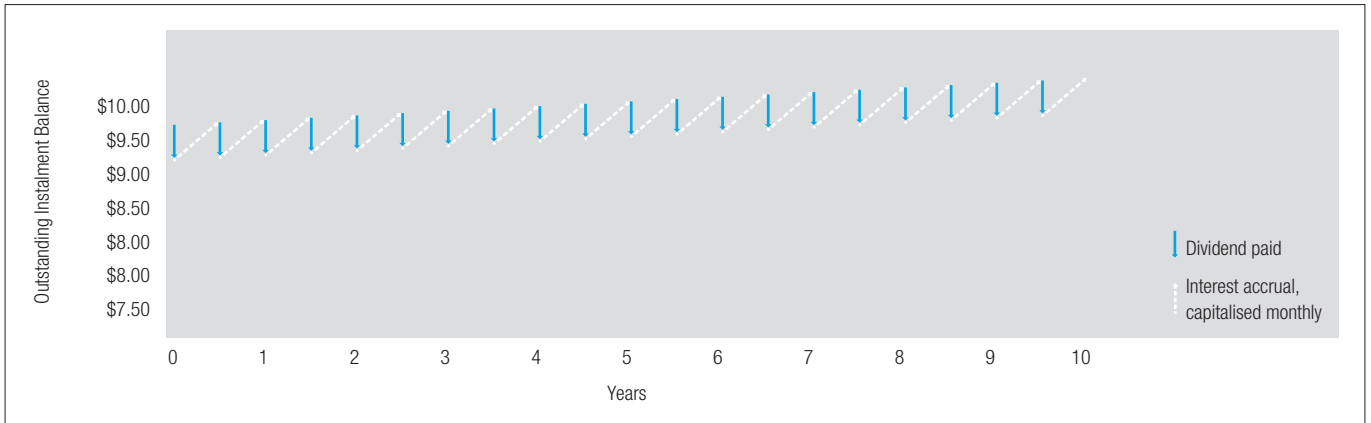


Note: these examples are for illustrative purposes only and do not reflect actual Dividends paid or which may be payable on any Underlying Security or actual Capitalised Interest amounts which may be payable on an Instalment Receipt. There is no guarantee that any Dividends will be paid.

Graph 3: Variable interest when dividends paid exceed capitalised interest



Graph 4: Variable interest when dividends paid are less than capitalised interest



Note: these examples are for illustrative purposes only and do not reflect actual Dividends paid or which may be payable on any Underlying Security or actual Interest Amounts which may be payable on an Instalment Receipt. There is no guarantee that any Dividends will be paid.

See section 3.4 'Equity versus exposure' for more details on the potential impact that variations in the amounts payable by you and to you in connection with your Facility (including any Outstanding Instalment Balance and Capitalised Interest accrual) may have on your equity and exposure.

3. How does a Facility work and what factors affect it?

Explanation	Example
<p>Interest</p> <ul style="list-style-type: none"> On each Interest Payment Date, the Interest Amount on the Outstanding Instalment Balance and any Unpaid Completion Payment is capitalised to the Outstanding Instalment Balance or Unpaid Completion Payment (as applicable). Where the Interest Rate is variable, interest is capitalised to the Outstanding Instalment Balance or any Unpaid Completion Payment (as applicable) on a monthly basis on the first day of each succeeding month. You may also choose to fix your Interest Rate. In this case you will prepay 12 months of interest, which is capitalised to the Outstanding Instalment Balance or Unpaid Completion Payment (as applicable) on the first day of each fixed interest period. <p>See section 5 'Fees and other costs' for more information about your interest payment obligations.</p>	<ul style="list-style-type: none"> Following the above examples, Stephen has an investment in Instalment Receipts over 20,000 UVW Securities and Instalment Receipts over 10,000 XYZ Securities. Assuming the aggregate Outstanding Instalment Balance under his Facility is \$50,000 up to 16 May 2014, then following Stephen's investment in Instalment Receipts over XYZ, Stephen's Outstanding Instalment Balance is \$85,000 for the remainder of the month. Interest for the month of May in the amount of \$459.58 is capitalised to Stephen's Outstanding Instalment Balance on 1 June across all 20,000 UVW and 10,000 XYZ Instalment Receipts.¹² The aggregate Outstanding Instalment Balance increases to \$85,460 and interest is then payable on that balance from that point forward. Assuming interest capitalises each month at this same variable Interest Rate for a year (and no payments are made or Dividends received), Stephen's aggregate Outstanding Instalment Balances will increase to a total of \$91,886 on 1 May 2015 – a total interest expense of \$6,886.
<p>Dividends</p> <ul style="list-style-type: none"> Any Dividends received in relation to the Underlying Securities for your Instalment Receipts will (subject to any deduction for Tax) be used to reduce the Outstanding Instalment Balances for those Instalment Receipts. If however, your Current Facility LVR is below 40 per cent, you may direct the Security Trustee to pay any Ordinary Dividends received (subject to any deduction for Tax) directly to you rather than being applied to reduce your Outstanding Instalment Balance. You should note that if you do not provide your TFN, ABN or a relevant exemption to the Security Trustee, tax may be deducted from any Dividends received in relation to the Underlying Securities before such Dividends are either paid to you or used to reduce your Outstanding Instalment Balance). <p>See section 9 'Additional information' for the treatment of Dividends.</p>	<ul style="list-style-type: none"> Stephen chooses to fix his Interest Rate. He is offered an Interest Rate of 7.65 per cent pa. Based on his current Outstanding Instalment Balance under his Facility of \$85,000, the amount of \$7,218¹³ is capitalised to the total Outstanding Instalment Balances of Stephen's Instalment Receipts. Stephen's total Outstanding Instalment Balances have therefore increased to \$92,218. However, he incurs no further interest on those Outstanding Instalment Balances for another 12 months. An Ordinary Dividend of \$0.20 per XYZ Security is paid and given that: <ul style="list-style-type: none"> Stephen has provided his TFN Stephen's Current Facility LVR is greater than 40 per cent, and Stephen holds 10,000 Instalment Receipts over XYZ Securities, \$2,000 is used to pay the Outstanding Instalment Balances on Stephen's XYZ Instalment Receipts.

¹² This assumes a variable interest rate of 7.95% pa, which in May 2014 is approximately \$0.0169 of interest per month on the Outstanding Instalment Balance on each UVW Instalment Receipt and \$0.0236 per month of interest on the Outstanding Instalment Balance on each XYZ Instalment Receipt. Note as XYZ Instalment Receipts commenced on 16 May 2014 each XYZ Instalment Receipt is charged interest on 16 days to 31 May 2014. Monthly Interest Amount may vary depending on the number of days in the relevant month and will depend on the type of Interest Rate, ie a fixed or variable rate.

¹³ Calculated as $\$85,000 \times (1 \div (1 - 0.0765) - 1)$ (see Section 5.4.2(d) for further explanation of this calculation) plus $\$50,000 \times 7.95\% \times 15 \div 365 (1 \div (1 - 0.0765))$ for the interest accrued on the UVW instalment receipts until 16 May.

3.2.2 Optional Early Instalment Payment

You have the option to pay, prior to the Completion Date, all or part of the Outstanding Instalment Balance in respect of one or more of your Instalment Receipts (known as an **Early Instalment Payment**) on any Business Day by giving Macquarie notice to that effect. You will be required to make a Cleared Payment of the Early Instalment Payment by no later than 6pm on the Early Instalment Payment Date. Please see section 9 'Additional information' for more detail.

See section 3.3.3 "Can I pay the Completion Payment on my Instalment Receipts early?" for details of the terms applicable where you elect to pre-pay the entire Completion Payment owing in respect of an Instalment Receipt.

Explanation	Example
<ul style="list-style-type: none"> You can pay the Outstanding Instalment Balance on one or more of your Instalment Receipts by providing cash to Macquarie as an Early Instalment Payment, which will be applied to pay your Outstanding Instalment Balance. Unless instructed otherwise, Macquarie will apply this payment across your Instalment Receipts on a pro-rata basis (ie according to your Outstanding Instalment Balance). You may also use any proceeds that you receive following Early Closure of other Instalment Receipts as an Early Instalment Payment of your remaining Instalment Receipts. 	<ul style="list-style-type: none"> Stephen decides to make an Early Instalment Payment. The Interest Rate on all of Stephen's Instalment Receipts is variable. Stephen instructs Macquarie to debit \$16,820 from his nominated bank account. Payment of the Early Instalment Payment will reduce Stephen's Current Facility LVR.

Fixed Interest Adjustment

- Where your Interest Rate is a variable Interest Rate, there will be no Break Costs associated with Early Instalment Payment or Early Closure. However, where your Interest Rate is fixed, Break Costs may be applicable. However, the Break Costs will typically be less than the Residual Prepaid Interest Amount which will be applied in reduction of the Completion Payment.
- Break Costs will not be charged and your Residual Prepaid Interest Amount will not be refunded where Dividends are used to pay down the Outstanding Instalment Balance in the event your Interest Rate is fixed.

See sections 5 'Fees and other costs' for more information on Break Costs and 5.4.2(f) for more information on Residual Prepaid Interest Amounts.

3.2.3 Instalment Acceleration Events

If at 4pm, Sydney time or any earlier time on a Business Day as determined by Macquarie, your Current Facility LVR exceeds your Maximum Facility LVR, this will give rise to an Instalment Acceleration Event.

If an Instalment Acceleration Event occurs, you will be required to pay a portion of your Total Completion Payments in order to reduce your Current Facility LVR (as at the time of the occurrence of the Instalment Acceleration Event) to 5 per cent below your Maximum Facility LVR (**Instalment Acceleration Event Amount**). You will be required to take appropriate action to effect such payment by no later than the Instalment Acceleration Event Payment Time. See 'What action can I take following an Instalment Acceleration Event?' (below) for further information on the options available to you.

The Instalment Acceleration Event Payment Time will be a time between 9am and 5pm inclusive on a Business Day that is no less than 24 hours and generally no more than 30 hours after

Macquarie takes steps to notify you of the Instalment Acceleration Event (see 'How will I be notified of an Instalment Acceleration Event' below). However in Exceptional Circumstances, the Instalment Acceleration Event Payment Time may be brought forward to an earlier time between 9am and 5pm on a Business Day that is no less than 12 hours after Macquarie takes steps to give notice of the Instalment Acceleration Event. An "Exceptional Circumstance" will occur when the S&P/ASX 200 Index or the Market Value of an Underlying Security falls 10 per cent or more within any 24 hour period or when your Current Facility LVR increases to 85 per cent or above at any time.

An Instalment Acceleration Event may be brought about by a combination of factors including:

- a fall in the price of the Underlying Securities
- increases in your Total Completion Payments due to capitalising and accruing interest, or
- the Published Instalment Receipt LVR being reduced by Macquarie.¹⁴

¹⁴ Macquarie may determine that a particular Underlying Security no longer qualifies for the Approved List. Upon removal from the Approved List, Macquarie will no longer accept Investment Instructions in respect of that Underlying Security. In certain circumstances, Macquarie may also vary the Instalment Receipt LVR of an Underlying Security to a level which may be as low as zero per cent.

3. How does a Facility work and what factors affect it?

If, for example, the Market Value of an Underlying Security falls, your Total Completion Payments stays the same but your Current Facility LVR (which is your Total Completion Payments as a percentage of the Market Value of your entire Underlying Portfolio) will increase. For a description of how your Current Facility LVR is calculated please see section 1.5 'What is the Leverage to Valuation Ratio (LVR)?'.

If an Instalment Acceleration Event occurs and no action is taken by you by the Instalment Acceleration Event Payment Time, Macquarie is authorised to instruct the Security Trustee to dispose of all or part of your Underlying Portfolio to produce sufficient proceeds to reduce your Current Facility LVR to 5 per cent below your Maximum Facility LVR and to pay any Brokerage. In this instance the calculation of the number of Underlying Securities Macquarie will need to sell will be determined with reference to your Current Facility LVR as at the time of disposal rather than at the time the Instalment Acceleration Event occurred. This means that where the value of the Underlying Securities has increased after the occurrence of an Instalment Acceleration Event, fewer Underlying Securities will need to be sold. Conversely, where the value of the Underlying Securities has decreased after the occurrence of an Instalment Acceleration Event more Underlying Securities will need to be sold.

A Buffer is added to your Facility LVR to reduce the likelihood of an Instalment Acceleration Event due to small market fluctuations in your Underlying Securities. The Facility LVR

plus the Buffer is the **Maximum Facility LVR**. If your Facility is subject to an Instalment Acceleration Event, you are not required to pay the entire Buffer amount. Instead, you will only be required to pay an amount sufficient to reduce your Current Facility LVR to 5 per cent below the Maximum Facility LVR.

You do not need to wait for an Instalment Acceleration Event to occur before you take action. You can reduce your Current Facility LVR at any time, including by making a cash payment.

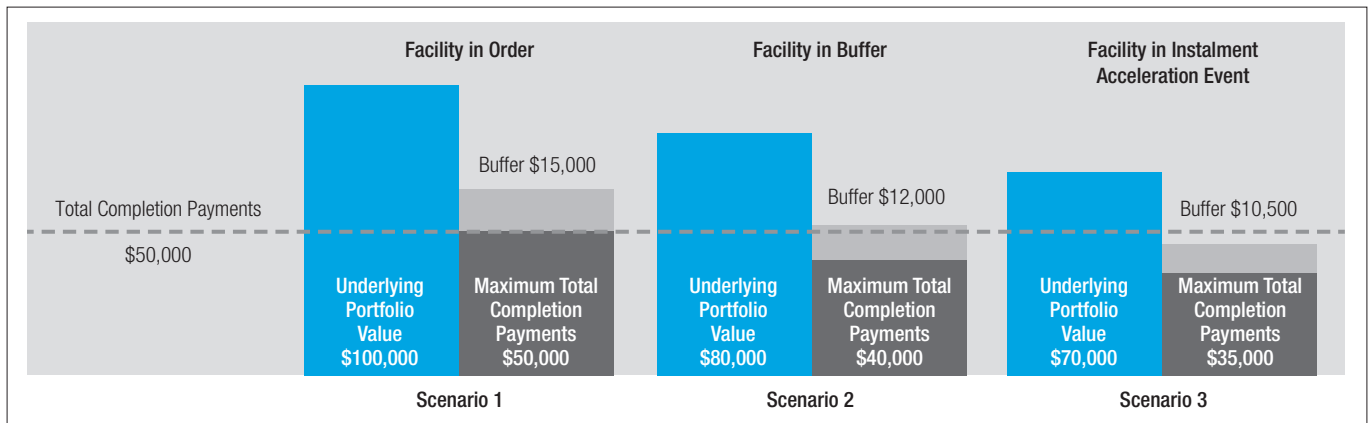
How does the Buffer work?

To illustrate, assume that the Maximum Facility LVR of your Facility is 65 per cent (which is made up of a Facility LVR of 50 per cent plus the Buffer, which is 15 per cent) and the aggregate of the Total Completion Payments under your Facility is \$50,000.

Scenario 1 – Facility in Order: your Current Facility LVR is equal to or less than the Facility LVR – no Instalment Acceleration Event.

Scenario 2 – Facility in Buffer: your Current Facility LVR is greater than the Facility LVR, but less than the Maximum Facility LVR. Your Facility is within the 15 per cent Buffer – no Instalment Acceleration Event.

Scenario 3 – Instalment Acceleration Event: your Current Facility LVR is greater than the Maximum Facility LVR. In this scenario, an \$8,000 adjustment must be made to reduce your Current Facility LVR to 5 per cent below the Maximum Facility LVR (ie to reduce your Current Facility LVR to 60 per cent).



How much does the Market Value of your Underlying Portfolio need to fall to cause an Instalment Acceleration Event?

Different Facilities may have different Facility LVRs. This is because the Facility LVR depends on:

- which Underlying Securities make up your Underlying Portfolio
- the Published Instalment Receipt LVR of each Underlying Security, and
- the Total Completion Payments payable.

The table below shows how far the Market Value of your Underlying Portfolio must fall to cause an Instalment Acceleration Event. For example, if your Facility has a Maximum Facility LVR of 65 per cent and your Current Facility LVR is 45 per cent, your Underlying Portfolio would need to fall by 31 per cent to cause an Instalment Acceleration Event.

Current Facility LVR	Necessary fall in Market Value of Underlying Portfolio*
50%	23%
45%	31%
40%	38%
35%	46%

* Assumes the Facility LVR is 50 per cent and the Buffer is 15 per cent.

Calculator

Macquarie has developed a calculator which is available at macquarie.com.au/equitylever and can assist you by demonstrating the interaction between your Current Facility LVR, market movements and Instalment Acceleration Events.

How will I be notified of an Instalment Acceleration Event?

Macquarie will take reasonable steps to give notice of an Instalment Acceleration Event as soon as is reasonably practicable following the occurrence of an Instalment Acceleration Event. Depending on your particular circumstances, Macquarie will contact:

1. you or
2. you and your Authorised Representative (if you have appointed one), by any of the following means:
 - a) email
 - b) telephone
 - c) SMS, or
 - d) other electronic messaging means,

in accordance with the contact details on your Application Form, or any other details subsequently notified to Macquarie from time to time.

Contact details or changes to contact details must be notified to Macquarie in writing no less than five Business Days prior to an Instalment Acceleration Event. Therefore if you have notified Macquarie of your new contact details but these have not been processed prior to an Instalment Acceleration Event, notification of an Instalment Acceleration Event may still be given via your existing contact details.

Macquarie may, at its election, also notify your Adviser (even if not your Authorised Representative) of the occurrence of an Instalment Acceleration Event.

What if I cannot be contacted?

Appointing a secondary contact

If you advise us that on an ongoing basis you are unlikely to be able to be contacted at the contact details provided by you, you will be required to appoint a licensed financial Adviser as your Authorised Representative to receive notices of Instalment Acceleration Events and to give instructions in response to those notices, on your behalf.

Even if you are generally able to be contacted at the contact details provided by you, to reduce the risk of Macquarie being unable to successfully contact you following the occurrence of an Instalment Acceleration Event, you can appoint an Authorised Representative to receive notices of Instalment Acceleration Events (and other notices), on your behalf. Notices of an Instalment Acceleration Event will then be sent to both you and your Authorised Representative. In addition to authorising your Authorised Representative to receive notices on your behalf, you will also authorise your Authorised Representative to make transaction decisions on your behalf. If you have not appointed your Adviser as your Authorised Representative, your Adviser will not be able to give instructions in response to an Instalment Acceleration Event on your behalf even if Macquarie notifies the Adviser of the Instalment Acceleration Event.

If you would like, or are required, to appoint an Authorised Representative, you can complete section 9 of the Application Form or you can appoint an Authorised Representative at a later time by visiting the Equity Lever website at macquarie.com.au/equitylever or calling Client Service on 1800 080 033 and obtaining the relevant form.

There may be certain circumstances in which you and your Authorised Representative cannot be successfully contacted. If Macquarie has taken reasonable steps to notify you and your Authorised Representative, if any, of an Instalment Acceleration Event but is unsuccessful, then Macquarie may, at any time after the Instalment Acceleration Event Payment Time, dispose of some or all of your Underlying Securities and apply some of the proceeds of sale to reduce your Current Facility LVR (at the time of disposal) to 5 per cent below the Maximum Facility LVR. In order to avoid this, you can provide Macquarie with Standing Instructions.

Standing Instructions

You may give Macquarie Standing Instructions to direct debit your nominated bank account with the Instalment Acceleration Event Amount. If you have provided Macquarie with Standing Instructions you and your Authorised Representative, if any, will still be notified of an Instalment Acceleration Event. However, in the absence of any contrary instructions before the Instalment Acceleration Event Payment Time, you will be deemed to have given Macquarie an instruction to debit your nominated bank account with the Instalment Acceleration Event Amount at the Instalment Acceleration Event Payment Time. If a direct debit of your nominated bank account effected in accordance with your Standing Instructions does not result in a Cleared Payment of the Instalment Acceleration Event Amount within 24 hours of the Instalment Acceleration Event Payment Time, Macquarie is authorised to instruct the Security Trustee to dispose of the Underlying Securities and apply some of the proceeds of sale to reduce your Current Facility LVR (at the time of disposal) to 5 per cent below the Maximum Facility LVR.

What action can I take following an Instalment Acceleration Event?

Prompt action must be taken when your Facility is subject to an Instalment Acceleration Event.

In the event of an Instalment Acceleration Event, you (or your Authorised Representative, if applicable) will have four options:

1. Make a cash payment

You can make a cash payment equal to the Instalment Acceleration Event Amount. Macquarie will be able to tell you the Instalment Acceleration Event Amount payable when you are notified of the Instalment Acceleration Event. This payment must be made by the Instalment Acceleration Event Payment Time by you direct crediting your Facility via your financial institution's internet banking and providing us confirmation of the transaction.

3. How does a Facility work and what factors affect it?

2. Give a Direct Debit Instruction

You can contact Client Service by the Instalment Acceleration Event Payment Time to arrange for the Instalment Acceleration Event Amount to be debited from your nominated bank account. If your instruction does not result in a Cleared Payment of the Instalment Acceleration Event Amount within 24 hours of the giving of the instruction then Macquarie is authorised to instruct the Security Trustee to dispose of all or part of your Underlying Portfolio as will produce proceeds sufficient to reduce your Current Facility LVR (at the time of disposal) to 5 per cent below the Maximum Facility LVR and to pay any Brokerage.

3. Request Early Closure of your Instalment Receipts

You can choose to request Early Closure of such number of the Instalment Receipts held in your Facility as will produce proceeds sufficient to pay the Instalment Acceleration Event Amount (see section 3.2.4 for details of 'Early Closure'). If you decide to request Early Closure of your Instalment Receipts as the result of an Instalment Acceleration Event, Macquarie will dispose of the Underlying Securities. The sale proceeds will be used to pay the Completion Payment relevant to those Instalment Receipts and any remaining sale proceeds will be applied to pay the Instalment Acceleration Event Amount. To request Early Closure of your Instalment Receipts as a response to an Instalment Acceleration Event you must contact Client Service by the Instalment Acceleration Event Payment Time. Macquarie accepts no obligation to you to act upon your request at a specific time. If you request Early Closure of specific Instalment Receipts, but the Underlying Securities to which the notice relates are suspended from trading or are otherwise unable to be sold as a result of circumstances beyond Macquarie's or the Security Trustee's control, on the day on which the Instalment Acceleration Event Payment Time occurs, Macquarie is authorised to instruct the Security Trustee to dispose of all or part of your Underlying Portfolio as will produce proceeds sufficient to reduce your Current Facility LVR (at the time of disposal) to 5 per cent below the Maximum Facility LVR and to pay any Brokerage.

4. Do nothing

If, by the expiry of the Instalment Acceleration Event Payment Time, you (or your Authorised Representative, if applicable) do not:

- a) make a sufficient cash payment
- b) arrange a sufficient debit from your nominated bank account, or
- c) request Early Closure of a sufficient number of your Instalment Receipts,

then Macquarie is authorised to instruct the Security Trustee to dispose of all or part of your Underlying Portfolio as will produce proceeds sufficient to reduce your Current Facility LVR (at the time of disposal) to 5 per cent below the Maximum Facility LVR and to pay any Brokerage.

Macquarie may reasonably determine the particular Underlying Securities that are to be sold and the portion of the Total Completion Payments to which the proceeds of sale are to be applied. The Underlying Securities will be sold at a time determined by Macquarie, at the price quoted on the ASX for those Underlying Securities at that time, or if the Underlying Securities are not listed on the ASX, at the best price reasonably obtainable having regard to circumstances existing at the time. Break Costs may be payable in respect of any prepayment of your Total Completion Payments following an Instalment Acceleration Event.

Risks

There are risks inherent in the above options when responding to an Instalment Acceleration Event. In particular, Macquarie/ the Security Trustee is not obliged to dispose of the Underlying Securities at a particular time. See section 4.3 'Occurrence of an Instalment Acceleration Event' for additional information regarding the risks associated with Instalment Acceleration Events.

3.2.4 Can I close out my investment in Instalment Receipts early? – Early Closure

Explanation	Example
<ul style="list-style-type: none"> • You can elect to close out your Instalment Receipts on any Business Day prior to the scheduled Completion Date(s) by giving Macquarie notice substantially in the form of a Completion Notice specifying an Early Closure Date provided that: <ol style="list-style-type: none"> 1) the Early Closure Date specified is not a date on which the Underlying Securities are suspended from trading or otherwise unable to be sold, and 2) if the Early Closure notice is given after 2pm on the Early Closure Date specified, the Early Closure Date shall be deemed to be the following Business Day. • If you elect Early Closure, Macquarie will direct the Security Trustee to sell the Underlying Securities on the Early Closure Date. The Underlying Securities shall be sold at the price quoted on the ASX for those Underlying Securities at the time of sale, or if the Underlying Securities are not listed on the ASX, at the best price reasonably obtainable having regard to circumstances existing at the time. Macquarie does not give any assurances as to what time your Underlying Securities will be sold on the Early Closure Date. • Settlement will generally occur three Business Days after sale of the Underlying Securities. Interest will continue to accrue on any Unpaid Completion Payment until the day before the earlier of the date the Unpaid Completion payment is due for payment or the date it is paid in full. • If Macquarie reasonably believes that on Early Closure your Current Facility LVR will exceed your Facility LVR then Macquarie can require you to pay a portion of the Total Completion Payments so as to reduce your Current Facility LVR to your Facility LVR. • The sale proceeds¹⁵ will be applied: <ol style="list-style-type: none"> 1) to pay the Completion Payments in respect of the relevant Instalment Receipts 2) to pay part of the Total Completion Payments necessary to ensure your Current Facility LVR does not exceed (or is reduced to) your Facility LVR 3) towards any payment of any Investment Amount owing following Acceptance by Macquarie of a new Investment Instruction. 	<ul style="list-style-type: none"> • Stephen owns Instalment Receipts over UVW and XYZ Underlying Securities. <p>Example 1: On 19 May 2015, Stephen decides to close out his UVW Instalment Receipts.</p> <ul style="list-style-type: none"> • Stephen notifies Macquarie of his request for Early Closure, effective on 26 May 2015 and requests that the proceeds be transferred to his nominated bank account. • Macquarie instructs the Security Trustee to sell the UVW Securities on 26 May 2015 and they are sold for a Sale Price of \$6.742 per share, giving total sale proceeds of \$134,840. • As the sale was processed on 26 May 2015, the trade will settle on 31 May 2015. • The sale proceeds are applied to payment of the Completion Payments which comprise the Outstanding Instalment Balances (\$54,123), the Accrued Interest to 29 May (\$330.08¹⁶) and Brokerage (0.20 per cent of the Sale Price) on the sale of the Underlying Securities (\$269.68). There are no Break Costs payable because the Interest Rate is variable. • Macquarie calculates that following the sale of the UVW Securities and payment of the Completion Payment, Stephen's Current Facility LVR would increase from 49 per cent to 70 per cent. • Macquarie calculates that in order to ensure that Stephen's Current Facility LVR only increases to 50 per cent, Stephen will have to make a payment of the Total Completion Payments totalling \$10,800. • Macquarie therefore applies \$10,800 from the sale proceeds to reduce the Current Facility LVR to 50 per cent by partially paying the Outstanding Instalment Balances of the remaining XYZ Instalment Receipts. • Macquarie then pays the balance of the sale proceeds of \$69,317 to Stephen. • If Stephen had previously elected to fix the Interest Rate on the Outstanding Instalment Balance of \$51,353 until 31 August 2015 the Outstanding Instalment Balance, including Capitalised Interest, would be \$55,606.¹⁷ • The sale proceeds would also be applied to pay for Break Costs of \$55.55¹⁸ (assuming four months (rounded up) of fixed period remaining and rates had fallen 0.30 per cent since fixing), Brokerage of \$269.68 and Residual Prepaid Interest of \$1,095¹⁹ would be refunded. • Stephen would have received the balance of the sale proceeds, less the amount applied to the XYZ Instalment Receipts, of \$69,203. • Break Costs may also be payable on the Instalment Receipts prepaid in order to reduce Stephen's Current Facility LVR to 50 per cent in the event the interest on them is also fixed and prepaid.

¹⁵ This amount is net of any costs of the Security Trustee and any Brokerage in relation to the sale (See section 12 'Glossary' Order of Payment for details).

¹⁶ Accrued Interest for 30 days calculated as \$54,123 x 7.95% x 30 ÷ 365 = \$353.65.

¹⁷ Based on a total Outstanding Instalment Balance of \$51,353 the fixed balance is \$55,606 (calculated as \$51,353 x (1 ÷ (1 - 0.0765))).

¹⁸ Break Cost of \$55.55 calculated as BC = (((1+(0.30%))^(3 ÷ 12)) - 1) x 55,606 = \$55.55.

¹⁹ Prepaid interest is equal to \$55,606 - \$51,353 = \$4,253. Based on settlement on 29 May, prepaid interest for 94 days is outstanding is \$4,253 x 94 ÷ 365 = \$1,095.

3. How does a Facility work and what factors affect it?

Explanation	Example
<ul style="list-style-type: none">• You may direct that any residual proceeds:<ol style="list-style-type: none">1) be applied to pay Outstanding Instalment Balances on other Instalment Receipts in your Facility, or2) be sent to your nominated bank account.• In the absence of any contrary direction, you will be taken to have directed Macquarie to apply residual proceeds to pay Outstanding Instalment Balances on other Instalment Receipts in your Facility.• In the event that sale proceeds received from the sale of the Underlying Securities are insufficient to pay the corresponding Completion Payments, any Unpaid Completion Payment will be included in the Total Completion Payments used to calculate your Current Facility LVR, as explained in section 1.5 'What is the Leverage to Valuation Ratio (LVR)?'.• Any Unpaid Completion Payment remains an amount due for payment on the earlier of the original Completion Date of the relevant Instalment Receipt and the date upon which you cease to hold any Instalment Receipts. If an Unpaid Completion Payment is not paid by the original Completion Date, Macquarie shall be entitled to exercise its Security Interest and sell the Underlying Securities of your other Instalment Receipts. The proceeds of sale will be applied to pay the balance of the Unpaid Completion Payment then owing.• In the event you have previously elected to fix the interest on your Instalment Receipts, the proceeds of the sale of your Underlying Securities will also result in a Fixed Interest Adjustment being applied to the Completion Payment.	<p>Example 2: One month later, Stephen decides to close out his XYZ Instalment Receipts (which are now the only Instalment Receipts that he holds).</p> <ul style="list-style-type: none">• Stephen notifies Macquarie of his request for Early Closure of his XYZ Securities, effective on 30 June 2015.• Macquarie instructs the Security Trustee to sell the XYZ Securities on 30 June 2015 and they are sold for a Sale Price of \$4.647 per share, giving total sale proceeds of \$46,470.• As the sale was processed on 30 June 2015, the trade will settle on 3 July 2015.• The sale proceeds will be applied to the payment of the Completion Payments which comprise Outstanding Instalment Balances (\$23,324), Brokerage of \$92.94 and Accrued Interest of \$10.16²⁰.• Macquarie then pays the \$23,042 balance of the sale proceeds to Stephen.

3.3 Completion Payment

3.3.1 When must I pay the Outstanding Instalment Balance?

You must pay the Completion Payment for the Instalment Receipt (which includes the Outstanding Instalment Balance, plus any Interest Amounts due and any other unpaid amounts which are owed by you on the Instalment Receipt) to Macquarie by the Completion Date.

If you do not pay the Completion Payment by the Completion Date, Macquarie may direct the Security Trustee to sell some or all of your Underlying Portfolio, and the proceeds of sale will be applied to pay the Completion Payment. Your liability to Macquarie for failure to pay the Completion Payment is limited to the sale proceeds of your Underlying Portfolio (see sections 1.11 and 2 for a description of the limited recourse nature of the Instalment Receipts).

You may give a Completion Notice and make the Completion Payment early, as set out in sections 3.3.2 and 3.3.3 below.

3.3.2 Completion Notice

You must give Macquarie a duly completed Completion Notice for your Instalment Receipts by 6pm Sydney time on the Business Day which is 10 Business Days before the Completion Date of those Instalment Receipts. The Completion Notice must be accompanied by evidence of an electronic funds transfer to Macquarie for the payment of the relevant Completion Payment in respect of those Instalment Receipts. A Cleared Payment of the Completion Payment must be received by Macquarie on or before the Business Day which is five Business Days before the Completion Date for the Completion Notice to be effective.

3.3.3 Can I pay the Completion Payment on my Instalment Receipts early?

Explanation	Example
<ul style="list-style-type: none"> You can elect to pay the Completion Payment at any time prior to the Completion Date by giving Macquarie notice to that effect. The Early Instalment Payment Date will be the date specified in the notice or if no date is specified, the later of the date of receipt of the notice and the date of receipt of Cleared Payment of the Early Instalment Payment. The Completion Payment will be used to pay your liabilities to Macquarie in respect of the Instalment Receipts that you have elected to pay out early. Provided your Completion Payment is paid in Cleared Payment prior to 6pm on the Early Instalment Payment Date, Macquarie will cause legal ownership of the Underlying Securities to be transferred to you within 10 Business Days of the Early Instalment Payment Date, but only if your Current Facility LVR will not exceed your Facility LVR. If you pay the Completion Payments on all of your Instalment Receipts, your Current Facility LVR will be reduced to zero. In the event you have previously elected to fix the interest on your Instalment Receipts, the Completion Payment will also include any Break Costs and any Residual Prepaid Interest Amount will be refunded to you. 	<ul style="list-style-type: none"> Instead of closing out his investments early, as described above, Stephen continues to own Instalment Receipts over UVW and XYZ Underlying Securities. Stephen decides to pay the Completion Payment on the Instalment Receipts he continues to own. <p>Example 1: Stephen advises Macquarie that he wishes to pay the Completion Payments in respect of his XYZ Instalment Receipts on 29 May 2015, nine years before Completion Date.</p> <ul style="list-style-type: none"> Macquarie calculates the Completion Payment for all 10,000 XYZ Instalment Receipts to be \$37,993 inclusive of Outstanding Instalment Balances of \$37,763 plus Accrued Interest to 29 May 2015 of \$230.30.²¹ Stephen makes the Completion Payment of \$37,993 as a Cleared Payment to Macquarie by 29 May 2015. The XYZ Securities valued at \$54,800 are then transferred to Stephen. If Stephen had previously elected to fix his interest until 31 August 2015, the Completion Payment for all 10,000 XYZ Instalment Receipts would be \$38,098, inclusive of Outstanding Instalment Balances of \$38,098 plus Break Costs of \$64.56²² less Residual Prepaid Interest Amount of \$764.36²³ (assuming four months (rounded up) of fixed period remaining and rates have fallen 0.50 per cent since fixing). Stephen makes the Completion Payment of \$38,098 as a Cleared Payment to Macquarie by 29 May 2015. The XYZ Securities, valued at \$54,800 are then transferred to Stephen.
<p>If after paying the Completion Payment on some of your Instalment Receipts early your Current Facility LVR will exceed your Facility LVR, Macquarie may require you to reduce your Current Facility LVR by:</p> <ol style="list-style-type: none"> 1) paying part of the Total Completion Payments (see section 3.2.2), or 2) requesting Early Closure (see section 3.2.4) of some of your other Instalment Receipts, <p>before it will instruct the Security Trustee to release to you the corresponding Underlying Securities.</p>	<p>Example 2: Stephen advises Macquarie that he wishes to pay the Completion Payments on his UVW Instalment Receipts on 29 May 2015, nine years before Completion Date.</p> <ul style="list-style-type: none"> Macquarie calculates the Completion Payment for all 20,000 UVW Instalment Receipts to be \$54,453 inclusive of Outstanding Instalment Balances of \$54,123 plus Accrued Interest to 29 May 2015 of \$330.08.²⁴ Macquarie also calculates that if Stephen makes this Completion Payment and the UVW Securities are transferred to him, the Current Facility LVR of Stephen's remaining XYZ Instalment Receipts will increase from 49 per cent to 70 per cent. This will exceed the Facility LVR of those Instalment Receipts, which is 50 per cent. Macquarie therefore also calculates that Stephen will have to contribute \$10,800 to reduce the Current Facility LVR of the XYZ Instalment Receipts to 50 per cent before it will accept Stephen's Completion Notice for the UVW Instalment Receipts. Stephen decides to contribute the \$10,800 as an Early Instalment Payment for the XYZ Instalment Receipts. Stephen provides the additional \$10,800 as a Cleared Payment to Macquarie by 29 May 2015 to ensure Macquarie has the total Completion Payment of \$65,253. The units in UVW Security, valued at \$134,840 are then transferred to Stephen.

²¹ 30 days' Accrued Interest calculated as $\$37,763 \times 7.95\% \times 28 \div 365$.

²² Based on the total Outstanding Instalment Balance of \$35,830 the fixed balance is \$38,798 (calculated as $\$35,830 \times (1 \div (1 - 0.0765))$). Break Cost (BC) of \$64.56 calculated as $BC = ((1 + (0.50\%))^{(4 \div 12)} - 1) \times 38,798 = \64.56 .

²³ Based on the total Outstanding Instalment Balance of \$35,830 the fixed balance is \$38,798 (calculated as $\$35,830 \times (1 \div (1 - 0.0765))$) and prepaid interest is \$2,968. Based on a payment on 29 May, prepaid interest for 94 days outstanding is $\$2,968 \times 94 \div 365 = \764.36 .

²⁴ 28 Days' Accrued Interest calculated as $\$54,123 \times 7.95\% \times 28 \div 365 = \330.08 .

3. How does a Facility work and what factors affect it?

3.3.4 What happens on maturity of my Instalment Receipts?

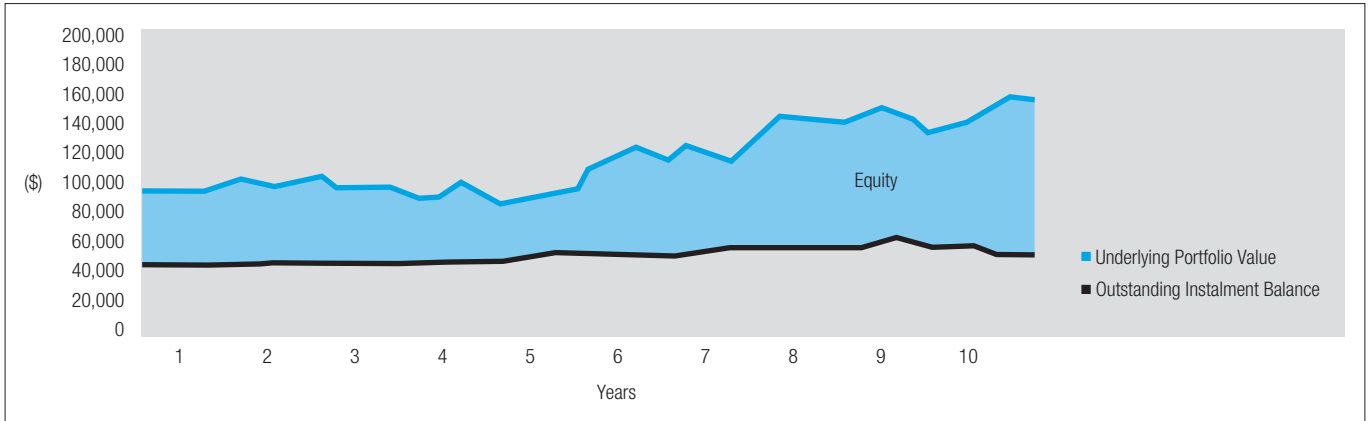
If you hold your Instalment Receipts until the Completion Date, there are three options available to you:

Explanation	Example
<p>On the Completion Date, if you:</p> <ol style="list-style-type: none"> 1) Give a Completion Notice and pay all of the Completion Payments as a Cleared Payment at least five Business Days before the Completion Date, Macquarie will cause legal ownership of the Underlying Portfolio to be transferred to you within 10 Business Days after the Completion Date (but <i>only</i> if your Current Facility LVR will not exceed your Facility LVR – see section 3.3.3). 2) Do not pay the Completion Payment by the Completion Date, Macquarie will direct the Security Trustee to sell the Underlying Securities over which those Instalment Receipts have been issued and, if required, the Underlying Securities of any other Instalment Receipts that you hold. Sale proceeds will be applied as set out in section 1.10. 3) Apply to Macquarie to extend the Completion Date. If Macquarie, in its discretion, agrees to extend the Completion Date, your Instalment Receipts will continue until the revised Completion Date. <p>See section 3.3 for an overview of Completion Notices and Completion Payments.</p>	<ul style="list-style-type: none"> • Instead of closing out or completing his investment early Stephen holds his investment in Instalment Receipts over UVW Securities to the Completion Date. These are the only Instalment Receipts he holds in his Facility. • Macquarie contacts Stephen prior to the Completion Date of 15 March 2024 to advise of the impending Completion and that the total amount of Completion Payments is \$118,250 for all 20,000 UVW Instalment Receipts (comprising \$117,891 in respect of Outstanding Instalment Balances and \$359.49²⁵ for Accrued Interest to 15 March 2024). <p>Option A: Stephen decides to pay the Completion Payments as a Cleared Payment on 8 March 2024.</p> <ul style="list-style-type: none"> • The 20,000 UVW securities, now valued at \$230,072, are then transferred to Stephen. <p>Option B: Stephen decides not to pay the Completion Payments at least five Business Days prior to the Completion Date.</p> <p>Example 1:</p> <ul style="list-style-type: none"> • Macquarie directs the Security Trustee to sell the UVW Securities in Stephen's Underlying Portfolio. They are sold on 12 March 2024 (allowing for three Business Days for the trade to settle on 15 March 2024) and the sale proceeds are \$230,072. • The sale proceeds are applied to pay the Completion Payments on his UVW Securities, including Brokerage of \$460.14. • Macquarie then pays the \$111,361 balance of the sale proceeds to Stephen. <p>Example 2:</p> <ul style="list-style-type: none"> • Macquarie directs the Security Trustee to sell the UVW Securities. They are sold on 12 March 2024 and the sale proceeds are \$82,120. • The sale proceeds are applied to payment of the Completion Payment (\$118,250), leaving a shortfall of \$36,130. • Stephen does not have any other Instalment Receipts and so Macquarie will not pursue Stephen for the \$36,130 shortfall. • Brokerage will not be charged as the sale proceeds are insufficient. <p>Option C: Stephen elects to request an extension of the Completion Date of his UVW Instalment Receipts for another 10 years:</p> <ul style="list-style-type: none"> • Macquarie agrees to the extension, and • no payment or further action is required from Stephen at this time.

3.4 Equity versus exposure

As your Outstanding Instalment Balance and other amounts which are payable by you or payable to you in relation to your Facility vary over time, your equity in the Facility will vary. Likewise, as your Underlying Security changes in value your degree of exposure for the related Instalment Receipt will change. Below is a graph which represents the impact that potential changes in the Market Value of your Underlying Portfolio could have on your equity and exposure to the Underlying Portfolio.

Underlying Portfolio Value, Equity and Outstanding Instalment Balance



Note: this example is for illustrative purposes only and does not reflect any potential change in the value of any Underlying Portfolio.

3.5 Factors affecting the value of Instalment Receipts

The value of Instalment Receipts is not fixed and will vary depending on a number of factors including:

- the Outstanding Instalment Balance (affected by both Underlying Security dividends and applicable interest rates for Instalment Receipts; see Section 3.2.1 of this PDS for more information)
- the price of the Underlying Security
- any interest which has accrued but has not yet been capitalised on the Outstanding Instalment Balance
- any Residual Prepaid Interest Amount, and
- any Break Costs.

The effect these factors may have on the value of an Instalment Receipt is shown in the following table:

Variable	Change in variable	Effect on value
Outstanding Instalment Balance	▲	▼
	▼	▲
Price of Underlying Security	▲	▲
	▼	▼
Accrued but unpaid interest	▲	▼
	▼	▲
Residual Prepaid Interest Amount*	▲	▲
	▼	▼
Break Costs*	▲	▼
	▼	▲

* This factor will only apply if the Interest Rate payable in respect of the Instalment Receipt is fixed.

You should be aware that other factors may affect the value of your Instalment Receipts (see section 4 'Risks' for more information).

The information in this section 4 forms part of the Short Form PDS dated 1 July 2013.

An investment in Instalment Receipts is risky and may decrease as well as increase in value. Instalment Receipts should not be seen as predictable low risk investments. Before investing in Instalment Receipts you should carefully consider the significant risks that may affect the performance or value of your investment. You should be aware that you may lose some or all of the money you invest in Instalment Receipts.

This section is not intended to be a comprehensive summary of all the risks of investing in Instalment Receipts but highlights some of the key risks that Macquarie wishes you to consider in detail and discuss with your Adviser.

You should consider whether investing using leverage is appropriate for you. A Facility is designed for investors who have experience investing in leveraged products.

The features of a Facility may not be suitable for you unless:

- you are able to constantly monitor your Facility LVR
- you are always contactable for the purposes of Instalment Acceleration Event notifications
- you are an experienced share trader who is familiar with the share market
- you have the ability to tolerate a reasonable level of risk, and
- you fully understand the way this product works, as well as the risks involved.

If you do not wish for your Underlying Securities to be sold upon the occurrence of an Instalment Acceleration Event you should ensure you have sufficient liquid assets to be able to make a cash payment in response to an Instalment Acceleration Event on very short notice.

You should only consider investing in Instalment Receipts if you have experience in investing in listed securities, warrants and leveraged transactions. You should reach an investment decision only after carefully considering, with your Adviser, the suitability of Instalment Receipts in your particular circumstances.

Risks specific to Instalment Receipts

4.1 A fall in the value of the Underlying Securities

There is a risk that the value of, and returns from, your Instalment Receipts will decrease. This may occur because of poor performance of a specific Underlying Security(s), a sector in the financial market or the share market generally. You should not rely on this PDS as the sole basis for any investment decision in relation to an Instalment Receipt or any Underlying Security, but should obtain relevant information concerning the Underlying Entity and where necessary, obtain independent financial advice.

Changes in the value of, and returns from, the Underlying Securities may adversely affect the value of and returns from Instalment Receipts. Such fluctuations can be caused by changes in interest rates, exchange rates, economic conditions, investor sentiment, technological, legal or political conditions and other inter-related factors which affect the performance of sectors or markets generally and the stock market specifically (in particular, the Underlying Security(s) over which you acquire Instalment Receipts). You should ensure that you are familiar with these risks.

In times of global economic downturn, and high levels of volatility, there is an increased risk that Underlying Securities will perform poorly. The value of your Underlying Securities may go up or down by a material amount, even over a short period of time. Volatility in some markets may be at very high levels. Investing in such highly volatile conditions implies a greater level of risk for investors than an investment in a more stable market and may increase the chances of an Instalment Acceleration Event occurring. You should carefully consider this additional volatility risk before making an investment in Instalment Receipts. If the value of the Underlying Securities goes down, this will decrease the value of your Instalment Receipts and may result in an Instalment Acceleration Event.

4.2 Leverage magnifies losses

The deferral of the payment of the Outstanding Instalment Balance means that by investing in Instalment Receipts your exposure to the Underlying Securities is leveraged. Leverage magnifies losses and, because of this, leveraged investments carry a higher level of risk than non-leveraged investments (eg buying the Underlying Securities using your own money). If the Underlying Security price performs negatively, or even stays the same, the value of an Instalment Receipt will decrease at a greater rate than the Underlying Security. Capitalising your interest may also increase your leverage level. A way to reduce this risk is to make regular cash payments to maintain a leverage level that is appropriate for you.

If you use your savings (including retirement savings) to fund the Investment Amount, the effect of leverage could mean that a relatively small change in the value of an Underlying Security results in the loss of those savings. Trustees of superannuation funds who propose to invest in a Facility should be aware of their obligation to formulate and implement an appropriate investment strategy that has regard to the whole of the circumstances of their superannuation fund and to act in the best interests of the members of their fund. This includes ensuring they are familiar with, and have in place adequate risk management procedures to manage the risks associated with a leveraged investment, prior to making such an investment. Relevant to this consideration will be the risks of a leveraged investment as described above and factors such as the diversification of the assets of the superannuation fund and the overall level of leverage of the fund.

You should also be aware of the risk of Macquarie changing the Published Instalment Receipt LVRs of the Underlying Securities. Macquarie has the right to do this where it reasonably determines that this is necessary to protect its rights under or in relation to the Security Interest, and may vary the Published Instalment Receipt LVR of an Underlying Security to as low as zero per cent. Macquarie may also determine that a particular Underlying Security no longer qualifies for the Approved List. Upon removal from the Approved List Macquarie will no longer accept Investment Instructions in respect of that Underlying Security.

You should not invest using leverage unless you understand the risks involved with leveraged investments. You should reach an investment decision only after carefully considering the suitability of this product given your particular circumstances. You should seek independent Professional Advice where necessary.

4.3 Occurrence of an Instalment Acceleration Event

If your Current Facility LVR exceeds your Maximum Facility LVR, for instance, as a result of a fall in the value of the Underlying Securities, an Instalment Acceleration Event will occur (see section 3.2.3). An Instalment Acceleration Event may also occur if Macquarie reduces the Published Instalment Receipt LVR for the Underlying Security. If you do not take steps to reduce your Current Facility LVR, for example by making a cash payment, Macquarie may sell some or all of your Underlying Securities. This may mean that you lose the money you have invested or disposal of your Underlying Securities may occur when the Underlying Securities have a relatively low value, crystallising your loss in circumstances where the Underlying Securities later recover in price.

We recommend you seek appropriate Professional Advice to ensure you adopt a strategy to deal with potential Instalment Acceleration Events that suits your specific circumstances (eg keep additional funds available and determine which Underlying Securities you would sell first).

There are a number of options when responding to an Instalment Acceleration Event. There are risks involved with each option. You should note that the relevant benefits in selecting a particular option depends to a large extent on circumstances outside of your control, including movements in the value of the Underlying Securities held by you. In developing a strategy for responding to an Instalment Acceleration Event it is important to understand these risks.

- If you make a payment in response to an Instalment Acceleration Event there is the risk that the market continues to fall and this will result in you losing more money than you initially placed in the investment.
- If you request the Early Closure of the required number of Instalment Receipts, there are a number of risks:
 - Macquarie is obliged to sell your Underlying Securities at the price quoted on the ASX for those Underlying Securities at the time of sale, or, if the Underlying Securities are not listed, at the best price reasonably

obtainable having regard to circumstances existing at the time. Macquarie is not obliged to limit your loss by disposing of the Underlying Securities at a particular time on the date of sale, and in a falling market you may lose more money than if you were able to dispose of the securities immediately yourself, and

- Macquarie may dispose of your Underlying Securities when the market is relatively low, crystallising your loss, despite any later market recovery.
- If you do not respond to the Instalment Acceleration Event by the Instalment Acceleration Event Payment Time, Macquarie will instruct the Security Trustee to sell your Underlying Securities. This may result in the same risks as those stated immediately above.

There is also a risk that Macquarie may not be able to contact you (and your Authorised Representative, if any) in order to notify you of an Instalment Acceleration Event with the result that the disposal of your Underlying Securities (with the attendant risks described above) will occur without your knowledge.

We also recommend you seek appropriate Professional Advice about how to manage the risk of an Instalment Acceleration Event including:

- an appropriate Current Facility LVR for you to maintain (taking into account the Facility LVR, interest charges, expected dividends and any possible interest rate rises)
- the make-up and diversity of your Underlying Portfolio
- ensuring additional funds are available in an Instalment Acceleration Event, and
- how to monitor your investments through a Facility.

4.4 Responsibility for your own Investment decisions

It is impossible in a document of this type to take into account your individual investment objectives, financial situation and particular needs. Accordingly, nothing in this PDS is a recommendation by Macquarie, the Security Trustee, or any associate of them or any other person about an investment in Instalment Receipts, the Underlying Securities or any other financial product.

You are responsible for selecting the Underlying Securities and the level of leverage (subject to your Maximum Facility LVR). You should not rely on this PDS as the sole basis for any investment decision in relation to Instalment Receipts, Underlying Securities or any other financial product, but should obtain additional information about the Underlying Securities (including by reading the relevant disclosures by the Underlying Entity to the ASX) and, where necessary, obtain independent financial advice (see section 4.2 'Leverage magnifies losses'). The performance of your Instalment Receipts will depend on the performance of the Underlying Securities that you select.

4.5 Lack of liquidity

Instalment Receipts are unlisted and so they cannot be traded on the ASX or any other exchange. They are issued by Macquarie and not by the company or trust that issues the Underlying Security. While you can apply for, or request close out of, Instalment Receipts, on any Business Day:

- you cannot specify the time during the Business Day, the Purchase Price or Sale Price at which Macquarie issues or closes out your Instalment Receipts, and
- there is a risk that our ability to issue Instalment Receipts or close out your Instalment Receipts early or your ability to sell the Underlying Securities (after receiving legal title following the payment of the Completion Payment) may be limited as a result of a lack of liquidity in the market for the Underlying Securities.

4.6 Counterparty obligations

1. Security Trustee

The Security Trustee is a wholly owned subsidiary of Macquarie. The Security Trustee is not an authorised deposit taking institution for the purposes of the *Banking Act 1959* (Cth), and the Security Trustee's obligations do not represent deposits or liabilities of Macquarie. Macquarie does not guarantee or otherwise provide any assurance in respect of the obligations of the Security Trustee.

The value of the Instalment Receipts depends on, among other things, the ability of the Security Trustee to fulfil its obligations under the Instalment Receipts Deed and in relation to the Instalment Receipts.

In terms of the Instalment Receipts Deed, the Security Trustee assumes no liability for any neglect, dishonesty or default of either you or Macquarie, any losses or liabilities caused because the Security Trustee acted on the direction or advice of Macquarie or you, or any act or omission of any adviser or agent employed or retained by the Security Trustee where the Security Trustee has acted in good faith in appointing those advisers or agents and their acts or omissions are not reasonably capable of supervision by the Security Trustee. The Security Trustee will also not be liable for any losses or liabilities caused where the Security Trustee reasonably determined to act on advice received from any agent or adviser.

The Security Trustee is also not liable for any consequential losses or loss of profits because of its conduct or delay or by the exercise or non-exercise of any power by it under the Instalment Receipts Deed and is only liable for other losses and liabilities to the extent that such other losses and liabilities can lawfully be satisfied out of the assets it holds on trust under the Instalment Receipts Deed or to the extent caused by its own negligence, dishonesty or any wilful act or omission by its officers that the Security Trustee knows, or its officers know is a breach of trust.

2. Macquarie

The value of your Instalment Receipts depends on, among other things, the ability of Macquarie to fulfil its obligations under the Instalment Receipts Deed and in relation to the Instalment Receipts. The obligations of Macquarie under the Instalment Receipts Deed and in relation to the Instalment Receipts are not deposit liabilities of Macquarie, and they are not guaranteed by any other party. They are unsecured contractual obligations of Macquarie which will rank equally with Macquarie's other unsecured contractual obligations and with its unsecured debt other than liabilities mandatorily preferred by law. In this regard, section 13A(3) of the *Banking Act 1959* (Cth) provides that in the event of Macquarie becoming unable to meet its obligations, the assets of Macquarie in Australia shall be available to meet certain liabilities in priority to all other liabilities of Macquarie including the obligations of Macquarie under the Instalment Receipts Deed and in relation to the Instalment Receipts. Such preferred liabilities include, without limitation, certain debts and costs owed to the Australian Prudential Regulatory Authority, liabilities in relation to protected accounts and any debts or liabilities to the Reserve Bank of Australia.

You must make your own assessment of the ability of Macquarie to meet its obligations. A description of Macquarie is set out in section 7.1 to assist you in making this assessment.

In terms of the Instalment Receipts Deed, Macquarie is only liable for any conduct, delay or breach of duty in exercising or failing to exercise any power under the deed to the extent it arises from Macquarie's fraud, wilful misconduct or negligence. Macquarie is only liable for consequential loss to the extent caused by its fraud or wilful misconduct.

4.7 Ability to breakeven

If the value of your Instalment Receipts does not increase by an amount sufficient to cover your total interest payments, any Break Costs and other fees (excluding taxation considerations) paid by you, the value of your investment at maturity will be less than the amount of capital you initially paid. The higher the level of leverage, and hence the greater the amount of interest that is required to be paid, the greater the return needs to be before all the interest, Break Costs and other fees (excluding taxation considerations) paid by you are covered. You can lose capital, even if the value of your Underlying Securities increases, if the amount of the increase is not sufficient to cover these costs. If this occurs you will not breakeven at the end of the term. In addition, you should take into account relevant taxation considerations and the time value of money.

What is the time value of money?

The idea that money available at the present time is worth more than the same amount in the future, due to its potential earning capacity. For example, assuming a 5 per cent interest rate, \$100 invested today will be worth \$105 in one year (\$100 multiplied by 1.05). Conversely, \$100 received one year from now is only worth \$95.24 today (\$100 divided by 1.05), assuming a 5 per cent interest rate.

4.8 Early Completion and Events of Default

The Completion Date for some or all of the Instalment Receipts held in your Facility may be brought forward by Macquarie at its reasonable discretion in the following circumstances:

- if a buy-back or withdrawal offer is made for an Underlying Security
- if the Underlying Securities are the subject of a takeover offer, or a scheme of arrangement or quasi-scheme of arrangement or merger in the nature of a scheme of arrangement (including in the case of stapled securities, a proposal to alter the staple arrangement), and Macquarie determines that the offer or scheme of arrangement will not result in the replacement of that Underlying Security with an Alternative Security reasonably acceptable to Macquarie as mortgagee
- if the Underlying Securities are de-listed or withdrawn from admission to trading status
- if trading of the Underlying Securities on the ASX is suspended
- if a Trust Tax Change occurs, or in the reasonable opinion of Macquarie is expected to occur
- if a Hedging Disruption occurs, or in the reasonable opinion of Macquarie is expected to occur
- the Outstanding Instalment Balance of the Instalment Receipt on any day is zero
- any event, circumstance or cause beyond the control of Macquarie that has or in the reasonable opinion of Macquarie is expected to have, a material adverse effect on Macquarie's ability to perform its obligations, and
- any change in law or interpretation which makes it unlawful for Macquarie to issue, fund or maintain an Instalment Receipt or for the Security Trustee to grant or maintain any Security Interest.

You will be entitled to any Residual Prepaid Interest Amount but liable for any Break Costs when the Completion Date is brought forward in this manner.

Macquarie can also require the early repayment of all Completion Payments upon the occurrence of an Event of Default. Each of the following events shall be an Event of Default:

- the Holder fails to pay any money when due, including any amount in respect of an Instalment Acceleration Event
- the Holder fails to duly and punctually perform or comply with any of its other obligations and such default, if capable of being remedied, is not remedied within five Business Days after written notice from Macquarie requiring the breach to be remedied
- any representation or warranty made by the Holder is found to have been materially incorrect or misleading when made
- the Holder is subject to an Insolvency Event
- any government, governmental agency, department, commission, or other instrumentality seizes, confiscates, or compulsorily acquires (whether permanently or temporarily and whether with payment of compensation or not) any of the Securities comprising the Underlying Security

- any litigation, administrative proceedings or other procedure for the resolution of disputes is commenced in which the Holder's title to any of the Underlying Securities will or might be impeached or the Holder's enjoyment of, or Macquarie's rights to, any of the Underlying Securities will or might be hindered
- Macquarie receives any notice from a credit reporting agency or any other credit provider to the Holder which indicates that the Holder is in default under any other financial, payment or performance obligation with any other party or that any of the other events of default have occurred
- if the Holder is a trustee of a trust:
 1. the Holder ceases to be the trustee of the trust or any step is taken to appoint another trustee of the trust, in either case without the consent of Macquarie or
 2. an application or order is sought or made in any court for:
 - a) the Holder's removal as trustee of the trust or
 - b) property of the trust to be brought into court or administered by the court or to be brought under its control or
 3. a notice is given or meeting summoned for the Holder's removal as trustee of the trust or for the appointment of another person as trustee jointly with the Holder and
- a change occurs which, in Macquarie's reasonable opinion, has a material adverse effect on:
 1. the Holder's assets, revenue or financial condition
 2. the Holder's ability to perform its respective obligations under the Instalment Receipts Deed, or
 3. Macquarie's ability to exercise its rights under the Instalment Receipts Deed.

4.9 A rise in Interest Rates

There is a risk that on each Interest Reset Date the Interest Rate applicable to your Instalment Receipts may rise. If this happens, the interest costs incurred by you may exceed the returns available from your Underlying Portfolio.

4.10 Legal risk

1. Change of Law

There is a risk that tax laws could change, or that the ATO adopts a position which could mean that the tax summary contained in section 6 is no longer accurate and that your actual tax position is different from your anticipated position. Changes to other laws or their interpretation in Australia, including corporate regulatory laws, could also have a negative impact on your return.

2. Trust Tax Change

In the event of a Trust Tax Change, Macquarie will be entitled to bring the Completion Date of your Instalment Receipts forward. Alternatively, Macquarie may take such actions as it may reasonably deem appropriate in the circumstances with the intent of enabling the Instalment Receipts to remain on issue. In such event it shall give written notice of its decisions to take such actions within 10 Business Days of so deciding. The Security Trustee and you agree to provide any necessary co-operation to effect such result. If the Security Trustee becomes liable to tax in its capacity as Security Trustee then it is entitled to withhold amounts from any Dividends paid on the Underlying Securities to the extent required to cover those tax payments.

4.11 Superannuation investments

Superannuation entities, such as superannuation funds, approved deposit funds and pooled superannuation trusts, are subject to restrictions on entering into borrowing arrangements and on the types of investments that can be made.

There is a risk that a Facility may not be an appropriate investment for particular superannuation entities, or at all. In addition, there is a risk that superannuation laws, their interpretation and the administrative practices of the Australian Prudential Regulation Authority and the Australian Taxation Office (**Regulators**) may change over the term of an investment in the Instalment Receipts such that Instalment Receipts are deemed to no longer be a permitted or appropriate investment for superannuation entities.

Accordingly, trustees of superannuation entities should obtain their own advice concerning whether there is a risk that these entities are prohibited from investing in Instalment Receipts. See section 8.1 'Superannuation investments' for more detail.

4.12 Fall in the Market Value of Underlying Security may result in the close out of other Instalment Receipts

You may hold Instalment Receipts in your Facility over different Underlying Securities – for example, over UVW and XYZ Securities. If the Market Value of UVW Securities rose 5 per cent but the Market Value of XYZ fell by 80 per cent, your Current Facility LVR might exceed the Maximum Facility LVR, in which case your Facility would be subject to an Instalment Acceleration Event. In the event you do not reduce your Current Facility LVR sufficiently, following an Instalment Acceleration Event, Macquarie could sell some of your UVW Securities (in addition to your XYZ Securities) so that the sale proceeds remaining after payment of the Completion Payment on the UVW Instalments can be applied to reduce your Current Facility LVR.

4.13 Factors affecting the value of the Instalment Receipts

The value of Instalment Receipts may vary according to these and other factors:

- the Final Instalment
- interest expense which is capitalised to (and therefore continuously increases) the Outstanding Instalment Balance
- Dividends which are paid on the Underlying Securities
- the price of the Underlying Security
- the Interest Rate
- any interest which has accrued but has not yet been paid on the Instalment Receipts
- any Break Costs, and
- corporate actions (such as takeovers) associated with the Underlying Security.

The effect of some of these factors is illustrated in section 3.5 'Factors affecting the value of Instalment Receipts'.

The fact that Instalment Receipts may become significantly less valuable during their term, and in certain circumstances become worthless, means that you may lose some or all of your investment in the Instalment Receipts.

Macquarie makes no representation or warranty as to the performance of any Underlying Securities or the Instalment Receipts themselves.

4.14 Fall in the Market Value of an Underlying Security may result in an Unpaid Completion Payment

The Underlying Security may decline in Market Value so that it is worth less than the Completion Payment for the corresponding Instalment Receipt. Where this is the case and you instruct Macquarie to close out the Instalment Receipt, there will be a shortfall amount which is calculated as:

$$\begin{aligned} & \text{Proceeds from sale of Underlying Security}^{26} \\ & \text{Less: Completion Payment} \\ & \text{Equals: Unpaid Completion Payment} \end{aligned}$$

This Unpaid Completion Payment will continue to accrue interest to the day before the earlier of the day it is due for payment and the date it is paid in full. The Unpaid Completion Payment will be included in the Total Completion Payments and the calculation of the Current Facility LVR. If an Unpaid Completion Payment is not paid on the due date, Macquarie may exercise its Security Interest and sell the Underlying Securities of your other Instalment Receipts to recover the Unpaid Completion Payment.

4.15 Changes in Completion Payment, Total Completion Payments and Outstanding Instalment Balance

The Completion Payment is not fixed and will vary according to a number of factors including:

- interest expense which is capitalised to (and thereby increases) the Outstanding Instalment Balance
- Dividends which are paid on the Underlying Securities and applied to reduce the Outstanding Instalment Balance
- any interest which has accrued but has not yet been capitalised or paid on the Instalment Receipts
- the Residual Prepaid Interest Amount
- any Break Costs, and
- corporate actions (such as takeovers) associated with the Underlying Security.

In particular, you should be aware that if the amount of Dividends (after the deduction of any tax) paid during the term of your Instalment Receipt is less than the amount of your annual interest expense, the Outstanding Instalment Balance, and hence the Completion Payment (and your Current Facility LVR), will increase. Potentially, the Dividends could be zero and the Completion Payment would be as high as the Final Instalment advised in the Investment Confirmation plus the sum of all Interest Amounts, Brokerage and any other relevant fees and costs payable.

4.16 Exercise of discretion by Macquarie

In addition to the ability to declare an early Completion Date (see section 4.8 for details), the terms of Instalment Receipts and the Instalment Receipts Deed confer discretions on Macquarie. Macquarie may also direct the Security Trustee to take certain steps in the event of corporate actions in relation to the Underlying Securities (see section 9 'Additional information' for details).

The exercise or non-exercise of these discretions could adversely affect the value of your Instalment Receipts and may have other adverse financial or tax consequences for you.

4.17 Corporate actions

Corporate actions are events which may be announced in relation to Underlying Securities at any time. They include takeovers, the return of capital to investors, special distributions (please refer to section 9 'Additional information' for further important information about special distributions) and other rights and bonus issues relating to Underlying Securities.

You may not be able to participate in those corporate actions in relation to the Underlying Securities in the same way as you would if you held the Underlying Securities yourself.

In addition to Macquarie's ability to declare an early Completion Date in the event of certain corporate actions (see section 9 'Additional information' for more detail), Macquarie may exercise certain discretions and direct the Security Trustee to take certain steps in relation to the Underlying Securities in the event of a corporate action which may affect the value of your investment in Instalment Receipts (see section 9 'Additional information' for more detail).

The Completion Date for Instalment Receipts is not affected by any corporate action unless Macquarie declares an early Completion Date for the Instalment Receipts. Macquarie has no obligation to do so.

4.18 Potential conflicts of interest

Macquarie, other members of the Macquarie Group or their directors, employees or affiliates may buy and sell (whether as principal or agent) financial products related to the Instalment Receipts or the Underlying Securities.

Potential conflicts of interest may arise because a number of entities involved in this offer are related parties. The Security Trustee may be a related party of Macquarie and may have one or more directors who are also senior executives of Macquarie.

Macquarie, other members of the Macquarie Group (including the Security Trustee), or their directors, employees or affiliates may, subject to law, hold securities or units in members of the Macquarie Group and/or hold Instalment Receipts. The directors and employees of Macquarie and other members of the Macquarie Group may receive remuneration based on the issue or performance of the Instalment Receipts, in whole or in part.

The directors and employees of Macquarie and other members of the Macquarie Group may also hold directorships in the Underlying Entities.

Members of the Macquarie Group may have business relationships or alliances (including joint ventures) with any of the Underlying Entities and/or be a substantial security holder of any of the Underlying Entities. In addition, members of the Macquarie Group may from time to time advise any of the Underlying Entities in relation to Instalment Receipts or activities unconnected with the Instalment Receipts which may or may not affect the value of the Underlying Entities, the Underlying Securities and/or Instalment Receipts. Such relationships and advisory roles may include:

- acting as manager, underwriter or joint lead manager in relation to the offering or placement of rights, options or other securities including Underlying Securities
- advising in relation to mergers, acquisitions or takeover offers, and
- acting as general adviser in respect of, without limitation, corporate advice, financing, funds management and property and other services.

Macquarie may also have a commercial relationship with various senior executives of an Underlying Entity and may sell financial products to, or advise, such senior executives in relation to Instalment Receipts and matters unconnected with the Instalment Receipts.

The Underlying Entity may be a member of the Macquarie Group.

These activities may have an adverse effect on the value of Underlying Securities or the Instalment Receipts.

4.19 National Guarantee Fund

While Macquarie Equity Lever allows you to acquire and dispose of ASX-listed securities, it is not associated with the ASX or any other licensed market and does not enjoy the protections available to trades made on those markets, such as the National Guarantee Fund.

5 Fees and other costs

In addition to the fees and costs set out below, the value of your Instalment Receipts will be affected by fees and charges applicable to the relevant Underlying Entity. You should consider any information regarding those fees and charges which are contained in documents provided to the ASX by the Underlying Entity.

5.1 Consumer advisory warning

Because the Approved List may include listed managed funds from time to time, we are obliged by law, prior to setting out the fees and other costs of a Facility, to provide you with the following consumer advisory warning, which applies generally to managed funds investment products. Please note that a Facility has a term of up to 10 years, as negotiated between you and Macquarie, and not 30 years as the wording below might otherwise imply.

CONSUMER ADVISORY WARNING

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2 per cent of your fund balance rather than 1 per cent could reduce your final return by up to 20 per cent 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 Adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of 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.

5.2 Fees and other costs

This document shows fees and other costs which you may be charged. These fees and costs may be deducted from your money or from the returns on your investment.

Information on taxation costs is set out in section 6 of this PDS.

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

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
<i>Establishment fee</i> The fee to open your investment	Issuance Fee You will pay an Issuance Fee on the acquisition of the Instalment Receipts, at the greater of 0.20% of the Purchase Price of the Underlying Securities and \$50.	The Issuance Fee will be paid from the Investment Amount at the time you pay the First Instalment.
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil.	Not applicable.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil – there is no fee for requesting the close out of your Instalment Receipts prior to their stated Completion Date but you will have to pay Brokerage when Macquarie directs the Security Trustee to sell your Underlying Securities. ²⁷ Break Costs (applicable to Facilities with a fixed Interest Rate only) If your Instalment Receipt has a fixed Interest Rate, you may be charged Break Costs as a consequence of a number of circumstances, including paying your Outstanding Instalment Balance in whole or in part prior to the Completion Date or as a result of your request for an Early Closure of your Instalment Receipts. ²⁸	Not applicable. Break Costs will be payable from the Completion Payment or the proceeds of sale of the Underlying Security(s) including as a result of an Early Closure, Instalment Acceleration Event, Early Instalment Payment, paying the Completion Payment early, corporate action or Macquarie declaring an early Completion Date.
<i>Termination fee</i> The fee to close your investment	Nil.	Not applicable.

²⁷ Please refer to Section 5.4.4 'Brokerage' for more information.

²⁸ Please refer to section 5.4.3 'Break Costs' for more information.

Type of fee or cost	Amount	How and when paid
Management costs		
The fees and costs for managing your investment	Nil – Macquarie does not charge an on-going fee for managing your investment in Instalment Receipts.	Not applicable.
	Monthly/Annual Interest Amounts However, Monthly Interest Amounts and/or Annual Interest Amounts are payable throughout the term of your investment in Instalment Receipts ²⁹ .	Interest is payable on Outstanding Instalment Balances on the Interest Payment Date. See section 5.4.2(a) below for more information about the Monthly Interest Amount and section 5.4.2(c) for more information about the Annual Interest Amount.
	Security Trustee Fees Nil.	Not applicable.
Service fees³⁰		
<i>Investment switching fee</i> The fee for changing investment options.	Nil.	Not applicable.

5.3 Example of annual fees and costs

This table gives a prescribed example of how the fees and costs for managed fund products can affect your investment over a one year period.

EXAMPLE – the Default Investment Option	INVESTMENT OF \$50,000	
Contribution Fees	Nil.	Not applicable.
PLUS Management Costs	Nil.	Not applicable.
EQUALS Cost of Instalment Receipts	Nil.	Not applicable.

Note: You are required to pay an Issuance Fee and Interest.

There are other fees and costs, as well as payments that you may elect to pay to your Adviser – please refer to section 5.4 under 'Additional explanation of some fees and costs', including 'Other Fees and Expenses' and section 5.4.6 'Adviser Remuneration' for more information.

5.4 Additional explanation of some fees and costs³¹

5.4.1 Issuance Fee

Macquarie will charge an Issuance Fee calculated as the greater of 0.20 per cent of the Purchase Price of the Underlying Security and \$50. The Issuance Fee is deducted once from the initial Investment Amount at the same time as your Investment Amount is applied to pay the First Instalment on each Instalment Receipt.

²⁹ Please refer to section 5.4.2 'Interest Amounts' for more information.

³⁰ You may choose to pay certain other amounts to your Adviser in connection with your Instalment Receipts. Please refer to section 5.4.6 'Adviser Remuneration' for more information.

³¹ In the examples in this section, unless stated otherwise, all dollar amounts of or above \$1,000 are rounded down to the nearest whole dollar, all dollar amounts under \$1,000 are rounded down to the nearest whole cent and all numbers of securities are rounded down to the nearest whole number of securities.

Example

Macquarie offers to issue Instalment Receipts over Underlying Securities in XYZ Limited with a Purchase Price of \$1.00. The First Instalment is \$0.50 and the Final Instalment is \$0.50. You wish to invest \$50,000 in First Instalment payments for these Instalment Receipts. On 10 February 2014, your Investment Amount of \$50,200 (including \$50,000 for First Instalment payments and \$200 for the Issuance Fee) is accepted by Macquarie.

The Issuance Fee:

= 0.20% x total Purchase Price

= 0.20% x \$100,000

= \$200

= \$0.002 per Instalment Receipt

The number of Instalment Receipts allocated to you:

= portion of Investment Amount applied to payment of First Instalments/First Instalment amount

= \$50,000 ÷ \$0.50

= 100,000 Instalment Receipts.

The total of the Issuance Fee is:

= 100,000 Instalment Receipts x \$0.002

= \$200

5.4.2 Interest Amounts

Interest is payable on the Outstanding Instalment Balance for the full term of the Instalment Receipt, from (and including) the date on which the Instalment Receipts are issued to (but excluding) the Completion Date. Interest is payable on any Unpaid Completion Payment to (but excluding) the earlier of the date that the Unpaid Completion Payment is due for payment and the date the Unpaid Completion Payment is paid in full.

Interest is calculated daily on the current Outstanding Instalment Balance and any Unpaid Completion Payment at the applicable Interest Rate.

Your Interest Rate will either be fixed or variable as selected by you in your Investment Instruction.

You can, with the consent of Macquarie, vary your Interest Rate selection on each Interest Reset Date by giving notice to Macquarie on or before that Interest Reset Date.

a) Variable Interest Rate – Monthly Interest Amounts

Where your Interest Rate is variable interest will be payable monthly in arrears. Interest will accrue daily at the Interest Rate applicable to each day in a month and will be capitalised to the Outstanding Instalment Balance or any Unpaid Completion Payment, as the case may be, on the first day of the following month.

The variable Interest Rate applicable to the Outstanding Instalment Balance and any Unpaid Completion Payment of an Instalment Receipt on any day shall be the variable rate

published on the Macquarie Equity Lever website, macquarie.com.au/equitylever, on that day subject to any adjustment agreed to by you, as confirmed in the Investment Confirmation issued to you by Macquarie. As your Interest Rate is not determined until the Instalment Receipts are issued to you, the Interest Rate applicable on issue will be notified to you in the Investment Confirmation we will send you following issue of the Instalment Receipts.

Where your variable Interest Rate is changed by Macquarie from time to time, such a change will be notified via the Macquarie Equity Lever website at macquarie.com.au/equitylever and will take effect three Business Days (or such longer period as may be required by law) after the notice is posted by Macquarie on the website.

b) Variable Interest Rate – calculation of Monthly Interest Amounts

The formula for calculating the Monthly Interest Amount for each Instalment Receipt on the Interest Payment Date is:

Monthly Interest Amount = Sum of the daily interest amounts for each day in that month

Daily Interest Amount = $R \times L \div 365$

Where:

R = the daily Interest Rate, calculated by Macquarie and published on the Macquarie Equity Lever website, macquarie.com.au/equitylever, subject to any adjustment agreed to by you, which is confirmed in the Investment Confirmation issued to you by Macquarie, and

L = the Outstanding Instalment Balance or any Unpaid Completion Payment for the relevant Instalment Receipt as at that day.

Example

Macquarie has issued Instalment Receipts over Underlying Securities in XYZ Limited with a variable Interest Rate determined by Macquarie of 7.95% pa. The calculation of the Monthly Interest Amount for the month ending 30 June 2014, assuming the same Outstanding Instalment Balance (\$0.50) for each day in June, is:

Daily interest amount = $7.95\% \times \$0.50 \div 365$

per Instalment Receipt = \$0.00011³²

Monthly Interest Amount³³ = \$0.00011 x 30

per Instalment Receipt = \$0.0033³⁴

If you had invested \$50,000 to pay the First Instalment on 100,000 Instalment Receipts, and the Outstanding Instalment Balance was \$0.50, the total Monthly Interest Amount that you would have to pay to Macquarie for the month ending June 2014 would be \$330.00 (\$100,000 x \$0.0033).

³² This amount is rounded down to five decimal places.

³³ This assumes a 30 day month.

³⁴ This amount is rounded down to four decimal places.

c) Fixed Interest Rate – Annual Interest Amount

Where your Interest Rate is fixed, it will be payable annually in advance and will be capitalised by including that amount in the Outstanding Instalment Balance or any Unpaid Completion Payment, as the case may be. On its issue date and on any Interest Reset Date, the fixed Interest Rate applicable to the Outstanding Instalment Balance (or any Unpaid Completion Payment) of an Instalment Receipt shall be the fixed rate published on the Macquarie Equity Lever website, macquarie.com.au/equitylever, subject to any adjustment agreed to by you, as confirmed in the Investment Confirmation or Fixed Interest Rate Confirmation issued to you by Macquarie.

d) Fixed Interest Rate – not quoted as simple interest

Because your Annual Interest Amount is capitalised to your Outstanding Instalment Balance (or any Unpaid Completion Payment) on the date the fixed Interest Rate commences, your Outstanding Instalment Balance (or any Unpaid Completion Payment) increases as at that date. In calculating your Annual Interest Amount, Macquarie includes interest charged on the interest which is payable on the Outstanding Instalment Balance (or any Unpaid Completion Payment) prior to the Annual Interest Amount being capitalised to it. The effect of this method of calculation is that the Annual Interest Amount will always be greater than the product of the Outstanding Instalment Balance (or any Unpaid Completion Payment) and the fixed Interest Rate quoted. The formula used in this calculation is detailed in section 5.4.2(e) below, along with an example.

e) Fixed Interest Rate – calculation of Annual Interest Amount

The formula for calculating the Annual Interest Amount for each Instalment Receipt on the Interest Payment Date is:

New Outstanding Instalment Balance
(including Capitalised Interest) = $(1 \div (1 - R)) \times L$

Annual Interest Amount = New Outstanding Instalment
Balance (or new Unpaid
Completion Payment) - L

Where:

R = the annual Interest Rate, calculated by Macquarie and published on the Macquarie Equity Lever website, macquarie.com.au/equitylever, on the date of issue of the Instalment Receipt or any Interest Reset Date subject to any adjustment agreed to by you, as confirmed in the Investment Confirmation or Fixed Interest Rate Confirmation.

L = the Outstanding Instalment Balance (or any Unpaid Completion Payment) for the Instalment Receipt as at the date the fixed Interest Rate is determined by Macquarie.

Example

Macquarie has issued Instalment Receipts over Underlying Securities in XYZ Limited with a fixed Interest Rate determined by Macquarie of 7.65% pa. The calculation of the Annual Interest Amount for the year ending 30 June 2015, assuming the Outstanding Instalment Balance (\$0.50) at 30 June 2014, is:

New Outstanding Instalment Balance
(including Capitalised Interest) = $1 \div (1 - 7.65\%) \times \0.50
= \$0.5414

Annual Interest Amount = \$0.5414 - \$0.50
per Instalment Receipt = \$0.0414³⁵

Expected Daily Interest Amount = \$0.0414 \div 365
per Instalment Receipt = \$0.00011³⁶

If you had invested \$50,000 to pay the First Instalment on 100,000 Instalment Receipts, and the Outstanding Instalment Balance was \$0.50, the total Annual Interest Amount that you would have to pay to Macquarie for the year ending 30 June 2015 would be \$4,141.85. This amount would be capitalised to your Outstanding Instalment Balance and includes interest for the increase to the Outstanding Instalment Balance as a result of the capitalisation.

f) Residual Prepaid Interest Amount

If the Completion Payment (or any Unpaid Completion Payment) is paid before the Fixed Interest Rate Expiry Date, you will be entitled to a refund of the Expected Daily Interest Amounts after the date on which the Completion Payment (or any Unpaid Completion Payment) is paid (called the **Residual Prepaid Interest Amount**).

The Residual Prepaid Interest Amount is calculated as follows:

Residual Prepaid Interest Amount = $(E \times D)$

Where:

E = Expected Daily Interest Amount.

D = Days remaining for the fixed period.

Example

Following on from the example in 5.4.2(e)

On 1 March 2014, the Residual Prepaid Interest Amount for a fixed rate Instalment Receipt ending 30 June 2014 would be:

Expected Daily Interest Amount = \$0.0414 \div 365
per Instalment Receipt = \$0.00011

Days remaining for the fixed period = 30 June 2014 -
1 March 2014
= 121 Days

Residual Prepaid Interest Amount = \$0.00011 \times 121
per Instalment Receipt = \$0.01331

³⁵ This amount is rounded down to four decimal places.

³⁶ This amount is rounded down to five decimal places.

5.4.3 Break Costs (fixed Interest Rate only)

If the Interest Rate on your Instalment Receipt is fixed (as requested in your Investment Instruction and confirmed in the Investment Confirmation or thereafter requested in a form approved by Macquarie and confirmed in a Fixed Interest Rate Confirmation), Break Costs may be payable by you to Macquarie when:

1. you pay all or any part of the balance of your Outstanding Instalment Balance before the scheduled Fixed Interest Rate Expiry Date, including as a result of an Early Instalment Payment, Instalment Acceleration Event or corporate action
2. you request Early Closure and the Outstanding Instalment Balance is paid prior to the Fixed Interest Rate Expiry Date (out of the proceeds of sale of the Underlying Security(s) following Macquarie's direction to the Security Trustee to sell those Underlying Securities), or
3. if an early Completion Date occurs for any reason.

The Break Costs will be calculated based on the Outstanding Instalment Balance, the number of days remaining between the date the Outstanding Instalment Balance is paid and the original Fixed Interest Rate Expiry Date advised in the relevant Investment Confirmation or Fixed Interest Rate Confirmation and the difference between the fixed Interest Rate specified in the relevant Investment Confirmation or Fixed Interest Rate Confirmation and the applicable fixed Interest Rate applying on the date the Outstanding Instalment Balance is paid.

The formula below sets out the method by which the Break Costs are calculated where, prior to the Fixed Interest Rate Expiry Date, the whole of the Outstanding Instalment Balance to which a fixed Interest Rate applies is repaid.

$$BC = [(1 + (r_F - r_M))^{N \div 12} - 1] \times I$$

Where:

BC = Break Costs.

r_F = Fixed Interest Rate as specified in the relevant Investment Confirmation or Fixed Interest Rate Confirmation.

r_M = Applicable fixed Interest Rate on the date the Outstanding Instalment Balance is prepaid.

I = Reduction in the value of the Outstanding Instalment Balance (including the impact of Break Costs and the Residual Prepaid Interest Amount).

N = Number of months, rounded up to the nearest month, from and including the date the Outstanding Instalment Balance is paid to, but excluding the scheduled Fixed Interest Rate Expiry Date.

This Break Cost and any Residual Prepaid Interest Amount will be taken into account in calculating your Completion Payment. In the event that your Completion Payment is a negative amount, you may direct that this amount be applied to pay the Outstanding Instalment Balance of your remaining Instalment Receipts and any Unpaid Completion Payment or paid to your nominated account. In the absence of a contrary direction from you, you will be taken to have directed Macquarie to apply the negative amount to pay the Outstanding Instalment Balance of your remaining Instalment Receipts and any Unpaid Completion Payments.

Example

Macquarie has issued Instalment Receipts over Underlying Securities in XYZ Limited with a fixed Interest Rate of 7.65 per cent pa (r_F) and a scheduled Fixed Interest Rate Expiry Date of 30 March 2014. You choose to pay the total Outstanding Instalment Balance (being \$50,000) on 10 November 2013. The applicable fixed Interest Rate (r_M) on 10 November 2013 is 7.13 per cent. At 10 November 2013, there are 140 days, rounded up to five months, remaining to the scheduled Fixed Interest Rate Expiry Date (N).

The calculation of the Break Costs for the payment of \$50,000 on 10 November 2013 is:

$$\begin{aligned} BC &= [(1 + (r_F - r_M))^{N \div 12} - 1] \times I \\ &= [(1 + (7.65\% - 7.13\%))^{5 \div 12} - 1] \times \$50,000 \\ &= \$108.17 \end{aligned}$$

5.4.4 Brokerage

If Macquarie directs the Security Trustee to sell some of the Underlying Securities for any reason (including if you request an Early Closure, if Macquarie declares an early Completion Date or you otherwise do not pay the Completion Payment on the Completion Date) you will also have to pay Brokerage on the disposal of the Underlying Securities. This will be calculated at the greater of 0.20 per cent of the Sale Price or \$50 and will form part of the Completion Payment.

Example

You hold Instalment Receipts over 100,000 Underlying Securities in XYZ Limited. Your request for an Early Closure is accepted by Macquarie and, on 10 February 2014, your Underlying Securities are disposed of at a Sale Price of \$1.00.

Brokerage = the greater of

$$\begin{aligned} (a) \quad &0.20\% \times \text{total Sale Price} \\ &= 0.20\% \times \$100,000 \\ &= \$200, \end{aligned}$$

and

$$(b) \quad \$50.$$

As (a) is greater than \$50, Brokerage on your Early Closure will be \$200.

5.4.5 Other fees and expenses

5.4.5.1 Transfers of Instalment Receipts

Transferring Instalment Receipts can only be done in accordance with the terms and conditions of the Instalment Receipts Deed upon payment of the following fees and costs:

the transferee must pay a Transfer Fee. As at the date of this PDS the Transfer Fee is \$1,000 payable once in respect of all Instalment Receipts transferred on a single transfer form but this fee may be varied by Macquarie upon giving notice of the change and will apply to each Instalment Receipt of that Holder from the next Interest Reset Date to occur at least 30 days after such notice is given, and

the transferee must pay any stamp duty and tax or other charge which is levied or imposed by a Government or Government agency in relation to the transfer.

5.4.5.2 Direct debit dishonour fee

Macquarie may charge you a fee every time that a direct debit you have requested for payment of amounts in relation to your Facility is declined. As at the date of this PDS, the fee is \$50, but it may be varied by Macquarie upon giving notice of the change and will apply to each Instalment Receipt of that Holder from the next Interest Reset Date to occur at least 30 days after such notice is given.

5.4.5.3 Retrieval of information fee

Macquarie may charge a fee when you, your Adviser or Authorised Representative requests Macquarie to retrieve, collate, sort and/or provide archived or historical information about your Facility. As at the date of the PDS the fee is \$50 plus \$10 per page of archived or historical material provided but it may be varied by Macquarie upon giving notice of the change.

5.4.5.4 Enforcement costs

If Macquarie enforces its Security Interest in respect of your Instalment Receipts, other fees, costs and expenses incurred in connection with the sale of an Underlying Security (ie any tax or other duty) may be required to be paid by you.

5.4.6 Adviser remuneration

Your Adviser may receive additional fees paid by you. Your Adviser must disclose these to you in a Financial Services Guide and/or a Statement of Advice.

We do not pay any commissions to financial advisers. However, you may agree to pay your adviser a fee for any financial advice they provide to you. We can facilitate this payment through an 'Adviser Payment Arrangement'. For more information see your 'Adviser Payment Arrangement' product disclosure statement, available by contacting us.

5.4.7 Tax

Please refer to section 6 '*Taxation considerations*' of this PDS for more information regarding tax which may be payable by you in connection with your Instalment Receipts.

6 Taxation considerations

This summary outlines the main Australian income tax, goods and services tax and stamp duty implications for investors who apply for Instalment Receipts pursuant to this PDS. The information in this summary is of a general nature only and does not purport to constitute legal or tax advice.

Taxation issues are complex and taxation laws, their interpretation and associated administrative practices may change over the term of an investment in the Instalment Receipts.

Macquarie does not provide tax advice and this PDS cannot address all of the taxation issues which may be relevant to a particular investor. Each investor must take full and sole responsibility for their own investment in the Instalment Receipts, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

As the taxation implications for each potential investor may be different, Macquarie recommends that each prospective investor obtains their own independent professional taxation advice on the full range of taxation implications applicable to their own individual facts and circumstances.

6.1 Assumptions

This summary of taxation implications assumes:

- a) you are an Australian resident for tax purposes
- b) you are an individual or your annual turnover is less than \$100 million per annum, and you have not elected for the Taxation of Financial Arrangements (TOFA) regime to apply to your financial arrangements
- c) you enter into the Instalment Receipt through the purchase of an Underlying Security via a Facility and not under a secondary market transfer
- d) you will hold the Instalment Receipts on capital account and will not be a person who is carrying on a business of either trading in securities or investing in securities in the course of which you regularly acquire and dispose of securities
- e) at all times the Security Trustee will be an Australian resident and management and control of the Security Trust will be in Australia
- f) the Instalment Receipts will be denominated in Australian dollars
- g) the Underlying Security will be an ordinary security quoted on the ASX
- h) it is expected that distributions of assessable income will be made in respect of the Underlying Securities
 - i) dividends, received directly or indirectly, will be received in respect of ordinary securities
 - j) the Security Trustee will not enter into any positions in relation to the Underlying Security other than acquiring legal title
 - k) you will not enter into any positions in relation to your Beneficial Interest in the Underlying Security and the “delta” of the Instalment Receipt will be greater than 0.3 at all times to the Completion Date
 - l) all transactions you or the Security Trustee enter into with Macquarie in relation to the Instalment Receipts will be at prevailing market prices and otherwise on arm’s length terms, and

- m) no Applicant either alone, or together with any “related person” or, by acting in concert with any other Applicant, will acquire 90 per cent or more of the issued capital of any Underlying Entity.

This summary is based on Australian taxation laws in force or proposed and administrative practices generally accepted as at the date of this PDS. Any of these may change in future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated. Future changes in taxation laws, their interpretation or associated administrative practices could affect the taxation treatment of Instalment Receipts.

All references in this summary to legislative provisions are to provisions of the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) (together, the **Tax Act**).

6.2 Deductibility of interest

Generally, outgoings are deductible to the extent that such amounts are incurred in gaining or producing assessable income and are not of a private, domestic or capital nature.

The interest payable by you in respect of your Instalment Receipts that is not attributable to capital protection (as discussed at Section 6.3 below) will therefore be deductible if you acquire the Underlying Securities for the purpose of producing assessable income, and the amount of the assessable income you expect to derive from the investment exceeds the total allowable deductions (including interest) that you expect to incur. However, no deduction will be allowed if the Underlying Securities are not expected to give rise to assessable income or are only expected to give rise to assessable capital gains.

The ATO is currently reviewing the deductibility of interest under certain investments, in particular where deductions exceed non-capital gains assessable income in fact produced. In these circumstances, the ATO may deny your deduction if it determines that your purpose in incurring those expenses included a purpose other than the derivation of non-capital gains assessable income.

The interest payable by you is incurred as consideration for the deferral of payment of the Outstanding Instalment Balance (being part of the Purchase Price of the Underlying Securities). Accordingly it is a payment by you for the extension of credit provided by Macquarie and does not form part of the Purchase Price itself. In these circumstances, the interest expense should not be considered to be of a capital nature.

6.3 Capital protected products

The capital protected borrowing provisions operate to deny a deduction for expenses (for example, interest) incurred under a capital protected borrowing arrangement to the extent that the expenses incurred are reasonably attributable to the cost of capital protection. In these circumstances, Division 247 of the Tax Act will treat a proportion of the expenses incurred as having been paid to acquire a notional put option from Macquarie. To this extent, the interest you incur in respect of your Instalment Receipts will not be incurred for the purpose of producing assessable income and will not be deductible.

Similarly, interest on this proportion of the interest capitalised into the Outstanding Instalment Balance will not be deductible on the same basis.

The amount of interest reasonably attributable to the cost of capital protection and therefore treated as paid for a notional put option, will be the amount by which the interest for that income year exceeds the amount that would have been incurred in respect of the Outstanding Instalment Balance applying the benchmark rate as determined by the Tax Act (the **Benchmark Rate**) at the time of the first payment in any part of the term that the interest is fixed, or the average of the Benchmark Rates for any part of the term that interest is variable.

The Benchmark Rate is the Reserve Bank of Australia's (RBA) indicator variable rate for standard housing loans plus 100 basis points. As at the date of this PDS, the most recent Benchmark Rate was for the month of May 2013 and was 7.20% pa. Please check the RBA website for updates to this rate.

6.4 Timing of deductions

Any deduction for interest incurred that is not attributable to the cost of capital protection (as outlined above) should be allowed as a deduction throughout the term of the Instalment Receipt.

6.5 Refund of Interest

Any Residual Prepaid Interest Amount may be included in your assessable income to the extent that you have previously claimed a deduction for the interest as outlined above.

6.6 Acquisition of Instalment Receipts

6.6.1 Beneficial Interest in Underlying Securities

On Acceptance of your Application, you will acquire a Beneficial Interest in the Underlying Security. For capital gains tax (CGT) purposes, your cost base and reduced cost base in the Beneficial Interest in each Underlying Security will be equal to the Purchase Price plus the Issuance Fee, plus any incidental costs of acquisition and disposal including any Brokerage. This may include any fees you pay to your advisor under a separate agreement in relation to your Instalment Receipts.

Your cost base in the Beneficial Interest in the Underlying Security may be adjusted in certain circumstances – for example where the limited recourse feature of the Instalment Receipt is relied upon (see below at 6.10.2), or on the happening of other events (see below at 6.14.2).

This discussion assumes that the proposed changes to the Tax Act set out in Section 6.15.2 below are enacted in the terms announced and apply to the Instalment Receipts.

6.6.2 Notional put option

To the extent that any part of the interest you incur is treated as a cost of capital protection, you will also be treated as having acquired a notional put option (see section 6.3 above). In these circumstances the notional put option will be treated as a CGT asset acquired on the date of acquisition of your Instalment Receipts. The cost base of this asset will be equal to any part of the interest you incur during the term of your Instalment Receipt that is treated as reasonably attributable to the cost

of capital protection (as described in section 6.3 above) plus any interest on this amount capitalised into the Outstanding Instalment Balance. The reduced cost base of this asset will not however include interest on such amount capitalised.

6.7 Holding Instalment Receipts

6.7.1 Dividends and distributions paid by an Underlying Entity

Where a Dividend, distribution or other payment (eg as a result of a corporate action) is made in respect of your Underlying Securities, the tax implications for you of such payments should not differ from those applying had you owned the Underlying Securities outside of the Instalment Receipts. For example, your assessable income will include Dividends paid in respect of Underlying Securities, and your share of the net income of an Underlying Entity that is a trust. These tax implications will arise regardless of whether the amount is received in cash or applied against your obligation to pay interest, the Outstanding Instalment Balance or any other amount you owe to Macquarie.

Provided you are a “qualified person” in respect of a Dividend (see below at 6.7.2) and none of the imputation anti avoidance provisions apply, your assessable income will also include any franking credits attaching to the Dividend and you will be entitled to an equivalent franking tax offset. This tax offset may be applied against your tax liability for the relevant income year.

If you are a resident individual or complying superannuation fund and receive franking tax offsets in excess of your tax liability, the excess should be refundable. If you are a company you will not be entitled to a refund of any excess franking tax offsets, but may convert any excess tax offsets into tax losses. If you are a company, you will also credit your franking account with the amount of any franking credits received.

If you are not a “qualified person”, or the imputation anti-avoidance provisions apply, you will not be entitled to a tax offset as outlined above. In these circumstances you should be entitled to a deduction equal to the amount of any franking credits included in your assessable income.

You should seek your own tax advice on the tax implications of holding the Underlying Securities.

6.7.2 Qualified persons

You will be a “qualified person” in respect of a Dividend if you have held your interest in the Underlying Security “at risk” (with a delta of at least 0.3) for a continuous period of at least 45 days (excluding the days of acquisition and disposal) during the period commencing on the day after the day you acquired your interest in the relevant Underlying Security, and ending on the 45th day after the ex-dividend date.

The above test is a ‘once and for all’ test for each Underlying Security holding, unless you are required to pass the benefit of the Dividend to another person (ie, you are under a “related payment obligation”), in which case the rule is modified so that the relevant holding period instead commences on the 45th day before each dividend date.

You should be aware that because of its limited recourse nature, your Instalment Receipt will be a short position with a negative delta that will need to be taken into account in determining your eligibility for franking credits. Whilst the delta of your Instalment Receipt will vary throughout its term, provided that neither you nor the Security Trustee acquire any further positions in relation to the Underlying Securities, and you are not under a related payment obligation, it will only be the delta of your net position on the date of acquisition of the Instalment Receipts that will be relevant. You or your Adviser should contact Macquarie if you wish to confirm the delta of your Instalment Receipts.

Where you receive franking credits indirectly (eg, through a distribution from an Underlying Entity that is a trust), your entitlement to franking credits may be affected by whether the trust is a “fixed trust” for income tax purposes and by whether the trustee is a “qualified person” in respect of the dividend paying securities.

If the test above is not met, you may nevertheless be a “qualified person” if you are an individual, you are not under a related payment obligation and your franking tax offset entitlements in any given income year do not exceed \$5,000.

The discussion above assumes that the proposed changes to the Tax Act set out in Section 6.15.2 below are enacted in the terms announced and apply to the Instalment Receipts. If they are not the ATO may form the view that an Investor in the Facility is not “absolutely entitled” to the Underlying Securities as against the Security Trustee or does not otherwise have a vested and indefeasible interest in those Underlying Securities. If this is the case, unless your franking tax offset entitlements in any given income year are less than \$5,000 (refer to discussion above), you will not satisfy the requirements to be a “qualified person”. Investors should seek their own professional taxation advice in these circumstances.

6.8 Disposal of Instalment Receipts

6.8.1 Disposal of Underlying Security and termination of notional put option

Disposal of an Instalment Receipt will result in the disposal of the Beneficial Interest in the Underlying Security. The capital proceeds received in respect of the disposal of this asset will equal the actual sale price of the Instalment Receipt plus the amount of the Completion Payment at that time.

A capital gain will be made in respect of the Beneficial Interest in the Underlying Security where the capital proceeds attributable to the disposal of the Beneficial Interest exceed its cost base (as discussed at section 6.6 above). Where the capital proceeds attributable to the disposal of the Beneficial Interest in the Underlying Security are less than its reduced cost base, a capital loss will be made.

Disposal of an Instalment Receipt will also result in the expiry of any notional put option arising under Division 247 (referred to in section 6.3). As no capital proceeds will be received in respect of the expiry of the notional put option, this will give rise to a capital loss equal to the reduced cost base in that asset (as discussed at section 6.6 above).

6.9 Completion Payment

6.9.1 Prepayments

The making of an Early Instalment Payment or responding to an Instalment Acceleration Event should not give rise to any CGT consequences and should not affect your cost base in the Underlying Security.

The making of an Early Instalment Payment or responding to an Instalment Acceleration Event may give rise to Break Costs. If you incur those Break Costs in order to secure the early payment of the Outstanding Instalment Balance and for the purpose of avoiding the incurrence of further interest costs under the Instalment Receipt, the Break Costs should be deductible at the time of payment.

6.9.2 Transfer of Underlying Securities to Holder

Payment of the Completion Payment and transfer of the legal title to the Underlying Securities from the Security Trustee should not give rise to any CGT consequences.

However, this conclusion relies on the changes to the Tax Act referred to in section 6.15.2 below being enacted in the terms announced and applying to the Instalment Receipts. If this does not occur and the ATO forms the view that an Investor in the Facility is not absolutely entitled to the Underlying Securities as against the Security Trustee, payment of the Completion Payment and transfer of the legal title to the Underlying Securities from the Security Trustee will give rise to a CGT event for the Security Trustee at that time and the inclusion of the amount of any resulting capital gain in your assessable income. In these circumstances, you should be treated as having acquired the Underlying Securities on the payment date and should have a cost base in the Underlying Securities equal to the Market Value of the Underlying Securities at that time.

6.9.3 Expiry of the notional put option

Payment of the Completion Payment will result in the expiry of any notional put option arising under Division 247. As no capital proceeds will be received in respect of the expiry of the notional put option, this will give rise to a capital loss equal to the reduced cost base in that asset (as discussed at section 6.6 above).

6.10 Failure to pay Completion Payment – expiry of Instalment Receipts

6.10.1 Exercise of Security Interest

If you do not pay the Completion Payment as required, Macquarie may exercise its Security Interest and the Underlying Securities will be disposed of. This will give rise to a CGT event in respect of the Beneficial Interest in the Underlying Securities and a capital gain or loss on the date of disposal equal to the difference between the proceeds of sale of the Underlying Securities and the cost base or reduced cost base in the Underlying Securities (which will include any selling costs deducted by Macquarie prior to remitting the proceeds to you, and may include the cost of any notional put option (see section 6.10.2 below)).

6.10.2 Exercise or expiry of the notional put option

If the sale proceeds obtained on exercise of Macquarie's Security Interest are less than the Completion Payment and the limited recourse feature of the Facility is relied upon, any notional put option arising under Division 247 will be treated as having been exercised. In these circumstances, your disposal proceeds for CGT purposes will be equal to the Completion Payment and your cost base and reduced cost base in the Beneficial Interest in the Underlying Securities will include the deemed cost of the notional put option (discussed above) (but should not include any interest incurred in respect of that amount). Any capital gain or loss derived or incurred in respect of the exercise of the notional put option will be ignored.

If the sale proceeds are less than the Completion Payment but no notional put option has arisen under Division 247, and the limited recourse feature of the Facility is relied upon, the Commissioner may reduce your cost base and reduced cost base in the Underlying Security by the amount of the shortfall for the purposes of calculating any capital gain or capital loss.

Alternatively, if the sale proceeds obtained by Macquarie on exercise of its Security Interest exceed the Completion Payment any notional put option arising under Division 247 will expire. As no capital proceeds will be received in respect of the expiry of the notional put option, this will give rise to a capital loss equal to the reduced cost base in that asset (as discussed at section 6.6 above).

6.11 Discount CGT

Any capital gain realised on disposal of an Underlying Security on transfer of an Instalment Receipt or an Underlying Security (following payment of the Completion Payment) will be treated as a discount capital gain if you are an individual, a complying superannuation entity, or a trust and you have held the Underlying Security (either directly or via the Instalment Receipt) for at least 12 months prior to the relevant CGT event (not including the dates of acquisition and disposal). If available, the CGT discount reduces the nominal capital gain by 50 per cent for individuals and trusts, and by 33 $\frac{1}{3}$ per cent for complying superannuation entities.

6.12 Commercial debt forgiveness

The commercial debt forgiveness rules in Division 245 of the Tax Act should not affect any deductions, capital losses or the cost base in your assets where you rely upon the limited recourse feature.

6.13 Part IVA

Part IVA is the general anti-avoidance provision of the Tax Act. It applies where the dominant purpose of the taxpayer (or any other person) in entering into a "scheme" is to obtain a "tax benefit". A "tax benefit" includes an amount being allowable as a deduction where, but for the scheme, that amount would not reasonably be expected to have been allowable.

The application of Part IVA to a particular taxpayer can only be conclusively determined on an examination of that taxpayer's individual circumstances. Nevertheless, the following comments are able to be made for a typical Holder.

For the purposes of Part IVA, the dominant purpose of such a Holder subscribing for an Instalment Receipt, being the only relevant "scheme" should be seen to include:

- a) obtaining the potential to profit from the sale of the Instalment Receipt or the Underlying Security, and
- b) the receipt of Dividends and other benefits attaching to ownership of the Underlying Security.

We do not believe that it could be reasonably concluded that the dominant purpose of a typical Holder in investing in an Instalment Receipt would be to obtain tax deductions for the interest incurred. Further, a typical Holder should have not more than an incidental purpose of obtaining imputation benefits and section 177EA of the Tax Act should not therefore apply to deny those benefits to a Holder.

6.14 Other tax issues

6.14.1 TFN/ABN Withholding

The Security Trustee may be required to withhold an amount from any income paid to you if you do not provide the Security Trustee with your TFN or ABN (where applicable) or proof of exemption.

6.14.2 Other events

During the term of the Instalment Receipts, there may be events or circumstances relating to the particular Underlying Securities that give rise to tax implications which are not discussed here. You should obtain your own advice in relation to those events or circumstances.

6.15 Tax reform

6.15.1 Absolute entitlement

The discussion in this taxation summary is based on the assumption that the changes referred to in section 6.15.2 below are enacted in the terms announced and do not contain any provision preventing them from applying to the Instalment Receipts.

Investors should note that it is likely that the ATO will take a view that an Investor is not absolutely entitled to the Underlying Securities as against the Security Trustee. If this occurs, and the changes discussed below are not enacted in the terms announced this taxation summary may not be applicable and different taxation implications may arise from an investment in the Facility.

6.15.2 Government Announcement regarding "traditional instalment warrants" – 10 March 2010 and 17 January 2011

On 10 March 2010, the Assistant Treasurer announced that the Government will introduce legislation to amend the income tax treatment of "traditional instalment warrants" and the Minister for Financial Services, Superannuation and Corporate Law announced that the Government proposes to amend the tax law so that a superannuation trustee who enters into a limited recourse borrowing arrangement to purchase an asset under subsection 67(4A) (now section 67A) of the *Superannuation Industry (Supervision) Act 1993* (Cth) (**SIS Act**) will be treated as the owner of the asset for income tax purposes.

The terms of the proposed changes are set out in the consultation paper headed “Income Tax Treatment of Instalment Warrants Proposals Paper” dated 10 March 2010 (**Proposals Paper**). For traditional instalment warrants, the proposal effectively ignores the instalment warrant trust for income tax purposes and applies a “look-through” approach for all aspects of the income tax laws. In accordance with the announcement, the income tax amendments will apply for assessments for the 2007–2008 and later income years.

On 17 January 2011, the Assistant Treasurer announced that the Government intends to extend the proposed income tax look-through treatment to cover 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.

Proposed legislation giving effect to these changes has not yet been released. If the proposed legislation is ultimately released and enacted in accordance with the terms announced, notwithstanding that the ATO may form the view that an investor in the Facility is not absolutely entitled to the Underlying Securities as against the Security Trustee, under the proposed provisions, the investor should be treated as the owner of the Underlying Securities for the purposes of the Tax Act. Accordingly, the taxation consequences outlined in this summary should continue to apply to an Investor in the Facility. If however, the proposed legislation is not released or enacted in the terms announced or contains any provisions that will prevent the legislation from applying to the Instalment Receipts, the taxation implications arising for you from an investment in the Facility will be different from those discussed in this taxation summary. You should therefore consult with your taxation adviser and form your own view on this matter, in light of your own personal circumstances.

6.16 Goods and Services Tax

The *A New Tax System (Goods and Services Tax) Act 1999* and related legislation impose a goods and services tax (**GST**) on certain “supplies” that are “taxable supplies”. The *A New Tax System (Goods and Services Tax) Regulations 1999* identify a range of supplies that are input taxed “financial supplies” on which GST is not payable.

The issue or transfer of the Instalment Receipts and the acquisition of the Underlying Securities by the Security Trustee and the transfer of the Underlying Securities to you will be input taxed financial supplies upon which GST will not be payable.

The payment of distributions to you in respect of the Underlying Securities should not give rise to a liability for GST. The payment of the Purchase Price, Monthly Interest Amounts, Issuance Fee, Break Costs, Brokerage, Direct Debit Dishonour Fee or Retrieval of Information Fee by you to Macquarie should not attract GST. Further, the deduction of the sales proceeds of an Underlying Security applied in payment of the Completion Payment by Macquarie will not be consideration for a taxable supply provided by Macquarie to you.

However, if GST becomes payable by Macquarie or the Security Trustee in connection with any supply made to you under or in connection with this PDS then Macquarie or the Security Trustee where appropriate can require you to pay an additional amount on account of GST.

6.17 Stamp duty

The stamp duties legislation in some States and Territories of Australia levy duty on mortgages and transfers of marketable securities and declarations of trust over marketable securities. In particular, New South Wales levies mortgage duty on mortgages affecting property located in New South Wales if that mortgage secures an “advance” as defined by the *New South Wales Duties Act 1997*. Duty is also payable in New South Wales on agreements to transfer or transfers of marketable securities and on declarations of trust over marketable securities. South Australia also levies duty on agreements to transfer, transfers and declarations of trust over “property” located or deemed to be located in South Australia. These types of duty are potentially relevant upon execution of the Instalment Receipts Deed, upon the creation of each Security Trust and each Security Interest, transfer of the Underlying Security by the Security Trustee and upon transfer of an Instalment Receipt.

Having regard to the assumptions made in section 6.1 above:

- a) the creation of each Security Trust under the Equity Lever Instalment Receipts Deed will not attract any declaration of trust duty because the Underlying Security (being the property the subject of that declaration of trust) will comprise listed securities which are exempt from transfer duty in New South Wales and conveyance duty in South Australia
- b) each Security Interest will not attract any duty because the Underlying Security (being the property secured by the mortgage) will not be held by the Security Trustee at the time that the Security Trustee grants the mortgage to Macquarie and also because any secured property which is identified under an arrangement in place between the parties at the time that the Equity Lever Instalment Receipts Deed is executed is a marketable security listed on the ASX
- c) the transfer of the Underlying Security will not attract any stamp duty in either New South Wales or South Australia on the basis that the Underlying Security will be listed on the ASX, and
- d) the transfer of any Instalment Receipt by an Applicant will not attract any stamp duty in any jurisdiction in Australia on the same basis as (c) above and on the basis that the central management and control of Macquarie is not in South Australia.

If, contrary to these conclusions stamp duty is payable in respect of (a), (b) or (c) Macquarie has agreed to bear that duty.

In relation to duty in respect of transfers of Instalment Receipts (paragraph d), we recommend you obtain your own independent stamp duty advice.

7

About the Issuer and the Security Trustee

7.1 About the Issuer

Macquarie is an authorised deposit taking institution under section 9 of the *Banking Act 1959* (Cth). Our Australian financial services licence number is 237502.

Macquarie is a participant member of the ASX, the ASX Futures Exchange Pty Limited and their associated licensed clearing and settlement facilities.

Macquarie is a licensed Australian bank regulated by APRA. Macquarie Group Limited (**MGL**) is a non-operating holding company and the ultimate listed parent for the Macquarie Group of companies. MGL is listed on the ASX (ticker MQG) and is regulated by Australian Prudential Regulation Authority (**APRA**) as a non-operating holding company of an authorised deposit-taking institution. Macquarie is a wholly owned subsidiary of MGL. Further information about the Macquarie Group structure and Macquarie (including its financial information) is available on the website at macquarie.com.au/mgl/au/about-macquarie-group.

7.2 The Security Trustee

The role of the Security Trustee

The Security Trustee performs the role of custodian over your securities. As custodian, it has the legal ownership of your securities, must apply Dividends and distributions on your behalf and, subject to satisfying Macquarie's Security Interest, transfer the Underlying Securities at your discretion.

Who is the Security Trustee?

The Security Trustee is Bond Street Custodians Ltd ABN 57 008 607 065, AFSL 237 489 (BSCL). BSCL is appointed by Macquarie under the terms of the Instalment Receipts Deed to act as a Security Trustee for the Instalment Receipts held in your Facility.

BSCL is part of the Macquarie Group of companies and holds an Australian Financial Services Licence No. 237489. BSCL has carried on a business of providing custody services in respect of Australian assets since 1994.

8 Other disclosures

8.1 Superannuation investments

The Instalment Receipts are available as investments for superannuation funds, including Self Managed Superannuation Funds.

Before investing, superannuation fund trustees must be satisfied that the investment is not prohibited under all relevant laws (including superannuation laws), is appropriate for their fund and that they will continue to comply with all relevant laws after making the investment.

While not an exhaustive list, the key superannuation laws include:

- superannuation fund trustees must not borrow money except in limited circumstances
- those trustees must not give a charge over or in relation to the assets of the fund except in limited circumstances
- limits on “in-house” assets
- requirements relating to the use of derivatives
- superannuation fund trustees must formulate, review regularly and implement an appropriate investment strategy, and
- the obligation to act in the best interests of the members of the fund.

Superannuation issues are complex and superannuation laws, their interpretation and the administrative practices of the Australian Prudential Regulation Authority and the Australian Taxation Office (**Regulators**) may change over the term of an investment in the Instalment Receipts.

Before investing, superannuation fund trustees should obtain their own advice as to whether this investment is permitted by superannuation laws and appropriate for their fund. These trustees must take full and sole responsibility for their investment in the Instalment Receipts and any changes in superannuation laws and administrative practices during the term of that investment.

Borrowing

Macquarie Equity Lever does not involve a borrowing. A borrowing essentially involves an advance of money on condition that it will be repaid in the future. The Instalment Receipts involve the payment of the purchase price for the Underlying Securities by two instalments. As the Final Instalment is paid at a future date, interest is payable on the outstanding part of the Purchase Price. This does not involve an advance of money and is therefore not a borrowing.

The Federal Government announced in November 2006 that the Regulators had formed the view that certain types of instalment warrants involve a borrowing. Subsequently, amendments were made to superannuation law to permit superannuation fund trustees to invest in instalment warrants with specific characteristics. These laws were amended in 2010 but only in relation to instalment warrants. Macquarie Equity Lever is not intended to comply within the terms of those amendments, because it does not involve a borrowing and so does not breach the general prohibition.

Charging fund assets

The trustees of a superannuation fund must not give a charge over or in relation to the assets of the fund. With the Instalment Receipts, the Underlying Securities are held on trust for you during the term of the Instalment Receipts, subject to the Security Interest.

Under the Security Interest, Macquarie has the right to exercise its power of sale if you do not pay the Secured Moneys (which includes the Outstanding Instalment Balance) owing in respect of your Instalment Receipts. This power of sale secures performance of your obligations to Macquarie under the Instalment Receipts. However, the Security Interest is not given over an asset of a superannuation fund that holds an Instalment Receipt. Rather, the fund acquires an asset that is subject to the Security Interest, which is permitted by superannuation law.

“In-house” assets

Superannuation funds must not hold more than 5 per cent of their assets in in-house assets. An in-house asset includes an investment in a related trust. With the Instalment Receipts, the Underlying Securities are held on a bare trust for you by the Security Trustee, subject to the Security Interest. For Self Managed Superannuation Funds, this Security Trust may qualify as a related trust.

Since the Underlying Securities will be listed on the ASX, this Security Trust falls within an exemption. As a result, the 5 per cent limit on investing in in-house assets will not apply to investments by superannuation funds in Instalment Receipts.

Derivatives

Instalment Receipts held in your Facility may need to be treated as derivatives for superannuation purposes. Superannuation fund trustees should ensure there is sufficient liquidity in their fund to pay the Completion Payment (that includes the Outstanding Instalment Balance) or have a considered approach in place to determine not to make that payment. Before investing in Instalment Receipts, they should ensure they are familiar with the risks involved and have adequate arrangements in place to manage those risks.

Investment strategy

Superannuation fund trustees must formulate and implement an appropriate investment strategy that has regard to the whole of the circumstances of their fund, including liquidity and adequate diversification. Therefore, they should consider the appropriateness of Instalment Receipts in the context of their fund’s overall investment strategy.

Best interests

Before investing in Instalment Receipts, superannuation fund trustees must consider whether the investment will be in the best interests of the members of the superannuation fund having regard to the individual circumstances of that fund.

8.2 Labour standards or social, environmental or ethical considerations

Macquarie will not take into account labour standards, or social, environmental or ethical considerations for the purposes of selecting, retaining or realising an investment in connection with Instalment Receipts.

8.3 Cooling off

The information in this section 8.3 forms part of the Short Form PDS dated 1 July 2013.

If you decide that your initial investment in Instalment Receipts does not suit your needs, you can request in writing to have it cancelled within a 14 day cooling off period. The cooling off period begins at the earlier of when your Investment Confirmation is received by you or five days after the Commencement Date of your Instalment Receipts. When calculating the amount to be returned to you, you will bear any fluctuation in the price of the Underlying Security in the period since the Security Trustee was allocated the relevant Underlying Securities in relation to your Application and we may deduct costs and taxes that relate to the exercise of your cooling off right as the Corporations Act allows.

Your right to cooling off will not apply in respect of Underlying Securities if:

- you are a wholesale client, or
- you exercise any of your rights as an investor in Instalment Receipts prior to exercising your right to cooling off.

If you wish to exercise your cooling off rights, you will need to notify us in writing.

8.4 Substantial shareholders, takeovers and associations

The acquisition of Instalment Receipts may have implications for Holders (particularly substantial shareholders) under Chapters 6, 6A and 6C of the Corporations Act. The precise implications depend on the Holder's particular circumstances.

The following summary of the law as at the date of this PDS is intended to assist Holders to identify some of the practical obligations that may arise as a result of holding Instalment Receipts. The obligations of Holders will, however, be affected by their individual circumstances and Holders should obtain their own advice.

As soon as a Holder is issued an Instalment Receipt, that Holder will have a relevant interest in each Underlying Security in which a Holder has a Beneficial Interest. Disclosure obligations (including obligations on substantial shareholders) and limitations on acquisitions, under Chapters 6, 6A and 6C of the Corporations Act, may (depending on the Holder's voting power in the listed Underlying Entity) affect Holders in respect of acquiring, holding and disposing of Instalment Receipts or Securities in an Underlying Entity.

ASIC has granted a modification of Chapter 6 and Chapter 6C of the Corporations Act such that neither Macquarie nor the Security Trustee will be deemed to have a relevant interest in the Underlying Securities through their involvement in the Instalment Receipts structure.

8.5 Foreign Holders

The acquisition of Instalment Receipts may also have implications for Holders under the *Foreign Acquisitions and Takeovers Act 1975* (Cth). Foreign ownership of Securities in Australian companies may also be restricted under other Commonwealth or State legislation, or under Government policy. You should inform yourself of the restrictions that may apply to any investment you make in Instalment Receipts.

9 Additional information

Additional information, which forms part of this PDS, is available on the Macquarie Equity Lever website, macquarie.com.au/equitylever.

You may also request a free paper copy of the additional information from Macquarie by telephoning 1800 080 033.

Below is a brief summary of the key points. You should ensure that you have read all of the additional information available on the above website before applying for an investment through a Facility.

9.1 Completion Notices and Completion Payments

Some details about Completion Notices and Completion Payments are outlined in section 3.3 of this PDS. The Macquarie Equity Lever website contains additional information on early payment, part-payment and non payment of the Completion Payment as well as circumstances which cause deferral of a Completion Date. The Macquarie Equity Lever website also outlines the nature of Macquarie's rights against you in respect of Completion Payments, Instalment Acceleration Events and Unpaid Completion Payments.

9.2 Dividends

You should research the Underlying Securities to find out if and when the Underlying Securities pay Dividends or Special Dividends (if any).

More information is set out on the Macquarie Equity Lever website and in the Instalment Receipts Deed regarding Ordinary Dividends, Special Dividends, Dividend reinvestment and other plans, tax information and trustee Holders.

9.3 No Voting Rights

The Security Trustee shall not cast any vote in respect of Underlying Securities the subject of Security Trusts at any meetings of members (or class of members) of the Underlying Entity.

Holder of Instalment Receipts are not entitled to receive notices of meetings of the Underlying Entities nor to or attend or speak or vote at any meeting of members of an Underlying Entity, or compel the Security Trustee to attend or speak or vote on the Holder's behalf at any such meeting.

9.4 Transfers

Transferees must pay Macquarie a Transfer Fee in accordance with the Instalment Receipts Deed. A Holder may transfer all or some of its Instalment Receipts but only upon certain conditions. Details of those conditions are set out in the additional information available on the Macquarie Equity Lever website.

9.5 Events of Default

If an Event of Default occurs (see section 4.8), Macquarie may, amongst other things, declare any amounts payable by you immediately payable, declare your Facility terminated and enforce its rights under the Security Interest to sell the Underlying Securities.

9.6 Variation of Terms

The Instalment Receipts Deed may be amended by a supplemental deed between Macquarie and the Security Trustee in certain circumstances. Details of those circumstances are set out in the additional information available on the Macquarie Equity Lever website. We will notify you of the changes by no later than the day on which the variation takes effect.

9.7 Disposal Events

If an event occurs which gives rise to a legal obligation for the Security Trustee to dispose of the Underlying Security in respect of which a Holder has a Beneficial Interest (other than as a result of a corporate action), the Security Trustee shall sell the relevant Underlying Security in accordance with that obligation and apply the proceeds in accordance with the Order of Payment.

9.8 Corporate actions

Corporate actions include, but are not limited to, the following events: share calls, takeovers, schemes of arrangement/quasi-schemes/mergers, buy-backs, rights issues, bonus issues, subdivisions, consolidations, reductions and distributions of capital. In the event of a corporate action, Macquarie will act in accordance with the Instalment Receipts Deed.

Macquarie may declare an earlier Completion Date in respect of many of these events. Where it doesn't, Macquarie (as mortgagee) may, or may alternatively direct the Security Trustee to deal with these types of events by taking such Reasonable Action to preserve the value of its Security Interest as is determined by Macquarie and neither will be liable for any Reasonable Action so taken.

More information about the potential consequences of each corporate action is set out in the additional information available on the Macquarie Equity Lever website.

9.9 Register of holdings and joint holders

Macquarie will keep and maintain or cause a Registrar to keep and maintain registers of the Holders of Instalment Receipts. Except as required by law, no notice of any trust will be entered in the Register.

A maximum of five joint Holders will be permitted for any Holding. All notices, payments and other correspondence to joint Holders, other than notices of Instalment Acceleration Events may be directed, given or made to the first-named joint Holder on the Register. If there are joint Holders and one of those joint Holders dies, the survivor(s) will be the only person/people recognised by Macquarie as having any title or interest in the Instalment Receipts. Unless the joint Holders have appointed an Authorised Representative, each joint Holder will be required to sign Investment Instructions and notices for Early Closure or Early Instalment Payments.

9.10 Security Interest

The Security Trustee will grant an equitable mortgage over the property of each Security Trust (including each Underlying Security) in favour of Macquarie to secure its rights as unpaid vendor, pending receipt by Macquarie of the Completion Payment and other Secured Moneys owing under all your Instalment Receipts.

More information about the Security Interest and related issues are set out in the additional information available on the Macquarie Equity Lever website.

9.11 Powers, duties and obligations of the Security Trustee

The Security Trustee has specific powers of disposal in the circumstances described in the Instalment Receipts Deed, and has general powers to administer the Security Trusts, including powers to maintain bank accounts, grant security, give indemnities and make payments.

More information about the powers, duties and obligations of the Security Trustee are set out in the additional information available on the Macquarie Equity Lever website.

9.12 Replacement of the Security Trustee and assignment by Macquarie

The Security Trustee can be replaced in certain circumstances including on the resignation of the Security Trustee or the removal by Macquarie for a breach of the Instalment Receipts Deed.

Macquarie can novate, assign or otherwise grant participations in all or any part of its rights and obligations under the Instalment Receipts Deed or the Security Interest without the consent of the Security Trustee or any Holder.

9.13 Set off

Both Macquarie and the Security Trustee can set off any amounts that it owes you under the Instalment Receipts Deed against any amounts you owe them under the Instalments Receipts Deed and any other amounts you owe them provided the amounts are not the subject of a bona fide dispute.

9.14 Statements

Macquarie will provide you with semi-annual periodic statements in relation to your Facility.

9.15 Notices

Notices given by Macquarie or the Security Trustee to you will be taken to have been received by you:

- when delivered by hand to your address in the Register
- on the second Business Day after posting if sent by prepaid mail to your address in the Register
- at the time of confirmation of transmission if sent by facsimile to your facsimile number, and
- simultaneously if sent electronically to your email or telephone number (unless Macquarie or the Security Trustee's machine receives a report indicating that the notice was not delivered).

More information about notices (including the form of notices that you may give to Macquarie and the Security Trustee) is set out in the additional information available on the Macquarie Equity Lever website.

9.16 Instalment Receipts Deed

The Instalment Receipts Deed sets out the legal relationship between you, Macquarie and the Security Trustee in relation to your Facility. If you wish to view the terms of the Instalment Receipts Deed, you may attend Macquarie's offices at 1 Martin Place Sydney NSW 2000. Appointments to view the Instalment Receipts Deed must be made in advance, by telephoning 1800 080 033. You are not permitted to replicate the Instalment Receipts Deed in any form.

9.17 Code of Banking Practice

If and when we adopt the 2013 version of the Code of Banking Practice, it will apply to the Facility. From the time of adoption you will be able to obtain from us upon request general descriptive information about our banking services, including information about:

- a) account opening procedures
- b) our obligations regarding confidentiality of your information
- c) complaint handling procedures
- d) the advisability of you informing us promptly when you are in financial difficulty, and
- e) the advisability of you reading these terms and conditions.

Information on current interest rates and fees and charges is available on request.

9.18 FATCA

In 2010, the United States enacted a law (the HIRE Act) which included provisions commonly referred to as FATCA. While the final regulations have not yet come into effect, FATCA will likely require participating non-US based financial institutions to report certain information about financial accounts held directly or indirectly by US persons to the IRS. To comply with these requirements, these participating financial institutions will be required to:

- undertake certain identification and due diligence procedures with respect to its existing and new account holders
- report annually to the IRS on its account holders who are US Persons, and
- withhold and pay 30 per cent of US source income to the IRS, as well as gross proceeds from the sale of property that generates US source interest, or dividends made to US account holders failing to provide certain information.

FATCA will affect us.

Macquarie Group intends to comply with FATCA and potentially any intergovernmental agreement. Accordingly, when you apply to invest you agree to:

- a) provide us certain identification and other information in order for us to comply with our obligations under FATCA including obligations under any agreement with the IRS
- b) waive any provision of foreign law that would, absent a waiver, prevent us from complying with our obligations under FATCA including obligations under any agreement with the IRS and acknowledge that, if you fail to provide such a waiver, we may withhold any payments to you
- c) acknowledge that if you fail to provide information on a timely basis, you may be subject to a 30 per cent U.S. withholding tax
- d) acknowledge that if you fail to comply with such obligations and such failure could result in us being unable to enter into or comply with any agreement with the IRS, we can terminate your investment, and
- e) acknowledge that you will indemnify us and the other investors for any losses resulting from your failure to meet your obligations under this provision, including any withholding tax imposed by FATCA as a result of such failure.

10 Dispute resolution

The information in this section 10 forms part of the Short Form PDS dated 1 July 2013.

Macquarie has procedures in place to consider and deal with enquiries and complaints within 45 days of receiving them. If you have any enquiries or you would like to make a complaint you may contact our office on:

Phone: 1800 080 033

Fax: 02 8232 6158

Email: structuredinvestments@macquarie.com

Mail: Macquarie Funds Group
GPO Box 4294
Sydney NSW 1164

Macquarie is a member of the Financial Ombudsman Service (**FOS**). FOS is an independent external complaints resolution scheme. If you are not satisfied with the response from us, you can contact the FOS quoting our membership number (10019):

FOS can be contacted at:
Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Fax: (03) 9613 6399

Email: info@fos.org.au

Phone: 1300 78 08 08

11 Financial Services Guide

Macquarie Bank Limited
ABN 46 008 583 542
AFS Licence No. 237502

This Financial Services Guide (**FSG**) is an important document which we are required to give you as an Australian financial services licensee. This FSG forms part of the PDS issued in connection with Instalment Receipts offered via a Facility. It is intended to inform you of certain basic matters relating to our relationship, prior to providing you with a financial service. The matters covered by this part of the PDS include:

- who we are and how we can be contacted
- what services and types of products we are authorised to provide to you
- how we (and any other relevant parties) are remunerated
- details of any potential conflicts of interest, and
- details of our internal and external dispute resolution procedures and how you can access them.

It is intended that this part of the PDS should assist you in determining whether to use any of our services in relation to Instalment Receipts to be acquired under a Facility. If you choose to acquire Instalment Receipts and request our general financial product advice (services) you may also receive other documents from us relating to the services which you should read carefully. These documents will include the remainder of this PDS and the Short Form PDS which contain significant information to assist you to make a decision about Instalment Receipts to be acquired under a Facility. We are required to give you the PDS and Short Form PDS when we offer to provide or arrange for the provision of Instalment Receipts to you through a Facility.

About Macquarie

Any financial services offered will be provided by representatives of Macquarie.

Macquarie is part of the Macquarie Group of companies and as such is associated with other Macquarie entities.

Macquarie is a participant of the following licensed markets or clearing and settlement facilities, or markets or facilities operated by:

- ASX Limited
- ASX Clear Pty Limited
- ASX Clear (Futures) Pty Limited
- Austraclear
- Australian Securities Exchange Limited
- ICE Futures Europe
- London Metal Exchange Ltd
- Eurex Frankfurt AG
- Yieldbroker Pty Ltd

You can contact us by:

- calling Client Service on 1800 080 033
- visiting our website at macquarie.com.au/equitylever
- writing to us at:
Macquarie Equity Lever
GPO Box 4294
SYDNEY NSW 1164
- emailing us at structuredinvestments@macquarie.com

Our financial services and financial products

Macquarie is authorised to offer the following financial services and financial products:

- giving advice (both general and personal) and dealing in:
 - basic deposit products
 - non-basic deposit products
 - non-cash payment products
 - derivatives
 - foreign Exchange Contracts
 - general Insurance products
 - government debentures, stocks or bonds
 - interests in managed investment schemes
 - interests in managed investments warrants
 - warrants
 - securities
 - superannuation
 - standard margin lending facilities
- making a market for
 - derivatives
 - foreign Exchange contracts
 - bonds and Debentures
 - other financial products
- holding a financial product or interests in a financial product for you directly or indirectly.

We can also assist you in relation to products offered by other financial institutions, including other members of the Macquarie Group.

Personal financial advice

We will only give personal advice to you if you secure the services of one of our financial advisers. We will not give you personal advice when you visit our website or contact Client Service nor will we give you personal advice in our regular updates or marketing material.

Before we can give you appropriate personal advice, you will need to give us details of your personal objectives, current financial situation, needs and any other relevant information. You can choose not to provide us with this information, but any advice we give you will be general in nature and may not be appropriate to your objectives, financial situation and needs. You should read the warnings contained in any statement of advice carefully before making any decision relating to either a Facility or the Instalment Receipts to be acquired under it.

If we give you personal advice we will maintain a record of your personal profile, including details of your objectives, financial situation and needs. We will also maintain records of any recommendations made to you. For information on how to access these records, please refer to the section 'Your Privacy', below.

Statement of Advice

If you appoint one of financial advisers and the adviser gives you advice that takes into account your circumstances and goals, you should usually receive a statement of advice outlining:

- the advice
- the basis on which it is given, and
- information about fees and other benefits related to the provision of the advice.

Record of Advice

In some cases it is not practical to provide a statement of advice (eg where our financial advisers provide you with additional advice to supplement an existing statement of advice and neither the advice nor your circumstances have materially changed). In these cases, we will keep a record of the advice given to you, which we will keep for seven years after the advice is given. You can ask for a copy of a record of advice at any time until we destroy it.

Providing instructions to Macquarie

You can give us instructions by telephone, mail, email, fax or via our website. Any special instruction arrangements are detailed in the PDS.

Payments to Macquarie for the services provided

If you invest in Instalment Receipts, Macquarie will receive remuneration based on the value of your Instalment Receipts. This remuneration may include upfront fees and management fees (which includes transaction, ongoing and if applicable any borrowing costs) or brokerage. In some situations exit fees, account fees and transaction fees may apply. This is explained in more detail in section 5 '*Fees and other costs*'.

Remuneration received by those who offer Macquarie products

We do not pay any commissions to financial advisers. However, you may agree to pay your adviser a fee for any financial advice they provide to you. For more details on this see Section 5.4.6 '*Adviser Remuneration*'.

Your privacy

At Macquarie the privacy of your personal information is important to us. For information on how we handle any personal information see '*Protecting your Privacy*' in the Application Form.

Compensation Arrangements

Macquarie holds a Professional Indemnity Insurance Policy, which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act. Subject to its terms and conditions, the Policy provides cover for civil liability resulting from third party claims concerning the professional services provided by Macquarie and its employees and representatives.

This policy covers professional services provided by employees and representatives of Macquarie while they are in our employ, even where that employee or representative has subsequently left our employ.

How we handle complaints

Everyone at Macquarie is committed to providing our clients with the highest standard of products and services available. If you're unhappy with our products or our service, we would like you to tell us about it and let us know how you think we can fit it. For information on how to access Macquarie's complaint handling process see Section 10 '*Dispute resolution*'.

“Acceptance” means, in respect of an Investment Instruction, acceptance by Macquarie in its entire discretion of an Investment Instruction, which occurs on Macquarie notifying an Applicant of Macquarie’s acceptance of that Investment Instruction, whether in writing or otherwise. If Macquarie gives notice of such acceptance by mail, it will be taken to have been given by Macquarie on the posting of the notice.

“Accretion” means all rights accretions and entitlements attaching to an Underlying Security after the date of issue of the corresponding Instalment Receipt including, without limitation, all Dividends (other than cash dividends or distributions and reductions or distributions of capital), securities, units, notes, options or other securities exercisable, declared, paid or issued in respect of an Underlying Security.

“Accrued Interest” means all interest that is accrued in respect of an Instalment Receipt since the last Interest Payment Date, but does not include any Capitalised Interest.

“Adviser” means your financial adviser, as notified by you to Macquarie in your Application.

“Annual Interest Amount” means, when the Interest Rate on an Instalment Receipt is fixed, the amount of interest paid in advance via capitalisation to the Outstanding Instalment Balance, as calculated in accordance with section 5.4.2(e).

“Applicant” means a person who lodges an Application and includes a joint applicant.

“Application” means an application to Macquarie for a Facility on the terms and conditions set out in the Application Form.

“Application Form” means a form included in or otherwise attached to this PDS.

“Approved List” means the list of ASX-listed securities published by Macquarie from time to time and available at macquarie.com.au/equitylever.

“ASX” means the Australian Securities Exchange as operated by ASX Limited ACN 008 624 691.

“ASX Listing Rules” means the Listing Rules of the ASX.

“ASX Operating Rules” means the Operating Rules of the ASX regulating, amongst other things, trading in listed securities on the ASX.

“ATO” means the Australian Taxation Office or such other Commonwealth Department as from time to time is charged with administration of the Tax Act.

“Authorised Representative” means any person that has been appointed by a Holder, upon terms acceptable to Macquarie, to:

a) receive notices of the occurrence of an Instalment Acceleration Event and

b) give certain instructions and notices, on behalf of the Holder.

“Beneficial Interest” means the beneficial interest (together with the attaching obligations) which a Holder acquires in a particular Underlying Security upon the registration by the Registrar of the Instalment Receipt to which such Underlying Security relates in the name of the Holder, being an interest and attaching obligations constituted and governed by the Instalment Receipts Deed.

“Break Cost” means, in respect of an Instalment Receipt where the Interest Rate is fixed, the amount payable by the Holder:

- a) in consideration for the Holder responding to an Instalment Acceleration Event
- b) in consideration for Macquarie agreeing to accept the Holder’s payment of the Early Instalment Payment
- c) in consideration for Macquarie agreeing to accept the Holder’s election of Early Closure of the Instalment Receipt, or
- d) if Macquarie declares an early Completion Date, calculated by Macquarie as described in section 5.4.3.

“Brokerage” means the brokerage payable to Macquarie by the Holder in respect of the sale of an Underlying Security pursuant to Macquarie directing the Security Trustee to sell Underlying Securities, and calculated in accordance with section 5 of this PDS.

“Business Day” means a Trading Day (as that term is defined in the ASX Operating Rules).

“Buffer” means the percentage by which the Current Facility LVR can exceed the Facility LVR before an Instalment Acceleration Event is triggered, which will be 15 per cent.

“Capitalised Interest” means interest that is capitalised to the Outstanding Instalment Balance. See section 3.2.1 for more information.

“Cleared Payment” means, in relation to a payment of moneys under this PDS and the Instalment Receipts Deed, that Macquarie or the Security Trustee, as the case may be, has received the moneys in immediately available funds, so that no further confirmation is required to vest the moneys in the recipient and so that the property of the recipient in the funds cannot be revoked or disputed by any person.

“Closing Price” means in relation to a Security on a Business Day, either:

- a) the official closing price or, if there is no official price, the mid-market price on the ASX at the closing time on that Business Day
- b) if the price under sub-paragraph (a) cannot be determined, the price determined by Macquarie as the good faith estimate of the price that would have prevailed as the official closing price on the ASX on that Business Day, or
- c) if Macquarie determines in its discretion that neither sub-paragraph (a) or (b) shall apply then the Closing Price shall be the Macquarie Average Facility Execution Price over such number of trading days up to and including the Business Day, as determined by the Macquarie.

“Commencement Date” means, in relation to a Security Trust, the date of the transfer to the Security Trustee of the Underlying Security to which that Security Trust relates.

“Completion Date” means the Completion Date of an Instalment Receipt as specified in the relevant Investment Confirmation, or any early Completion Date determined in accordance with this PDS or the Instalment Receipts Deed.

“Completion Notice” means a notice by the Holder in the form approved by Macquarie from time to time.

“Completion Payment” means in respect of an Instalment Receipt:

- a) the Outstanding Instalment Balance, plus
- b) any accrued but non-capitalised interest payable up to and including the Completion Date, plus
- c) any Break Costs, plus
- d) any Brokerage, plus
- e) any amount due to be paid by the Holder under this PDS and the Instalment Receipts Deed but which remains unpaid, plus
- f) any stamp duty payable by the Holder, less
- g) Residual Prepaid Interest Amount.

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

“Current Facility LVR” means, for all of the Instalment Receipts which you hold, the Total Completion Payments as a percentage of the Market Value of your Underlying Portfolio.

“Dividend” means an Ordinary Dividend or Special Dividend.

“Early Closure” means the sale of the Underlying Security to which an Instalment Receipt relates pursuant to the exercise by Macquarie of its Security Interest and the cancellation of the Instalment Receipt in accordance with a Holder’s request to bring forward the Completion Date.

“Early Closure Date” means a date prior to the Completion Date specified by the Holder in a notice given to Macquarie requesting Early Closure being provided that:

- a) the specified date is not a day on which the Underlying Securities are suspended from trading or otherwise unable to be sold as a result of circumstances beyond the control of Macquarie or the Security Trustee, and
- b) if the notice is given after 2pm on the date specified, the Early Closure Date shall be deemed to be the following Business Day.

“Early Instalment Payment” means a prepayment of the Outstanding Instalment Balance (or part thereof) made prior to the Completion Date, as described in section 3.2.2.

“Early Instalment Payment Date” means a date prior to the Completion Date on which a prepayment of an Outstanding Instalment Balance is to take effect:

- a) which is the date specified by the Holder in the Completion Notice given to Macquarie, or
- b) if no such date is specified by the Holder in the notice of prepayment, the date of receipt by Macquarie of the Completion Notice or Cleared Payment of the Early Instalment Payment, whichever ever occurs later.

“Event of Default” means each of the events described as such in section 4.8 of this PDS.

“Exceptional Circumstances” means:

- a) when the ASX 200 Index or the Market Value of an Underlying Security falls 10 per cent or more within any 24 hour period, or
- b) when your Current Facility LVR increases to 85 per cent or above at any time.

“Expected Daily Interest Amount” means, when the Interest Rate on an Instalment Receipt is fixed, the amount of interest that accrues daily in respect of an Instalment Receipt, being the Annual Interest Amount divided by 365.

“Facility” means a Macquarie Equity Lever facility offered by Macquarie under this PDS and, by virtue of it falling within the definition of a “standard margin lending facility” for the purposes of section 761EA(2) of the Corporations Act, under the Short Form PDS.

“Facility LVR” means the weighted average of the Published Instalment Receipt LVRs contained in a Facility at any particular time.

“FATCA”, also known as the US Foreign Account Tax Compliance Act, means sections 1471 through 1474 of the US Internal Revenue Code, as of the date of this agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and any current or future US Treasury Regulations or official interpretations thereof.

“Final Instalment” means, in respect of an Instalment Receipt, that part of the Purchase Price as remains due by the relevant Holder after payment of the First Instalment, as specified in the relevant Investment Confirmation and as adjusted from time to time in accordance with the Instalment Receipts Deed or the PDS.

“First Instalment” means, in respect of an Instalment Receipt, that part of the Purchase Price of the Underlying Security which is required by the PDS to be provided by the Applicant as part of the Investment Amount and is payable on issue of the Instalment Receipt, as determined in accordance with the PDS.

“Fixed Interest Adjustment” means the amount equal to any Residual Prepaid Interest Amount less any Break Costs.

“Fixed Interest Rate Confirmation” means the correspondence sent to you by Macquarie to confirm the rate of fixed interest which will apply to your Facility.

“Fixed Interest Rate Expiry Date” means the date specified in the Fixed Interest Rate Confirmation.

“GST” means a tax payable on a supply of goods, services, real property or other things included under the GST Act and related or replacement legislation, but excludes stamp duty.

“GST Act” means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

“Hedging Disruption” occurs where Macquarie is unable, after using commercially reasonable efforts, to:

- a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) Macquarie considers necessary to hedge the risk (whether market risk, foreign exchange risk or any other form of risk) of entering into and performing its obligations with respect to an Instalment Receipt, or
- b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Holder” means, in relation to an Instalment Receipt, the person for the time being registered in the Register pursuant to the Instalment Receipts Deed as the holder of the Instalment Receipt.

“Holding” means, in relation to a Holder, all the Instalment Receipts registered in the Register in the name of that Holder.

“Insolvency Event” means in relation to a Holder:

- a) where a Holder is a corporation:
 - i) except to reconstruct or amalgamate while solvent, an application is made for an order, a meeting is convened to consider a resolution, a resolution is passed or an order is made that the Holder be wound up or otherwise dissolved or that an administrator, liquidator or provisional liquidator of the Holder be appointed or
 - ii) a receiver, receiver and manager, administrator, controller, trustee or similar officer is appointed in respect of all or any part of the business, assets or revenues of the Holder
- b) the Holder dies, becomes insolvent (or is presumed to be insolvent under any applicable law) or is subject to any arrangement, assignment or composition (except to reconstruct or amalgamate while solvent), or is protected from any creditors or otherwise unable to pay their debts when they fall due
- c) where a Holder is an individual, the Holder dies or commits an act of bankruptcy
- d) the Holder states that it is insolvent or is presumed to be insolvent under any applicable law
- e) as a result of the operation of the Corporations Act the Holder is taken to have failed to comply with a statutory demand, or
- f) anything analogous to or of a similar effect to anything described above occurring to any party under the Corporations Act or the law of any relevant jurisdiction.

“Instalment Acceleration Event” means when a Holder’s Current Facility LVR exceeds their Maximum Facility LVR. See section 3.2.3 for further details.

“Instalment Acceleration Event Amount” means the amount payable by a Holder upon the occurrence of an Instalment Acceleration Event.

“Instalment Acceleration Event Payment Time” means a time between 9am to 5pm inclusive on a Business Day that is not less than 24 hours or in Exceptional Circumstances, 12 hours from the time Macquarie first takes steps to notify a Holder and the Holder’s Authorised Representative, if applicable, of an Instalment Acceleration Event.

“Instalment Receipt” means an instalment receipt which:

- a) evidences payment of the First Instalment paid for a specified Underlying Security by an Applicant
- b) evidences the Beneficial Interest held in respect of that specified Underlying Security by that Applicant or a successive Holder, and
- c) will carry a separate and distinctive number which shall be the same as that of, or be correlated or capable of correlation to, the Underlying Security to which it relates.

“Instalment Receipts Deed” means the deed between Macquarie and the Security Trustee in relation to Instalment Receipts, including the Schedules, as amended, novated, supplemented, varied or replaced from time to time and any supplemental deed which may from time to time come into existence as contemplated in the amendment clause.

“Interest Amount” means the Annual Interest Amount or Monthly Interest Amount, as applicable.

“Interest Payment Date” means a date on which a Monthly Interest Amount or an Annual Interest Amount on an Instalment Receipt is required to be paid by the Holder, as specified in the Investment Confirmation.

“Interest Period” means:

- a) if the Interest Rate applicable to an Instalment Receipt is variable:
 - i) initially the period from (and including) the Commencement Date of the Instalment Receipt or the date from which the variable rate is to apply to (and including) the last day of that month and
 - ii) thereafter each period from (and including) the day after the last day of the previous Interest Period to (and including) the earlier of the last day of that month, the day before the Completion Date and the date upon which interest on any Unpaid Completion Payment owing in respect of that Instalment Receipt ceases to accrue,
- b) if the Interest Rate applicable to an Instalment Receipt is fixed, the period from (and including) the Commencement Date of the Instalment Receipt or the date from which a fixed rate is to apply as specified in the Fixed Interest Rate Confirmation to (and including) the earlier of the day before the anniversary of the first day of the Interest Period, the day before the Completion Date and the date upon which interest on any Unpaid Completion Payment owing in respect of that Instalment Receipt ceases to accrue.

“Interest Rate” means the per annum interest rate specified or determined in accordance with this PDS and the relevant Investment Confirmation or Fixed Interest Rate Confirmation on the Commencement Date and each Interest Reset Date.

“Interest Reset Date” means the date upon which the Interest Rate is reset, being each day in an Interest Period where the Interest Rate is a variable rate and the first day of an Interest Period where the Interest Rate is a fixed rate.

“Investment Amount” means the amount paid as a Cleared Payment by an Applicant to Macquarie in respect of an Investment Instruction for Instalment Receipts.

“Investment Confirmation” means the written confirmation sent to you by Macquarie and listing details of your Facility, including:

- a) the number and name of Instalment Receipts held by you under your Facility,
- b) the type of interest payable on your Facility, as described in section 3.1.5.

“Investment Instruction” means an offer to Macquarie by an Applicant to acquire Instalment Receipts under the terms of this PDS and the Instalment Receipts Deed, in the form agreed to by Macquarie.

“Issuance Fee” means the fee payable by the Applicant to Macquarie for the establishment of an Instalment Receipt investment specified in the PDS which is to be paid as part of the Investment Amount, and calculated in accordance with section 5 of this PDS.

“Macquarie” or “MBL” means Macquarie Bank Limited (ABN 46 008 583 542), a company incorporated in the Australian Capital Territory.

“Macquarie Average Facility Execution Price” means the average execution price achieved by Macquarie for purchases or sales of the relevant number of Securities, as determined by Macquarie for your Facility.

“Macquarie Group” means Macquarie Group Limited ABN 94 122 169 279 and its Related Bodies Corporate (as defined in the Corporations Act).

“Market Value” means in respect of an Underlying Security at any time on any Business Day the last traded price quoted on the ASX for that Underlying Security at that time or, if the Underlying Security is not Listed or is suspended from trading, the value determined by Macquarie acting in good faith and in a commercially reasonable manner.

“Maximum Facility LVR” means the Facility LVR plus the Buffer.

“Minimum Initial Instalment Receipt LVR” means the percentage published as such on the Macquarie Equity Lever website at macquarie.com.au/equitylever.

“Monthly Interest Amount” means the amount of interest capitalised on the Outstanding Instalment Balance of an Instalment Receipt on an Interest Payment Date or other date specified in the relevant Investment Confirmation, the Instalment Receipts Deed or this PDS.

“Order of Payment” means the payment of the proceeds of a sale of an Underlying Security or of a surplus or other amount, received by Macquarie or the Security Trustee following exercise of powers or duties under the Instalment Receipts Deed in the following order:

- a) first: the Security Trustee’s Costs
- b) second: the Completion Payment for the Instalment Receipt corresponding to the Underlying Security, to Macquarie
- c) third: any Instalment Acceleration Event Amount, to Macquarie
- d) fourth: any amount required in Macquarie’s discretion to reduce the Holder’s Current Facility LVR to the Holder’s Facility LVR, to Macquarie
- e) fifth: any other Secured Moneys (other than the Completion Payment for the Instalment Receipt corresponding to the Underlying Security) then due by the Holder in respect of any Instalment Receipt, to Macquarie,
- f) sixth: any balance, to the Holder (without interest and in full discharge of all liability of the Security Trustee and Macquarie to the Holder).

“Ordinary Dividend” in relation to an Underlying Security means a distribution or dividend payable in relation to the Underlying Security, and in respect of Stapled Securities, includes any distribution, dividend or repayment of interest.

“Outstanding Instalment Balance” means, in respect of an Instalment Receipt, the Final Instalment plus any Annual Interest Amounts and Monthly Interest Amounts (as applicable) and as otherwise adjusted in accordance with the Instalment Receipts Deed and this PDS.

“PDS” means this combined Product Disclosure Statement and Financial Services Guide dated 1 July 2013 (and any corresponding supplementary Product Disclosure Statement) and issued by Macquarie.

“Professional Advice” means independent professional financial, legal and taxation advice.

“Published Instalment Receipt LVR” means, for an Instalment Receipt in respect of a particular Underlying Security, the percentage, as determined by Macquarie at the time of issue of the Instalment Receipt and subsequently varied by Macquarie from time to time if Macquarie reasonably considers a variation is needed to protect Macquarie’s rights under or in relation to the Security Interest (for example and without limitation, Macquarie may vary the Published Instalment Receipt LVR for an Instalment Receipt where:

- a) there is low liquidity or high volatility in the Underlying Securities
- b) the price/earnings ratio of the issuer of the Underlying Security is high or negative, or
- c) there is a material change in the assets, revenue or financial condition of the issuer of the Underlying Security), and published by Macquarie on macquarie.com.au/equitylever.

“Purchase Price” means the price at which Macquarie agrees to sell an Underlying Security to an Applicant pursuant to the Instalment Receipts Deed and this PDS, which will be the Closing Price on the Trade Date of the Instalment Receipt, unless otherwise agreed by Macquarie.

“Reasonable Action” means action taken by Macquarie or by the Security Trustee (after consultation with Macquarie) and which is lawful, practicable, does not create a risk of material liability for Macquarie or the Security Trustee, respectively, and is otherwise reasonable.

“Register” means the register of Holders of Instalment Receipts established in accordance with the Instalment Receipts Deed.

“Registrar” means Macquarie or any other competent Registrar appointed by Macquarie with the consent of the Security Trustee.

“Residual Prepaid Interest Amount” means the portion of the Annual Interest Amount which Macquarie must refund to the Holder if the Outstanding Instalment Balance is pre-paid (in whole or in part) prior to the Fixed Interest Rate Expiry Date, as calculated in accordance with section 5.4.2(f).

“Sale Price” means the price at which an Underlying Security is sold in accordance with this PDS or the Instalment Receipts Deed.

“Security” means (whether or not it is fully or partially paid):

- a) a share issued by an Underlying Entity
- b) a unit of a unit trust which is an Underlying Entity
- c) debentures, debenture stock, bonds, notes, warrants, convertible notes, units or other securities or instruments which are listed for quotation on the ASX
- d) units in any public property, share or cash management trust or managed investment scheme and
- e) other share, debenture, bond, note or marketable security, approved by Macquarie for the purposes of the Instalment Receipts Deed from time to time.

“Secured Moneys” means, in respect of an Instalment Receipt:

- a) the Completion Payment including for the avoidance of doubt any Unpaid Completion Payments, and
- b) all fees costs, charges, liabilities, tax and expenses incurred by or payable to Macquarie under the Instalment Receipts Deed directly in relation to the relevant Underlying Security and the sale thereof.

“Security Interest” means the equitable mortgage granted in accordance with the Instalment Receipts Deed and held by Macquarie as security for its rights as unpaid vendor, pending receipt by Macquarie of the Completion Payments and any other Secured Moneys owing in respect of the Instalment Receipts of a Holder.

“Security Trust” means each of the trusts, one for each Underlying Security, constituted under the Instalment Receipts Deed.

“Security Trustee” means Bond Street Custodians Ltd ABN 57 008 607 065, AFSL 237 489 or any other trustee of the Security Trusts, as appointed in accordance with the Instalment Receipts Deed.

“Security Trustee’s Costs” means in respect of each Security Trust, amounts for which the Security Trustee is entitled to be indemnified by Macquarie in accordance with the Instalment Receipts Deed and which are attributable to that Security Trust but in respect of which the Security Trustee has not received an indemnity payment pursuant to that clause.

“Short Form PDS” means the short form product disclosure statement issued by Macquarie dated 1 July 2013.

“Special Dividend” means, in respect of an Underlying Security, a distribution or part of a distribution which is described by the Underlying Entity as a special, abnormal, extraordinary or extra dividend or distribution, part of a buy-back or return of capital, or part of a scheme of arrangement or takeover consideration, or which otherwise impacts on the Underlying Entity’s capital structure or is treated by ASX in relation to any market-traded option over the Underlying Security as a special dividend or distribution.

“Standing Instructions” means your instruction to Macquarie to direct debit your nominated bank account for the relevant amount payable as a result of an Instalment Acceleration Event.

“Tax” includes any tax, levy, impost, deduction, charge, rate, duty, or withholding which is levied or imposed by a Government or Government agency, and any related interest, penalty, charge, fee or other amount, excluding stamp duty payable on the Instalment Receipts Deed, or on the transfer of Securities to Macquarie.

“Tax Act” means the *Income Tax Assessment Act 1997* (Cth) and the *Income Tax Assessment Act 1936* (Cth).

“Total Completion Payments” means, at any time, the sum of the Completion Payments (assuming that the Completion Payments were paid at that time) and any Unpaid Completion Payments in respect of all of a Holder’s Instalment Receipts.

“Trade Date” means the date that Macquarie agrees to issue you an Instalment Receipt for a particular Purchase Price (as described in section 3.1.3) which will generally be three Business Days before the date that your Instalment Receipt is issued.

“Transfer Fee” means the fee, if any, described in section 5.4.5 and payable by the transferee of an Instalment Receipt for the registration of the transfer.

“Trust Tax Change” means a change to the Tax Act, whereby trustees are taxed in a manner similar to companies or trust distributions are taxed in a manner similar to corporate distributions or any other change which has a material financial impact over the issue, holding, cancellation, completion or expiry of Instalment Receipts.

“Underlying Entity” means a legal entity or undertaking, the Securities of which are the subject of Instalment Receipts offered by Macquarie under this PDS, or any one or more of those entities.

“Underlying Security” means a single Security and all Accretions in respect of that Security which corresponds to an Instalment Receipt, as varied, if at all, pursuant to the Instalment Receipts Deed.

“Underlying Portfolio” means the aggregate of the Underlying Securities which correspond to an Instalment Receipt held by a Holder in his or her Facility.

“Unpaid Completion Payment” means in relation to an Instalment Receipt, any amount due to be paid by the Holder under the Instalment Receipts Deed and the PDS in relation to that Instalment Receipt, but which remains unpaid following the disposal of the Underlying Security pursuant to a request for Early Closure of the Instalment Receipt. This amount is included in calculations for your Facility’s Total Completion Payments.

13 Direct Debit Request Service Agreement

You must read and understand this Agreement prior to completing section 5 of the Application Form.

Definitions

“Account” means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

“Agreement” means this Direct Debit Request Service Agreement between You and Us.

“Business Day” means a day other than a Saturday or a Sunday or a national public holiday.

“Client Service” means the Macquarie Specialist Investments Client Service team.

“Debit Day” means the day that payment by You to Us is due.

“Debit Payment” means a particular transaction where a debit is made.

“Deed” means the Instalment Receipts Deed which sets out the terms and conditions of your investment in Macquarie Equity Lever.

“Direct Debit Request” means the Direct Debit Request between Us and You.

“Our, Us or We” means Macquarie which You have authorised by signing a direct debit request.

“PDS” means this Product Disclosure Statement dated 1 July 2013.

“You” or “Your” means the person(s) who signed the direct debit request.

“Your Financial Institution” means the financial institution where You hold the account that You have authorised Us to arrange to debit.

1. Debiting your account

1.1 By signing a Direct Debit Request, You have authorised Us to arrange for funds to be debited from Your account. You should refer to the Direct Debit Request, this agreement and the PDS for the terms of the arrangement between Us and You.

1.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.

1.3 If the Debit Day falls on a day that is not a Business Day, We may direct Your Financial Institution to debit Your Account on the previous or following Business Day. If You are unsure about which day Your Account has been debited You should contact Client Service.

2. Changes by Us

2.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least fourteen (14) days written notice.

3. Changes by You

3.1 Subject to 3.2 and 3.3, You may change the arrangements under a Direct Debit Request by contacting Client Service.

3.2 If You request Us to stop or defer a Debit Payment You must notify Client Service in writing at least fourteen (14) days before the next Debit Day. Alternatively, You may contact Your Financial Institution to stop or defer a Debit Payment.

3.3 Before You can cancel Your Direct Debit Request, You must notify Us and make other direct debit arrangements. The terms and conditions which refer to payments under the Instalments Trust Deed state (amongst other things) that all moneys payable by You under the Instalments Receipts Deed and the PDS shall be paid by direct debit from an account at a bank or financial institution acceptable to Us, unless otherwise agreed by Us. If You cancel Your authority for Us to debit Your Account and do not make alternate arrangements regarding establishing another Direct Debit Request, then You may be in default under the Instalments Receipts Deed.

4. Your obligations

4.1 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.

4.2 If there are insufficient clear funds in Your Account to meet a Debit Payment:

- a) You may be charged a fee and/or interest by Your Financial Institution
- b) You may also incur fees or charges imposed or incurred by Us as stated in the PDS or Deed
- c) You may be in default under the Deed, and
- d) You must arrange for the particular Debit Payment which has been declined to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

4.3 You should check Your account statement to verify that the amounts debited from Your Account are correct.

4.4 If We are liable to pay Goods and Services Tax (**GST**) on a supply made by Us in connection with this Agreement, then You agree to pay Us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

- 5.1 If You believe that there has been an error in debiting Your Account, You should notify Client Service directly and confirm that notice in writing with Client Service as soon as possible so that we can resolve Your query more quickly.
- 5.2 If We conclude as a result of our investigations that Your Account has been incorrectly debited We will respond to Your query by arrangement for Your Financial Institution to adjust Your Account accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.
- 5.3 If We conclude as a result of our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding.
- 5.4 Any queries You may have about an error made in debiting Your Account should be directed to Client Service in the first instance. This is so that Client Service can attempt to resolve the matter between Us and You. If the Client Service cannot resolve the matter You can still refer it to Your Financial Institution which will obtain details from You of the disputed transaction and may lodge a claim on Your behalf.
- 5.5 Subject to conditions and warranties implied by legislation and to any express terms in this Agreement, We are not responsible or liable for any delay, interruption or error in processing or failing to process any Direct Debit Request whether or not caused (including as a result of negligence) by Us, our employees or agents.
- 5.6 All terms implied by statute, general law or custom shall not apply to this Agreement except ones that may not be excluded. If We breach any condition or warranty implied by legislation in a contract with a consumer, our liability for that breach is limited to a resupply of the services in respect of which the breach occurred, and We shall not be liable in any event for indirect or consequential loss or any loss of profits.

6. Accounts

You should check:

- a) with Your Financial Institution whether Direct Debiting is available from Your Account, as Direct Debiting is not available on all accounts offered by Financial Institutions, and
- b) that Your Account details which You have provided to Us are correct by checking them against a recent account statement or with Your Financial Institution, before completing the Direct Debit Request.

7. Confidentiality

- 7.1 We will keep any information (including Your Account details) in Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of our employees or agents who have access to information about You do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that We have about You:
 - a) to the extent specifically required by law, or
 - b) for the purposes of, or in connection with the exercise of any of our rights and/or powers under, this Agreement, PDS or Deed (including disclosing information in connection with any query or claim).

8. Notice

- 8.1 If You wish to notify Us in writing about anything relating to this Agreement, You should write to Client Service.
- 8.2 We will notify You by sending a notice in the ordinary post to the address You have given Us in the Direct Debit Request.
- 8.3 Any notice will be deemed to have been received two Business Days after it is posted.

Execution by You of the Direct Debit Request deems You to have read and understood the terms of this Direct Debit Request Service Agreement.

14 How to apply

Who can apply?

You may apply for Instalment Receipts if you are a trustee of a superannuation fund.

The trustee of a superannuation fund must be the person who applies for the Instalment Receipts as the trust conducts its legal activities through the trustee.

We may require you to provide other supporting documentation before processing your Application Form.

If you are not a trustee of a superannuation fund and you wish to invest in Instalment Receipts through the Facility, please contact our Client Service team to confirm your eligibility.

Step 1

Before you invest in Instalment Receipts through the Facility, you must read and understand the Short Form PDS dated 1 July 2013 and this PDS dated 1 July 2013 (including additional information forming part of this PDS available on the Macquarie Equity Lever website macquarie.com.au/equitylever).

In order to make a decision about whether to invest in Instalment Receipts via a Facility, we recommend you also obtain independent financial and taxation advice as to the suitability of investing in Instalment Receipts via a Facility based on your personal circumstances. You should also research the Underlying Security prior to investing.

Step 2

If you wish to apply for a Facility, you should complete and submit the Application Form to Macquarie.

To invest in Instalment Receipts through your Facility you can either:

- include your Investment Instructions in section 4 of the Application Form when you apply for a Facility, or
- submit valid a Investment Instruction form available on our website at a later date.

Applicant description

Investing as:	The Application must be in the name of:	For example:	Your account description (if required) could be:
A superannuation fund with an Individual Trustee eg Citizen Family Superannuation Fund	The full given name of each trustee(s). Note: Applications in the name of the superannuation fund rather than the trustee(s) will not be accepted	Mrs Jane Elizabeth Citizen and Mr John Michael Citizen	Citizen Super Fund A/C
A superannuation fund with a Corporate Trustee eg Citizen Family Superannuation Fund	The company name of the Corporate Trustee. Note: Applications in the name of the superannuation fund rather than the trustee(s) will not be accepted	John Citizen Pty Ltd	Citizen Super Fund A/C
An Individual Applicant	The full given name of the individual	Mrs Jane Elizabeth Citizen	None required
Joint Applicant	The full given names of both individuals	Mrs Jane Elizabeth Citizen and Mr John Michael Citizen	None required
A company	The company	John Citizen Pty Ltd	None required
A Trust eg Citizen Family Trust	The full given name of each trustee(s) or the company name of the Corporate Trustee. Note: Applications in the name of the Trust rather than the trustee(s) will not be accepted	Mrs Jane Elizabeth Citizen and Mr John Michael Citizen OR John Citizen Pty Ltd	Citizen Family A/C

How to submit your Application Form

A paper Application Form can be found at the end of this PDS. You can lodge your Application Form through your Financial Adviser or directly with Macquarie. Application Forms can be sent to:

Mail: Macquarie Equity Lever
GPO Box 4294
Sydney NSW 1164

Email: structuredinvestments@macquarie.com

Fax: (02) 8232 6158

We may act on Applications received by fax or email. You should, however, also send the original to us in the mail for our records.

Investment Amount

All Applicants are required to pay their Investment Amount in order to invest in Instalment Receipts via a Facility. You can pay this amount by direct debit or by including a cheque, made payable to Macquarie Bank Limited, with your Application Form.

We encourage you to use direct debit to assist with the timely processing of your Investment Instructions.

Other instructions

If you are applying under a power of attorney, please attach a copy of the power of attorney and specimen signature(s) of all attorneys.

Adviser Payment Arrangement

If you wish to wish to pay advice fees to your Adviser's dealer group using the Macquarie Adviser Payment Arrangement please read the product disclosure statement for the Macquarie Adviser Payment Arrangement which is available on macquarie.com.au/msiapa, complete section 3 of the Application Form and ensure that your Adviser completes section 1 of the Application Form.

Macquarie Equity Lever Application Form



This is the Application Form for Macquarie Equity Lever (**Equity Lever**). This Application Form should accompany the Combined Product Disclosure Statement and Financial Services Guide issued by Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502 (**Macquarie**) dated 1 July 2013, the supplementary Product Disclosure Statement dated 9 November 2015 and the Short Form Product Disclosure Statement (**Short Form PDS**) issued by Macquarie dated 1 July 2013 (collectively **the Equity Lever PDS**). The Equity Lever PDS contains important information about investing through an Equity Lever Facility and also contains the Equity Lever online instructions terms and conditions. You should read the Equity Lever PDS in full before making a decision to invest through an Equity Lever Facility.

This Application Form is also an application for the Macquarie Adviser Payment Arrangement (**APA**). The Product Disclosure Statement for the APA (the **APA PDS**) is available at macquarie.com.au/equitylever. The APA PDS contains important information about the APA. You should read the APA PDS before making a decision to apply for an APA.

Information in the Equity Lever PDS and the APA PDS may change from time to time. Where information that changes is not materially adverse to investors, we may update this information by updating the Equity Lever PDS or APA PDS, as the case may be, by publishing an update at macquarie.com.au/equitylever or macquarie.com.au/msiapa respectively.

You can access a copy of the latest version of the Equity Lever PDS and the APA PDS, any updated information and the Application Form free of charge from our website or by contacting us.

The information provided in the Equity Lever PDS and the APA PDS is general information only and does not take account of your personal financial situation or needs. You should obtain your own financial advice tailored to your personal circumstances.

If you require a full, paper copy of the Equity Lever PDS, Application Form and APA PDS, call Macquarie on 1800 080 033, or download from macquarie.com.au/equitylever or macquarie.com.au/msiapa respectively.

Please complete this form using BLACK INK and print well within the boxes with CAPITAL LETTERS. Mark appropriate answer boxes with a cross. Start at the left of each answer space and leave a gap between words. Should you have any questions, please call Client Service on freecall 1800 080 033 between 8.30am and 5.30pm (Sydney time).

Checklist

Accounts can only be opened by the following types of investors:

- Individuals over 18 years of age
- Trustees of other entities
- Partnerships
- Companies or incorporated bodies
- Associations/cooperatives, or
- Government entities.

Macquarie is subject to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF Laws**). To comply with AML/CTF Laws, we must collect certain information about each investor as set out on the following page. If you are not one of the types of investors listed below or do not have the identification documentation referred to, please contact Client Service for other acceptable identification documentation.

Macquarie may disclose your personal information in connection with AML/CTF Laws. In certain circumstances, Macquarie may be obliged to freeze or block an account where it is used in connection with illegal activities or suspected illegal activities. Freezing or blocking can arise as a result of the account monitoring obligations of Macquarie under the AML/CTF Laws. If this occurs, Macquarie is not liable to you for any consequences or losses whatsoever and you agree to indemnify Macquarie if they are found liable to a third party in connection with the freezing or blocking of your account.

Please complete the checklist and all the fields within this form and return to us by mail to **Macquarie Equity Lever, GPO Box 4294, Sydney NSW 1164** by email structuredinvestments@macquarie.com or by fax **(02) 8232 6158**.

For more information about Macquarie Equity Lever or the Macquarie Adviser Payment Arrangement contact Client Service on 1800 080 033 from 8.30am to 5.30pm (Sydney time) Monday to Friday or visit our website at macquarie.com.au/equitylever.

Issuer of the Equity Lever PDS and APA PDS: Macquarie Bank Limited (**Macquarie**) ABN 46 008 583 542 AFSL 237502

Checklist

Type of Investor: Individual/Joint/Sole Trader	
Who needs to sign the Application Form?	<ul style="list-style-type: none"> Individual or joint applications are to be signed by the individual(s) in whose name(s) the account is opened. Joint applicants will be deemed joint tenants and both are to sign the Application Form. For Sole Traders, the individual is to sign.
Documentation required	<input type="checkbox"/> Completed Application Form – sections 2, 3, 4 and 5 (mandatory), and sections 1, 6 and 7 (optional). <input type="checkbox"/> For each applicant in whose name(s) the account is opened, one of the following: <ul style="list-style-type: none"> original certified copy of Australian Drivers Licence original certified copy of Australian Passport original certified copy of a card issued under a State or Territory law for the purpose of proving a person's age which contains a photograph of the person in whose name the document is issued original certified copy of foreign passport or similar document issued for the purpose of international travel that contains a photograph and the signature of the person in whose name the document is issued, or FSC/FPA Identification form completed by your Adviser.
Type of Investor: Company – Domestic/Foreign	
Who needs to sign the Application Form?	<ul style="list-style-type: none"> Australian and foreign company applications are to be signed by two directors, or a director and the company secretary, on behalf of the company by authority of the Board of directors. If the company has a sole director who is also sole company secretary; that sole director.
Documentation required	<input type="checkbox"/> Completed Application Form – sections 2, 3, 4 and 5 (mandatory), and sections 1, 6 and 7 (optional). <input type="checkbox"/> For Australian companies, FSC/FPA Identification form completed by your Adviser (where applicable). <input type="checkbox"/> For foreign companies, original certified copy of registration document (or equivalent). <input type="checkbox"/> Original certified copy of the constitution (unless the company's constitution specifies otherwise, attach an original certified copy of the constitution).
Type of Investor: Trust (including Superannuation funds and Managed Investment Schemes)	
Who needs to sign the Application Form?	<ul style="list-style-type: none"> Two trustees, or otherwise in accordance with the Trust Deed. If a corporate trustee, refer to the above section 'Type of investor: Company – Domestic/Foreign'.
Documentation required	<input type="checkbox"/> Completed Application Form – sections 2, 3, 4 and 5 (mandatory), and sections 1, 6 and 7 (optional). <input type="checkbox"/> FSC/FPA Identification form completed by your adviser (where applicable). In addition, for a trust described in section 2D: <ul style="list-style-type: none"> <input type="checkbox"/> To verify the full name of the trust, one of the following: <ul style="list-style-type: none"> original certified copy of the Trust Deed or if not reasonably available, a certified extract of the Trust Deed a notice (such as a notice of assessment) issued by the Australian Taxation Office within the last 12 months, or a letter from a solicitor or qualified accountant verifying the name of the trust. <input type="checkbox"/> Full identification details for one of the Trustees (refer to documentation requirements for 'Individual/Joint/Sole Trader', 'Company – Domestic/Foreign' as applicable). <p>Where an applicant sends its Trust Deed to us, we will only use that Trust Deed for AML purposes and we will not otherwise review the Trust Deed.</p>

Please note that if you are not a trustee of a superannuation fund and wish to apply for a Facility, you will need to contact Client Service to confirm your eligibility.

Once your initial application for an Equity Lever Facility has been accepted by Macquarie, you will be provided with confirmation and will be able to submit online instructions. Please refer to the Equity Lever PDS for further details.

General information

Certification of documents

An 'original certified copy' is a document that has been certified as a true copy of the original document by an eligible certifier. The certifier must state their full name and qualification or occupation that makes them eligible to certify the document. The list below details the prescribed persons who are authorised to certify copies of identification documentation.

- 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.
- A finance company officer with two or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993 (Cth)).
- An officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993 (Cth)).
- 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.
- An agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public.
- A Justice of the Peace.
- 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).
- A judge of a court.
- A magistrate.
- A chief executive officer of a Commonwealth court.
- A registrar or deputy registrar of a court.
- An Australian police officer.
- An Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955 (Cth)).
- 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.
- A notary public (for the purposes of the Statutory Declaration Regulations 1993 (Cth)).

Documents in a language other than English must be accompanied by an English translation prepared by an accredited translator.

Protecting your privacy

Macquarie collects certain personal information from you in order to administer your Macquarie Equity Lever Facility, and if you apply for an APA, Macquarie collects certain personal information from you in order to administer that arrangement.

As required by law, Macquarie has adopted a Privacy Policy that governs the collection, storage, use and disclosure of personal information. A copy of our Privacy Policy is available from our website at www.macquarie.com.au.

How does Macquarie use personal information

By signing the Application Form, you agree to Macquarie collecting, holding, using and disclosing personal information about you in accordance with its Privacy Policy. This includes using your personal information for:

- processing your application
- providing or marketing products and services to you
- administration purposes, including managing, monitoring, auditing and evaluating the products and services
- determining future product and business strategies and to develop services, including the modelling of data and data testing
- ensuring compliance with all applicable regulatory or legal requirements. This includes the requirements of ASIC, Australian Taxation Office, AUSTRAC and other regulatory bodies or relevant exchanges including the requirements of the superannuation law
- communicating with you in relation to your Macquarie Equity Lever Facility or your APA and all transactions relating to the Macquarie Equity Lever Facility or your APA and dealing with any complaints or enquiries, and
- providing products and services to you through other entities in the Macquarie Group, our agents, contractors or third parties whether or not located in Australia.

We collect and record personal information through our interactions with you and your nominated adviser(s), including by telephone, email or online. We may also collect personal information from public sources and third parties including information brokers and our service providers.

We aim to ensure that our record of your personal information is accurate, complete and up to date. If your personal information changes, inform us as soon as possible. You may correct or update this information by notifying us in writing.

Where you provide us with personal information about someone else you must first ensure that you have obtained their consent to provide their personal information to us based on this privacy statement.

General information

What happens if you do not give us information

You may choose not to give personal information about you to Macquarie. Depending on the type of personal information, the consequences set out below may apply if you do not do so:

- refer to section 2E of this Application Form for the consequences if you do not supply your Tax File Number (**TFN**) or a valid exemption (or in certain cases an Australian Business Number (**ABN**))
- Macquarie may not be able to approve your application for a Macquarie Equity Lever Facility
- Macquarie may not be able to approve your application for an APA
- Macquarie may not be able to provide you with an appropriate level of service.

We are required or authorised to collect your personal information under various laws including those relating to taxation and the AML/CTF Laws.

Disclosing your information

You agree and consent that Macquarie may disclose information we hold about you in the following circumstances:

- to other companies in the Macquarie Group as well as our agents, contractors or service providers, which provide services in connection with our products and services, for example printing statements or notices which we send to you
- collecting or assisting in the recovery of debts, locating you by using the services of licensed private agents or providing professional advice
- supplying information about your investments to any adviser that is nominated by you, or their dealer group
- to your agents and representatives (for example your broker, adviser, solicitor, accountant or superannuation fund administration) or any administrator, liquidator, trustee in bankruptcy, legal personal representative or executor, whether or not located in Australia
- disclosing your personal information to regulatory authorities (eg tax authorities in Australia and overseas) in connection with their lawful information requests or to meet our legal obligations in any relevant jurisdiction
- using your personal information to contact you on an ongoing basis (by telephone, electronic messages, online and other means) to offer you products or services that may be of interest to you, including offers of banking, financial advisory, investment, insurance and funds management services, unless you tell us not to
- disclosing your personal information to any person proposing to acquire an interest in our business
- if the disclosure is required or authorised by law
- if you consent.

In order to use and disclose your personal information for the purposes stated above, we may be required to transfer your personal information to entities located outside Australia (this includes locations in the Philippines and India and the countries specified in our Privacy Policy). By completing the Application Form, you consent to your personal information being transferred overseas for these purposes.

Direct marketing

We and other companies in the Macquarie Group may use your personal information to contact you on an ongoing basis by telephone, electronic messages (like email), online and other means to offer products or services that may be of interest to you including offers of banking, financial, advisory, investment, insurance and funds management services, unless you change your marketing preferences by telephoning us as set out below.

Contacting us

Under the Privacy Act, you may request access to your personal information that we hold. You can contact us to make such a request or for any other reason relating to the privacy of your personal information by telephoning us on 1800 080 033 or email the Privacy Officer at: privacy@macquarie.com.

You may also request a copy of our Privacy Policy which contains further details about our handling of personal information, including how you may access or update your personal information and how we deal with your concerns. The Privacy Policy can also be found via www.macquarie.com.au.

Complaints

If you wish to complain about any breach or potential breach of our privacy obligations, you should contact us by any of the methods contained in this Application Form. It is our intention to use our best endeavours to resolve any complaint to your satisfaction, however, if you are unhappy with our response, you are entitled to contact the external dispute resolution scheme set out in the Macquarie Equity Lever PDS and Short Form PDS, or APA PDS or the Office of the Australian Information Commissioner who may investigate your complaint further.

1

Adviser details (to be completed by Advisers only)

Place stamp here:

Adviser name:

Dealer group:

Adviser company name:

ABN: AFSL:

Adviser postal address

Street name and number (or PO Box):

Suburb:

State: Postcode: Country:

Work phone number:

Fax number: Mobile number:

Adviser email:

Adviser Macquarie Access Code (MAC):

Assistant name:

Work phone number: Mobile number:

For more information regarding this Application Form please contact: Adviser Adviser's Assistant

Additional information

Adviser own Macquarie Equity Lever application?

Yes No

New Advisers only: Please call Client Service on 1800 080 033

Special instructions

Adviser declaration

If a Financial Services Council Limited/Financial Planning Association of Australia Identification Form (**FSC/FPA Form**) in relation to the Investor(s) referred to in this Application Form has been provided, by signing below and submitting the relevant FSC/FPA Form with this Application Form, as the Adviser, I represent to Macquarie that I am appropriately licensed under the Corporations Act 2001, and I:

1. have followed the FSC/FPA Industry Guidance Note No. 24 and any other applicable guidelines with respect to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, rules and other subordinate instruments (**AML/CTF Laws**)
2. will make available to Macquarie, on request, original verification and identification records obtained by me in respect of the Investor, being those records referred to in the FSC/FPA Form
3. will provide details of the customer identification procedures adopted by me in relation to the Investor
4. have kept a record of the Investor's identification and verification and will retain these in their file for a period of seven years after my relationship with the Investor has ended
5. will use reasonable efforts to obtain additional information from the Investor if Macquarie asks me to do so
6. will not knowingly do anything to put Macquarie in breach of the AML/CTF Laws, and
7. will notify Macquarie immediately if I become aware of anything that would put Macquarie in breach of AML/CTF Laws.

Adviser details (continued)

If you have previously provided Macquarie Specialist Investments with an FSC/FPA Form for the Applicant(s) of this Application Form, you may not be required to complete another FSC/FPA Form.

For ease of processing, please provide the Facility Number for each Applicant.

A relevant FSC/FPA Form has previously been provided for each of the following Applicant(s):

Name:

Facility name:

Facility number:

Name:

Facility name:

Facility number:

Name:

Facility name:

Facility number:

If you provide your email address, you agree that we may provide you with information including statements, transaction confirmations, reports and other material by email. From time to time we may still send you correspondence in the post. Contact Client Service if you wish to change your communication preferences.

By signing below, as the Adviser I confirm that I am appropriately licensed under the Corporations Act 2001 to provide advice in respect of a Macquarie Equity Lever Facility and the Instalment Receipts to be issued under such a Facility including, in particular, that I am authorised to provide advice in respect of a standard margin lending facility.

If the Applicant has completed section 6 of this Application Form in relation to the Adviser Payment Arrangement you acknowledge that the specified advice fees will be credited to the account which we currently have on file for your dealer group or, if you are the holder of an AFSL, for you. If you are a new adviser the advice fees will be credited to the account specified in the 'New Adviser Details Form'. If you wish to confirm the bank account details please contact Client Service on 1800 080 033.

Please note that you are responsible for ensuring that you are legally entitled to the advice fees nominated by the applicant to be paid through the APA and your dealer group will be responsible for issuing the APA applicant with an invoice (including a GST invoice) in respect of those advice fees.

Signature of Adviser

Date:

Name:

2 Applicant details

2A Applicant 1 details (this section is mandatory)

Investor type

- Individual Applicant – also complete 2B (if joint applicants), 2E (not mandatory), 2F and 2G.
- Director of Corporate Applicant – also complete 2B (if more than one director), 2C, 2E (not mandatory), 2F and 2G.
- Director of Corporate Trustee of a Trust (including superannuation investors) – also complete 2B (if more than one director), 2C, 2D, 2E (not mandatory), 2F and 2G.
- Individual Trustee of a Trust (including superannuation investors) – also complete 2B (if more than one individual trustee), 2D, 2E (not mandatory), 2F and 2G.

Applicant details – this section is mandatory

Title: First name: Middle name:

Surname:

Any other name known by:
(leave blank if not applicable)

Occupation:

Driver's license number: Date of birth: / /

Address details – this section is mandatory

Residential address (this cannot be a PO Box)

Street name and number:

Suburb:

State: Postcode: Country:

Mailing address (please complete if different to residential address. Corporate applicants will receive mail at the address in 2C)

If mailing address is the same as residential address, cross here

Street name and number:

Suburb:

State: Postcode: Country:

Previous residential address (please complete if less than three years at current residential address)

Street name and number:

Suburb:

State: Postcode: Country:

Contact details (you must provide at least one contact phone number and an email address)

Work phone number: Home phone number:

Fax number: Mobile number:

Email:

! Email addresses are a mandatory requirement and ensure timely notifications of online transactions that have occurred within your Facility.

Present employer:

Previous employer:

Applicant details (continued)

Additional details – this section is mandatory

Are you an Australian resident for tax purposes?

Yes No, please specify your country of tax residence:

GearUp

GearUp provides you with a complete online client service. In order to access GearUp you will require a Macquarie Access Code (**MAC**). Once you have your MAC, you can access GearUp at www.macquarie.com.au/gearup.

Do you already have a MAC? (you will be automatically issued with a MAC, if you do not specify otherwise).

Yes, please specify: No

If you nominate an Authorised Representative (including your Adviser), your Authorised Representative will be able to access, view and place instructions on your behalf under your Facility via GearUp.

Unless you tick the box below, your Adviser and/or Adviser's assistant will be able to view your account.

I do not want my Adviser (including all employees and agents if my Adviser is in a partnership or company) to have viewing access to my account via GearUp. **Important note: If you have nominated your Adviser as your Authorised Representative, we will disregard this election and your Adviser will have access to your account via GearUp.**

2B

Applicant 2 details (if there is no second Applicant, proceed to section 2C)

Investor type

- Joint Individual Applicant – also complete 2E (not mandatory), 2F and 2G.
- Director of Corporate Applicant – also complete 2C, 2E (not mandatory), 2F and 2G. (If more than two directors, please print and complete 2B for all other directors.)
- Joint Director of Corporate Trustee of a Trust (including superannuation investors) – also complete 2C, 2D, 2E (not mandatory), 2F and 2G. (If more than two directors, please print and complete 2B for all other directors.)
- Joint Individual Trustee of a Trust (including superannuation investors) – also complete 2D, 2E (not mandatory), 2F and 2G. (If more than two individual trustees, please print and complete 2B for all other individual trustees.)

Applicant details – this section is mandatory

Title: First name: Middle name:

Surname:

Any other name known by:

(leave blank if not applicable)

Occupation:

Driver's license number: Date of birth: / /

If Applicant 2 residential address is the same as Applicant 1, cross here

Address details – this section is mandatory

Residential address (this cannot be a PO Box)

Street name and number:

Suburb:

State: Postcode: Country:

Previous residential address (please complete if less than three years at current residential address)

Street name and number:

Suburb:

State: Postcode: Country:

Applicant details (continued)

Contact details (you must provide at least one contact phone number and an email address)

Work phone number:	<input type="text"/>	Home phone number:	<input type="text"/>
Fax number:	<input type="text"/>	Mobile number:	<input type="text"/>
Email:	<input type="text"/>		

! Email addresses are a mandatory requirement and ensure timely notifications of online transactions that have occurred within your Facility.

Present employer:	<input type="text"/>
Previous employer:	<input type="text"/>

Additional details – this section is mandatory

Are you an Australian resident for tax purposes?

Yes No, please specify your country of tax residence:

GearUp

GearUp provides you with a complete online client service. In order to access GearUp you will require a Macquarie Access Code (**MAC**). Once you have your MAC, you can access GearUp at www.macquarie.com.au/gearup. If you elect to nominate an Adviser or the Adviser's assistant to your Facility, your Adviser or your Adviser's assistant will be able to view your account.

Do you already have a MAC? (you will be automatically issued with a MAC, if you do not specify otherwise).

Yes, please specify: No

2C Corporate Applicant details (if you are not a Corporate Applicant please proceed to section 2D)

Corporate Applicant type

Corporate Applicant Trust (including superannuation investors) with a Corporate Trustee (you must also complete section 2D)

Corporate Applicant details – this section is mandatory

Company name:	<input type="text"/>		
ACN:	<input type="text"/>		

Company's registered address (this cannot be a PO Box)

Street name and number:	<input type="text"/>		
<input type="text"/>	Suburb:	<input type="text"/>	
State: <input type="text"/>	Postcode: <input type="text"/>	Country: <input type="text"/>	

Company's principal place of business address (if different from above)

If the company's principal place of business is the same as above, cross here

Street name and number:	<input type="text"/>		
<input type="text"/>	Suburb:	<input type="text"/>	
State: <input type="text"/>	Postcode: <input type="text"/>	Country: <input type="text"/>	

Mailing address

If the company's mailing address is the same as the registered address above, cross here

Street name and number:	<input type="text"/>		
<input type="text"/>	Suburb:	<input type="text"/>	
State: <input type="text"/>	Postcode: <input type="text"/>	Country: <input type="text"/>	

Applicant details (continued)

Director's names (list all)

Additional information – this section is mandatory

Business activities:

Company type: Public company Proprietary company

If you ticked proprietary company, please list the full name, date of birth and residential address of each Beneficial Owner below.

A Beneficial Owner is a person who:

- owns more than 25% of the company's issued share capital, or
- if **no-one** owns more than 25% of the company's issued share capital, the individual(s) who otherwise qualify as Beneficial Owner(s) under Part 1.2 of the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1) (**AML/CTF Rules**), being the person(s) who controls the company through their capacity to determine decisions about the company's financial and operating policies.

Full name, date of birth and residential address of each Beneficial Owner

Name: Date of birth: / /

Street name and number:

Suburb:

State: Postcode: Country:

Name: Date of birth: / /

Street name and number:

Suburb:

State: Postcode: Country:

Name: Date of birth: / /

Street name and number:

Suburb:

State: Postcode: Country:

2D Trustee Applicant details (if you are not a Trustee Applicant please proceed to section 2E)

Trustee Applicants are requested to provide the name and TFN of all trustee beneficiaries (as defined for the purposes of the tax rules), under the relevant trust. Failure to do so may result in deduction of tax at the highest marginal tax rate, plus Medicare levy and any applicable temporary Budget Repair levy in respect of any Dividends or Special Dividends (if any) paid by the Underlying Entity.

Name of the Trustee(s):

Name of the Trust:

Full business name of the Trustee in respect of the Trust (if any):

Type of Trust (eg SMSF, family trust, etc):

Business activities/purpose of Trust:

Country in which Trust was established:

Applicant details (continued)

Non-SMSFs only – Beneficiaries of Trust

If the beneficiaries of the Trust are named in the Trust Deed, please list each beneficiary's full name below. Alternatively, where beneficiaries are described as members of a class of beneficiaries, please include details of the class.

Non-SMSFs only

Was the Trust's settlement amount less than \$10,000? Yes No

Are the Settlor(s) of the Trust all deceased? Yes No

If you selected 'No' for **both** of the above, please provide the full name of the Settlor(s):

Non-SMSFs only – Beneficial Owner

Are any of the trust's Beneficial Owners already listed as investors in section 2A or 2B of this form? Under Part 1.2 of the AML/CTF Rules, a 'Beneficial Owner' is a person who controls the trust through their capacity to determine decisions about the trust's financial and operating policies.

Yes ► complete the fields below **only** for **Beneficial Owners not already listed in 2A or 2B** (if any)

No ► complete the fields below for **all** Beneficial Owners

Name: Date of birth: / /

Street name and number:

Suburb:

State: Postcode: Country:

Name: Date of birth: / /

Street name and number:

Suburb:

State: Postcode: Country:

Name: Date of birth: / /

Street name and number:

Suburb:

State: Postcode: Country:

2E Australian Business Number or Tax File Number (this section is optional – please read below and proceed to section 2F)

The information in this section 2E of the Application Form is requested by the Security Trustee only (see section 6.14.1 of the Equity Lever PDS). Please provide a Tax File Number (TFN), Australian Business Number (ABN) or exemption details for each Applicant. If you are completing this Application Form as an Individual Trustee or Corporate Trustee (including superannuation investors), you are only required to provide a TFN/ABN for the Trust. If you are completing this Application Form as a director of a company (other than a Corporate Trustee), you are only required to provide a TFN/ABN for the company.

Applicant

TFN/ABN:

Exemption details including any expiry date (if applicable):

Joint Applicant

TFN/ABN:

Exemption details including any expiry date (if applicable):

Applicant details (continued)

Collection of your TFN is authorised, and its use and disclosure are strictly regulated, by the tax laws and Privacy Act 1988 (Cth).

Quotation is not compulsory. If you do not supply your TFN or a valid exemption (or in certain cases an ABN), tax will be deducted from any income earned on an investment in Instalment Receipts at the highest marginal tax rate plus Medicare levy and any applicable temporary Budget Repair levy and forwarded to the Australian Taxation Office.

If you quoted your TFN or ABN above, you also authorise the Security Trustee to disclose it to its nominee companies for the purposes relating to the securities in your portfolio.

For more information about the use of TFNs or ABNs contact your tax adviser or please phone your nearest Australian Taxation Office.

2F Instalment Acceleration Events (this section is mandatory)

If an Instalment Acceleration Event occurs during your investment term, are you unlikely to be contactable at the email address(es) and telephone number(s) provided in section 2 of this Application Form?

- Yes, I am **unlikely** to be contactable via the contact details in section 2.
- No, I **will** be contactable via the contact details in section 2.

Please note: if you have ticked "Yes" you will be required to appoint a licensed Adviser as your Authorised Representative to receive notices of an Instalment Acceleration Event.

Even if you are generally able to be contacted at the email address and telephone numbers provided in section 2A you may appoint another person (including a licensed Adviser) as your Authorised Representative to receive notices of an Instalment Acceleration Event in addition to yourself.

If you appoint an Authorised Representative, Macquarie will take reasonable steps to notify such Authorised Representative of the occurrence of an Instalment Acceleration Event. Your Authorised Representative will also have authority to give instructions in relation to the Instalment Acceleration Event, on your behalf.

You can appoint an Authorised Representative in section 7 of this Application Form or by submitting a form available at macquarie.com.au/equitylever.

Standing Instructions if an Instalment Acceleration Event occurs

- I/we request that Macquarie debit my/our nominated bank account for the funds required to address an Instalment Acceleration Event unless I/we or my/our Authorised Representative direct otherwise by no later than the Instalment Acceleration Event Payment Time.

2G Foreign Account Tax Compliance Act (FATCA) (this section is not mandatory for SMSFs)

Complete one of the following. This is mandatory for all investor types except regulated superannuation funds.

Individual/Joint investors

Are you a US citizen or resident for tax purposes?

Individual 1

- Yes, please provide your US Taxpayer Identification Number (TIN):
- No ► **go to section 3**

Individual 2

- Yes, please provide your US Taxpayer Identification Number (TIN):
- No ► **go to section 3**

Please attach additional pages if there are more than two individuals.

Once complete ► **go to section 3**

Regulated superannuation fund (ie SMSF)

You are not required to complete this section ► **go to section 3**

All other investor types

Complete the FATCA form which can be downloaded at macquarie.com.au/client-forms and send to us with your Application Form ► **go to section 3**

3

Direct debit request (mandatory)

Please use this section to provide details of your nominated Australian bank account. Direct debit may not be available on the full range of accounts. If in doubt, please refer to your financial institution.

Please note:

- The bank account nominated below must be in the name of the Applicant (or if there are joint applicants, the account may be in the name of one of the applicants, however both applicants must sign below).
- A Direct Debit Dishonour Fee of \$50 will apply if insufficient funds are available in your nominated account. Please refer to section 5.4.5.2 of the Equity Lever PDS for further detail.

Important notices

1. If a joint bank account has been nominated below, all account holders must sign below.
2. If the bank account is a company account, and the company has more than one director, all directors must sign below.

Branch number (BSB): Account number:

Account name:
(must be in name of Applicant)

Name of financial institution:

Bank street name and number:

Suburb: State: Postcode:

Authority

I/We: surname or company name:

Given names or ACN:

I/We: surname or company name:

Given names or ACN:

I/We request you, until further notice in writing, to debit my/our account described in the schedule above, any amounts owing by me/us in relation to my/our Instalment Receipts and, if applicable, Adviser Payment Arrangement which Macquarie Bank Limited ABN 46 008 583 542 (User ID number 161381, 161320, 015925, 227103 and 204613) (the **User**) may debit or charge me/us through the direct debit system.

I/We:

- acknowledge and agree that by executing this Direct Debit Request, I/we agree to the terms of the Direct Debit Request Service Agreement in section 13 of the Equity Lever PDS,
- acknowledge and agree that the bank/financial institution may, in its absolute discretion, determine the order of priority of payment by it of any monies pursuant to the Request or any authority or mandate,
- acknowledge and agree that the bank/financial institution may, in its absolute discretion, at any time by notice in writing to me/us, terminate this Request as to future debits.

The User may by prior arrangement and advice to me/us, vary the amount or frequency of future debits.

Please sign below. If a joint account has been nominated above, all account holders must sign. If you are joint applicants and the account is in the name of one of the applicants, both must still sign below. If the bank account is a company bank account, and the company has more than one director, two directors or a director and a secretary (if different) must sign below.

Signature of Applicant 1/Director

Date: / / Title:

Name:

If a company officer, your corporate title:

Signature of Applicant 2/Director

Date: / / Title:

Name:

If a company officer, your corporate title:

4 Equity Lever online instructions terms and conditions

These terms and conditions set out many of the basic terms relating to submitting instructions via GearUp and provide information on risks and other important information.

Macquarie and the Investor agree:

1 Interpretation

1.1 Interpretation

In these Terms and Conditions, unless the context otherwise requires:

- a) unless defined in these Terms and Conditions, any terms which are defined in the Equity Lever PDS and the Instalment Receipts Deed have the meaning set out in those documents, as relevant
- b) a reference to an agreement or to any deed, document or instrument includes, respectively, that agreement or that deed, document or instrument as amended, novated, supplemented, varied or replaced from time to time
- c) the singular includes the plural and vice versa
- d) the word "person" includes a firm, a body corporate, an unincorporated association and a statutory authority
- e) a reference to any party includes a reference to that party's executors, administrators, successors, substitutes and permitted assigns and any person taking by way of novation
- f) a reference to any thing (including any amount) is a reference to the whole or any part of it and a reference to a group of persons is a reference to any one or more of them
- g) a reference to the words "including", "for example" or "such as" when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind
- h) where any word or phrase is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase, has a corresponding meaning
- i) headings are inserted for convenience only and do not affect the interpretation of the relevant document
- j) unless otherwise expressly provided for, a reference to a time in a day are references to the time in Sydney, Australia, on that day, and
- k) this document may not be construed adversely to a party because that party prepared it.

1.2 Discretion

If a Macquarie Entity has the discretion to require or determine something, consent to something, or act in a certain way under these Terms and Conditions, that discretion is unfettered and absolute. It may be exercised without obligation, despite any previous waiver of it and in addition to any other rights or remedies conferred by these Terms and Conditions or by law. Any determination made by such Macquarie Entity will be in that Macquarie Entity's sole and absolute discretion and will be conclusive and binding, except in the case of obvious error.

2 Instructions

2.1 Submitting Instructions

- a) Instructions can be submitted by the Investor through GearUp, or via any other means acceptable to Macquarie.
- b) Instructions must include any relevant details required by Macquarie on GearUp, or via any other means acceptable to Macquarie, and may be Accepted or rejected by Macquarie at its discretion.
- c) Once correctly submitted, Instructions will remain in a status of "submitted", until their status is updated to "processing" by Macquarie.
- d) Instructions will be Accepted in accordance with the Equity Lever PDS and Instalment Receipts Deed.
- e) When an Investor submits an Instruction for Early Closure via GearUp, the Investor will be deemed to be giving notice to bring forward the Completion Date for the relevant Instalment Receipt(s) to the Early Closure Date.

2.2 Cancellation of Instructions

- a) An Instruction in "submitted" status may be cancelled at any time prior that Instruction's status being updated to "processing". Such a cancellation can be made by:
 - i) the Investor, via GearUp or by giving notice of cancellation in a form and manner acceptable to Macquarie, or
 - ii) Macquarie, by cancelling the Instruction in Macquarie's books and records (as the case may be) in accordance with the Equity Lever PDS.
- b) Where an Investor's request to cancel an Instruction is not received by the time the Instruction status is updated to "processing", any transaction or action resulting from the Acceptance of that Instruction will be valid and binding.
- c) The Investor agrees and acknowledges that any action by the Investor to cancel an Instruction otherwise than in accordance with clause 2.2(a) of these Terms and Conditions will be ineffective.

2.3 Appointment of Authorised Representatives

- a) The Investor is entitled, by completing and submitting to Macquarie an "Authorised Representative Form" or such other notice acceptable to Macquarie, to appoint any person or entity as an Authorised Representative to operate and access GearUp on the Investor's behalf to trade on the Investor's Facility via GearUp.
- b) Once an Authorised Representative has been appointed in accordance with clause 2.3(a), the Investor gives that Authorised Representative access and authority to view information in the Investor's Facility on GearUp and to provide Instructions via GearUp on behalf of the Investor. Appointment of an Authorised Representative can only be revoked by the Investor by submitting an "Authorised Representative Form" revoking that authority, or by giving such other notice acceptable to Macquarie.
- c) Upon request of a revocation of authority in accordance with clause 2.3(b), Macquarie will, as soon as reasonably practicable, deactivate the Authorised Representative's access to GearUp for the Investor's Facility.
- d) To the maximum extent permitted by law, Macquarie excludes all liability to the Investor, or any other person claiming through the Investor, for any loss or damage (including consequential loss or damage) which may be suffered or incurred, or which may arise directly or indirectly, in connection with Macquarie acting or not acting on the Instructions of an Authorised Representative whether or not the Investor has instructed that Authorised Representatives' access to GearUp should be deactivated.
- e) Where the Investor appoints any Authorised Representative, the Investor undertakes to restrict access to GearUp on the Investor's behalf, to Authorised Representatives.
- f) The Investor acknowledges and agrees that:
 - i) Macquarie is not under any duty or responsibility to make any enquiry as to whether any Instruction has in fact been properly issued by the Investor or the Investor's Authorised Representatives, and
 - ii) each Authorised Representative is acting in the capacity as the Investor's agent and, accordingly, the Investor unconditionally and irrevocably assumes full responsibility and liability for all acts or omissions of any Authorised Representative, including any liability arising in connection with an Authorised Representative's access to the Investor's Facility via GearUp.

2.4 Passwords and security measures

- a) The Investor is responsible for ensuring the security of GearUp in relation to the Investor's and any Authorised Representative's use of it.

Equity Lever online instructions terms and conditions (continued)

- b) The Investor will keep secure and will not permit any other person to use any Password or other security measure provided by Macquarie to the Investor.
- c) The Investor will immediately notify Macquarie upon becoming aware of, or suspecting:
 - i) any person, other than the Investor or the relevant Authorised Representative, knows or may use a Password or security measure
 - ii) any loss, theft or misuse of a Password or security measure, or
 - iii) any other breach of security.
- d) Each Macquarie Entity and their respective directors, officers and employees is entitled to assume that any access and operation of GearUp via, or following quotation of, a Password has been made by the Investor, or a person authorised by the Investor (including Authorised Representatives), regardless of the true identity of the person accessing and operating GearUp and the Investor unconditionally and irrevocably assumes full responsibility and liability for all acts or omissions of any persons using a Password.

2.5 Macquarie to act on Instructions

The Investor irrevocably authorises and directs Macquarie to:

- a) act on any Instructions it receives from the Investor or the Investor's Authorised Representatives through GearUp
- b) treat joint holders of a Facility as joint tenants so that each holder is able to operate the account and bind the other(s) to any transaction or Instructions
- c) where the Investor is a Corporation, act on the Instructions of the Corporation, from any person the Macquarie Entity reasonably believes to be a director of the Corporation or any Authorised Representative purporting to be appointed by the Corporation, and
- d) assume with no further enquiry, that each joint holder, or the Corporation, has authorised and agreed to such Instruction.

2.6 Joint Holders

Where a holder of a jointly held Facility provides an Instruction:

- a) each of those persons is:
 - i) a joint tenant in respect of any property acquired as a result of the Instruction, and
 - ii) jointly and severally liable for any acts or omissions of the others, and for all obligations required to be performed by the Investor
- b) each Macquarie Entity is entitled to Accept and act on the Instructions of any such person, or of any Authorised Representative purporting to be appointed by any such persons, and to assume, with no further enquiry, that each of them has agreed to such Instruction, and
- c) subject to sub-paragraph 2.6(a), a reference to the Investor in these Terms and Conditions is a reference to each of those persons separately, so that (for example) a representation or undertaking that is given by all of them is taken to be given by each of them separately.

2.7 Disruptions to GearUp

Your ability to submit Instructions via GearUp depends on the continued operation of, among other things, the GearUp platform, your internet connection and your personal computer. A fault, delay or failure of any of these things could result in delays or failures to submit Instructions. If this were to occur, you could suffer financial losses. No Macquarie Entity takes any responsibility for any liability incurred in connection with any fault, delay or failure of GearUp or any related infrastructure.

2.8 Intellectual property rights

The Investor acknowledges and agrees that:

- a) all rights including intellectual property rights in GearUp, the data and the information contained in GearUp are, as between Macquarie and the Investor, owned by Macquarie, and

- b) the Investor will not contest the right of Macquarie to the intellectual property rights in GearUp or the data and the Investor agrees not to do anything to compromise those rights.

2.9 Monitoring

The Investor consents to the Investor's use of GearUp being monitored (whether by the use of cookies or otherwise) and any resultant information being used, stored and disclosed for Macquarie's internal purposes or in accordance with applicable custom, law and regulation. Additionally, such information may be transferred to any of Macquarie's overseas offices or to third parties to process the information on Macquarie's behalf.

2.10 No warranty concerning GearUp

To the maximum extent permitted by law, Macquarie makes no warranty, express or implied, to the Investor concerning GearUp. In particular, and without limiting the foregoing, Macquarie does not warrant:

- a) the correctness, accuracy, reliability or completeness of any information which the Investor may obtain through GearUp
- b) the merchantability, or fitness for a particular purpose of GearUp, any associated systems, or any information contained in GearUp
- c) the quality or timeliness of GearUp, any associated systems, or any information contained in GearUp
- d) the continued availability or uninterrupted access to GearUp or any of its functions, or
- e) that GearUp will be free of viruses, bugs, trojans or any other harmful coding.

2.11 Undertakings, acknowledgments and representations

In addition to other undertakings, acknowledgements and representations under the Equity Lever PDS and Instalment Receipts Deed:

- a) The Investor undertakes to ensure that the Investor's, and any other Authorised Representative's, use of GearUp complies with all applicable laws, rules, regulations, practices of exchanges and relevant associations, any agreements with Macquarie, and any policies of Macquarie which are brought to the Investor's attention from time to time.
- b) The Investor acknowledges and agrees that:
 - i) GearUp is provided "as is" and is not tailored to the Investor's circumstances
 - ii) GearUp does not serve as the basis for the Investor's investment decisions and Macquarie does not, in providing GearUp to the Investor, act as an advisor or fiduciary for the Investor or any Authorised Representative, and
 - iii) Macquarie is not responsible for any liability arising in connection with unauthorised access, inaccuracy or incompleteness of any information accessed via GearUp.
- c) The Investor represents and warrants that:
 - i) the Investor, and any other Authorised Representative, has all the rights, authorities, licences and consents to use GearUp and provide any Instructions, and
 - ii) the Investor will not sell, lease or provide GearUp or any information contained in it to any third party, either directly or indirectly, except as permitted by this clause 2.

2.12 Indemnity given by Investor

- a) In addition to any other indemnities given by an Investor under the Equity Lever PDS or Instalment Receipts Deed, the Investor unconditionally and irrevocably indemnifies and agrees to keep indemnified, each Macquarie Entity and its respective directors, officers and employees in full from and against all actions, suits, claims, demands, losses, liabilities, damages, costs, expenses and taxes which may have been, or may be, made or brought

Equity Lever online instructions terms and conditions (continued)

against, or suffered or incurred by, the Macquarie Entity directly or indirectly arising out of, or in connection with, any matters resulting from the Investor's, or a Authorised Representative's, use of GearUp or breach of these Terms and Conditions.

- b) Each indemnity given above:
- is absolute and unconditional
 - is a continuing obligation despite any settlement of account or the occurrence of any other thing
 - must be discharged without set-off, deduction, abatement, counterclaim, suspension, or deferment
 - constitutes a separate and independent obligation of the party giving the indemnity from its other obligations under the Equity Lever PDS and Instalment Receipts Deed, and
 - survives the termination of the Equity Lever PDS and Instalment Receipts Deed.
- c) The indemnified party does not need to incur an expense or make a payment before enforcing a right of indemnity conferred by these Terms and Conditions.

2.13 Exclusion of Macquarie's liability

- a) To the maximum extent permitted by law, no Macquarie Entity is liable to an Investor or any other person claiming through an Investor in contract, tort (including negligence), under statute or otherwise for any loss of profit, revenue or anticipated savings, loss of business opportunity or goodwill, loss of data or recreation of lost data (other than as expressly provided), aggregated or exemplary damages, indirect, special or consequential loss whatsoever arising in relation to:
- the Macquarie Entity exercising, attempting to exercise or not exercising any of the rights, powers or remedies under these Terms and Conditions
 - the Macquarie Entity not Accepting the Investor's Instruction, or part of the Investor's Instruction, or delaying such Acceptance
 - GearUp (including any systems malfunction or failure, unavailability of service, error in programming or error in or omission from information provided by GearUp), or
 - any other event or circumstance beyond the reasonable control of the relevant Macquarie Entity.
- b) Notwithstanding any other provision of these Terms and Conditions, to the maximum extent permitted by law, the liability of the Macquarie Entities to the Investor and any Authorised Representative in respect of all claims, demands, actions or proceedings in contract, tort (including negligence), under statute or otherwise in relation to GearUp or this clause 2 is limited to the fees paid by the Investor to Macquarie in respect of the Facility.

2.14 Suspension of Investor's use of GearUp

For the protection of the Investor and Macquarie, Macquarie may suspend any use of GearUp if:

- Macquarie has reasonable grounds to suspect that the confidentiality of any Password or security measure has been compromised
- the Investor (or any Authorised Representative), is in breach of any of the Investor's obligations under the Terms and Conditions, or
- Macquarie determines that it is necessary to otherwise protect its interests.

In addition, Macquarie reserves the right to alter the nature, composition and/or availability of GearUp.

3 Termination

- a) Macquarie may, in its sole discretion, without prior notice to any Investor or Authorised Representative, immediately:
- terminate use of GearUp, and
 - terminate these Terms and Conditions.

- b) If clause 3(a) applies:
- any indemnity granted by an Investor
 - the representations and warranties given by the Investor, and
 - any exclusion of Macquarie's liability,

under these Terms and Conditions will continue to have full force and effect.

- c) This clause 3 operates in addition to any other rights or remedies conferred on Macquarie by the Equity Lever PDS, Instalment Receipts Deed or by law.

4 Assignment

- a) The Investor must not assign, novate or otherwise transfer the benefit of these Terms and Conditions or GearUp, or any of its respective rights, remedies, powers, duties or obligations under any of the foregoing, without the prior written consent of Macquarie.
- b) A Macquarie Entity may, without reference to any Investor, assign, novate, transfer or otherwise grant participation or sub-participation in all or any part of, these Terms and Conditions, GearUp and any of its rights, remedies, powers, duties and obligations under any of the foregoing.

5 Variation

Macquarie may vary the terms of these Terms and Conditions in Macquarie's absolute discretion. Macquarie will notify each Investor of any amendment to the terms (although failure to give such notice shall not affect the validity or legality of the variation or amendment).

6 Severability

Any part of these Terms and Conditions which is illegal, void or unenforceable will be ineffective to the extent only of that illegality, voidness or unenforceability, without invalidating the remaining parts of these Terms and Conditions.

7 Governing law

These Terms and Conditions are governed by, and shall be construed in accordance with, the laws of New South Wales.

8 Glossary

Acceptance has the meaning given to it in the Equity Lever PDS and also relates to any other Instruction given via GearUp in respect of a Facility.

Authorised Representative Form means a form acceptable to Macquarie.

Corporation means a company incorporated in Australia pursuant to the Corporations Act 2001 (Cth).

GearUp means the electronic services provided by Macquarie under these Terms and Conditions, as amended and updated by Macquarie from time to time.

Instruction means an instruction properly submitted by an Investor in accordance with clause 2, including an Investment Instruction, an application for Early Closure of Instalment Receipts or any other actions that Macquarie makes available.

Investor means, a person who has applied for, or has been provided with, a facility.

Macquarie, we or us means Macquarie Bank Limited, ABN 46 008 583 542 and AFSL 237502 of No. 50 Martin Place, Sydney, NSW 2000.

Macquarie Entity means each of Macquarie, the Security Trustee and any of Macquarie's related bodies corporate.

Password means a series of characters which are issued by Macquarie or selected by the Investor to secure access to GearUp. This includes any other form of security measures used for securing communications between parties, authenticating a person or restricting access to a service including public key infrastructure.

Terms and Conditions means the Equity Lever online instructions terms and conditions, as amended from time to time.

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Declarations by Applicant(s) (mandatory)

Applicant declarations and acknowledgements

By lodging this Application, I/we acknowledge and declare that:

- a) I/we am/are at least 18 years of age
- b) I/we have received and read the Equity Lever PDS including without limitation, the risks set out in the Equity Lever PDS and where necessary have sought professional advice in respect of these risks
- c) I/we agree to be bound by and accede to the terms of the Instalment Receipts Deed and the Equity Lever PDS including without limitation:
 - i) the obligation to pay each Completion Payment on the Completion Date, and
 - ii) the obligation to satisfy any amount payable as a result of an Instalment Acceleration Event and any other amount payable under the terms of the Equity Lever PDS and the Instalment Receipts Deed
 - iii) the requirement that no encumbrance (such as a mortgage) may be created or arise over any Underlying Security corresponding to an Instalment Receipt issued to you and that no person may acquire any right before any court that would adversely affect, or make conditional, the Security Interest unless and until the Security Interest has been fully satisfied
 - iv) the requirement that any transfer of Instalment Receipts is to be effected in the manner prescribed in the Instalment Receipts Deed, and
 - v) acknowledge that in certain circumstances Underlying Securities may be disposed of if Macquarie exercises its Security Interest in accordance with the Instalment Receipts Deed
- d) Macquarie will notify me/us of an Instalment Acceleration Event by telephone call, SMS, email or other means of electronic communication on the telephone number, email address or other electronic address provided by me/us in this Application or otherwise notified by me/us to Macquarie at least five Business Days before the Instalment Acceleration Event
- e) if I/we have appointed an Authorised Representative, Macquarie will also notify my Authorised Representative of an Instalment Acceleration Event by telephone call, SMS, email or other means of electronic communication on the telephone number, email address or other electronic address provided the Authorised Representative at least five Business Days before the Instalment Acceleration Event
- f) Macquarie may send me/us other notices or communications regarding my/our Facility via post, facsimile or electronic means to the address, email, facsimile or other telephone number appearing in this Application or otherwise notified by me/us to Macquarie or via GearUp
- g) I/we understand that if Macquarie has taken the steps described in paragraphs (d) and (e) above but I/we have not taken the appropriate steps to make payment of the amounts owing pursuant to the occurrence of an Instalment Acceleration Event by the time Macquarie requires such steps to be taken, Macquarie may sell or instruct the Security Trustee to sell some of my Underlying Securities regardless of whether or not I/we or my/our Authorised Representative have actually received notification of such occurrence
- h) I/we understand that the sale proceeds following the sale of the relevant Underlying Securities (over which my/our Instalment Receipts are issued) will be applied according to the Order of Payment
- i) I/we agree that we shall be responsible for making, independently, my/our own investigations into the affairs of Macquarie and my/our own analyses and decisions as to whether to take or not take action in respect of my/our Instalment Receipts
- j) I/we understand that acceptance of my/our Application and the issue of Instalment Receipts will be at the absolute discretion of Macquarie, which has the right to reject my/our Application and/or to allocate to me/us a lower number of Instalment Receipts than I/we applied for
- k) I/we understand that Macquarie will hold any Investment Amount in a trust account prior to the issue of the Instalment Receipts, and no interest will be payable on that account
- l) I/we understand that the Investment Amount represents payment of the First Instalment and Issuance Fee of any Instalment Receipts issued to me/us
- m) I/we represent and warrant that unless otherwise disclosed expressly to the contrary in this form to Macquarie, I/we:
 - am/are not a United States person or a resident of the United States for taxation purposes (**US Person**)
 - confirm no person or entity controlling, owning or otherwise holding an interest in me/us is a US Person, and
 - will not be receiving any financial product, financial service loan referred to in, or contemplated by, this Product Disclosure Statement or any payment in connection therewith for the account or benefit of a US Person

I/we agree:

 - that the representations set out in the preceding paragraph are made by me/us on the date on which I/we sign this application form and on each day thereafter until the termination of my Macquarie Equity Lever Facility
 - to promptly notify Macquarie of any change in circumstance which would cause the representations and warranties set out above to be incorrect or misleading, and
 - to promptly, following a request from Macquarie, provide Macquarie in writing with any information Macquarie considers necessary or desirable for it to receive in order for it to comply with any obligations it may have in connection with Australian law or FATCA (or any laws intended to give effect to the intent and purposes of FATCA)
- n) I/we:
 - i) consent to the recording by Macquarie or its agents of all telephone conversations in relation to the Equity Lever PDS, my/our Application and future dealings relating to the Instalment Receipts
 - ii) agree that such recordings may be retained and submitted as evidence in any proceedings in relation to the Equity Lever PDS, my/our Application and future dealings relating to the Instalment Receipts, and
 - iii) agree that neither Macquarie nor any member of the Macquarie Group is obliged to keep copies or transcripts of such recordings for the benefit of anyone else

Declarations by Applicant(s) (mandatory) (continued)

- o) I/we agree to Macquarie and the Security Trustee collecting, using and disclosing my/our personal information set out in this Application Form in the manner described in 'Protecting your Privacy' of this Application. Unless you cross the box below, Macquarie, the Security Trustee and other companies in the Macquarie Group may use your personal information to offer you products or services that may be of interest to you
- I do not consent to the use of my information for this purpose
- p) I/we agree that if at any time I/we supply Macquarie with personal information about another individual, including my/our Adviser 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 the "Protecting your privacy" section of this Application Form
- q) if I/we am/are the trustee of a superannuation fund, I/we have read sections 4.2, 4.11 and 8.1 of the Equity Lever PDS and I/we understand that trustees of superannuation funds should seek their own advice as to whether Instalment Receipts are an appropriate and authorised investment for their superannuation fund
- r) I/we have never been declared bankrupt or insolvent, have never had my/our assets assigned for the benefit of creditors and are able to pay my/our debts as and when they become due and payable
- s) I/we have never been a director/directors and/or an officer/officers of any company of which a manager, receiver and/or liquidator has been appointed
- t) all the information I/we have given to Macquarie in relation to my/our Application for my/our Equity Lever Facility and any Instalment Receipts or in relation to my/our APA is correct and not misleading
- u) no legal proceedings are current, pending, or, to my/our knowledge, threatened which could affect my/our financial position adversely
- v) I/we acknowledge that Macquarie strongly recommends that I/we obtain independent professional legal, financial and taxation advice in relation to my/our obligations under the Terms of the Instalment Receipts and APA, and I/we acknowledge that if I/we have not obtained such advice, I/we am/are comfortable that I/we understand my/our obligations and the risks of investment in Instalment Receipts using Equity Lever
- w) I/we acknowledge that Macquarie has not provided any personalised advice, nor is it responsible for any ongoing advice, relating to the taxation implications of any aspect of the terms of the Instalment Receipts Deed, nor has Macquarie considered whether Instalment Receipts are suited or necessary for my/our particular circumstances
- x) I/we will not knowingly do anything to put Macquarie in breach of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, rules and other subordinate instruments (**AML/CTF Laws**) and I/we will promptly notify Macquarie if I/we am/are aware of anything that would put Macquarie in breach of AML/CTF Laws
- y) if requested, I/we will provide additional information and assistance and comply with all reasonable requests to facilitate Macquarie's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction
- z) I/we am/are not aware and have no reason to suspect that:
- a) the money used to fund the investment or paid through the APA is derived from or related to money laundering, terrorism financing or similar **illegal activities**, and
 - b) proceeds of investment made in connection with this product will fund Illegal Activities
- aa) I/we acknowledge that Macquarie is subject to AML/CTF Laws. In making an Application pursuant to the Equity Lever PDS and, if applicable, the APA PDS, I/we consent to Macquarie disclosing, in connection with AML/CTF Laws, any of my/our Personal Information (as defined in the *Privacy Act 1988* (Cth)) Macquarie has
- ab) I/we acknowledge that in certain circumstances Macquarie may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. Pursuant to the AML/CTF laws, Macquarie will not be liable to me/us for any consequences or losses suffered as a result of the freezing or blocking of my/our account in accordance with the AML/CTF law
- ac) I/we agree that the Security Trustee may, in certain circumstances, hold the Underlying Securities and related rights in any account, in the Security Trustee's own name or that of any sub-custodian, suitable for the holding of the Underlying Securities and related rights and, on a pooled basis with the property of other persons or other clients of the Security Trustee, in accordance with the Instalment Receipts Deed
- ad) I/we acknowledge that Macquarie retains the right not to provide services or issue products to any Applicant that Macquarie decides, in its sole discretion, that it does not wish to supply
- ae) all amounts that may be owing to me/us in respect of my/our Instalment Receipts shall be credited to the account that I/we have nominated in section 3 of this Application Form or such other account as I/we may nominate at least 5 Business days before the date any such amount is to be paid
- af) I/we acknowledge and agree that distributions and redemption proceeds may be paid into a non interest bearing trust account with Macquarie Bank Limited or another Australian bank pending transfer of those amounts to the account nominated in section 3 of this Application Form. If any attempt to credit the nominated account fails, the amounts may be returned to that trust account until such time as I/we provide further payment directions
- ag) I/we represent that I/we have received, read and agree to the Equity Lever online instructions terms and conditions which are part of this Application Form
- ah) I/we agree that my nominated Authorised Representative will have access and authority to view information about, and place instructions in relation to, my Macquarie Equity Lever Facility in GearUp on my/our behalf and as agent for me/us
- ai) I/we acknowledge that if an Authorised Representative or joint holder places an instruction on my behalf, I/we will only be notified of this by email after the instruction has been placed and will not be able to cancel the instruction
- aj) I/we agree to advise Macquarie in writing and in a timely manner if there are any changes to my/our personal information, as to the following:
- i) for an individual, change of name (for example on marriage or by deed poll), change of residential address
 - ii) for a company, change of business name, change of shareholders, change of directors and/or secretary
 - iii) for a trustee, change of trustee, addition of a settler, addition of a beneficiary or class of beneficiary.

Declarations by Applicant(s) (mandatory) (continued)

- ak) Macquarie may send notices, communications and disclosures in respect of my Equity Lever Facility to me by post or electronically by email, via GearUp and/or by posting the notice, communication or disclosure on the Macquarie website.
- al) I/we agree to access notices, communications and disclosures on the Macquarie website or via GearUp. Communications, notices and disclosures will be taken to have been received by me upon posting of the communication, notice or disclosure on the Macquarie website or GearUp
- am) any email address provided by me/us in this application form or otherwise notified to and accepted by Macquarie is my/our nominated address for receiving notices, communications and disclosures which Macquarie may send electronically via email.

Use of facsimile or email

If you submit your Application Form by facsimile or email, Macquarie may rely on that Application Form to process and accept your application. Your original Application Form should also be sent to Macquarie for record-keeping purposes.

If Macquarie receives instructions by facsimile or email in relation to my/our Macquarie Equity Lever Facility or APA, I/we:

- acknowledge that there is potentially a greater risk that fraudulent facsimile instructions can be given by someone who has access to my/our Facility ID and/or APA Facility number and a copy of my/our signature(s) and that I/we accept such risks
- acknowledge that Macquarie may assume that the instruction has been sent, and is authorised, by or behalf of me/us, and
- release Macquarie from and indemnify Macquarie against all losses and liabilities arising from any payment or action taken by Macquarie based on the instruction, even if such instructions are not authorised, bearing a Macquarie Equity Lever Facility ID and/or APA Facility number and signature that purports to be mine/ours or that of an authorised signatory on the account (except to the extent that such losses and liabilities directly arise from the negligence or wilful default of Macquarie).

You must read the PDS including the Application Form and Equity Lever online instructions terms and conditions before signing the Application Form.

I/We acknowledge that investments in Instalment Receipts are not a deposit with or other liabilities of Macquarie Bank Limited ACN 008 583 542, or of any entity in the Macquarie Group, and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither of Macquarie Bank Limited nor any other member of the Macquarie Group guarantees any particular rate of return or the performance of the Instalment Receipts, nor do they guarantee the repayment of capital from the Instalment Receipts.

Before signing this declaration you should ensure you have received all 23 pages of this Application Form and that all relevant sections have been completed correctly. If the other pages of this Application Form are not attached to this page or have not been completed correctly, you should contact your Adviser.

This Application Form includes important declarations and acknowledgements made by you. If you cannot make each declaration and acknowledgement you must not invest.

If executing as a corporate applicant, the Application form is executed as a Deed Poll in accordance with section 127(1) of the Corporations Act by authority of its directors and in presence of:

Signature of Applicant 1/Company Director/Director

Date: / / Title:

Name:

If a company officer, your corporate title:

Signature of Applicant 2/Company Director/Director

Date: / / Title:

Name:

If a company officer, your corporate title:

Signature of Witness 1

Date: / / Title:

Name:

If a company officer, your corporate title:

Signature of Witness 2

Date: / / Title:

Name:

If a company officer, your corporate title:

6 Adviser Payment Arrangement (this section is optional)

To be completed by applicants who wish to pay their Adviser fees using the Macquarie Adviser Payment Arrangement

Please note: only complete and sign this section of the Application Form if you wish to pay an initial advice fee and/or ongoing advice fees to your Adviser through the Macquarie Adviser Payment Arrangement. You DO NOT need to pay your Adviser any advice fees. The amount and method of payment of any advice fee is to be agreed between you and your adviser. If you complete this section of the Application Form and your application is accepted then Macquarie Bank Limited ABN 46 008 583 542 (Macquarie) will direct debit the amount of the advice fee(s) from your account nominated in section 3 (Nominated Account) and pay them to the account of your Adviser's dealer group. Before completing this section please ensure that you have read the APA PDS, which is available at macquarie.com.au/equitylever.

If you have already entered into a Macquarie Adviser Payment Arrangement and you apply for a further Macquarie Adviser Payment Arrangement the new Macquarie Adviser Payment Arrangement will replace the existing Macquarie Adviser Payment Arrangement so please ensure that the total amount of the advice fees that you wish to pay your Adviser are entered below.

Provided your Adviser has provided Macquarie with any required documentation, the advice fee(s) will be debited from your Nominated Account on or about the 25th calendar day of:

- the month following the month in which your investment in the Facility commences (for initial advice fees)
- each calendar month commencing the month following the month in which your investment in Equity Lever commences (for monthly ongoing advice fees)
- on a quarterly basis commencing the month following the month in which your investment in Equity Lever commences (for quarterly ongoing advice fees)
- the month following the month in which each anniversary of your facility's commencement (for annual ongoing advice fees).

I direct Macquarie to debit my Nominated Account in order to pay to my Adviser advice fees of the following amounts:

Initial advice fee (including GST): \$

Ongoing advice fee (including GST): \$ per month per quarter per year

By signing below I/we:

- acknowledge that I/we have received and read the APA PDS
- request Macquarie to debit my/our Nominated Account in the amount and at the time noted above and pay that amount to the account of my/our Adviser's dealer group described in section 1 of this Application Form
- acknowledge and agree that the terms and conditions of the Adviser Payment Arrangement Terms (set out in the APA PDS), the Direct Debit Request Service Agreement (set out in section 13 of the Equity Lever PDS) and this Application Form apply to this arrangement and that I/we have read those terms
- acknowledge that the agreements and acknowledgements given in "Protecting your privacy" in this Application Form apply in respect of the Adviser Payment Arrangement Terms
- acknowledge that I/we can cancel this request by giving 14 days' notice to Macquarie
- agree that Macquarie can provide information on the amounts detailed and paid through my/our APA to my/our Adviser or my/our Adviser's Dealer Group or any associated Macquarie Group company,
- agree that Macquarie may send me/us other notices or communications regarding my APA via post, facsimile or electronic means to the address, email, facsimile or other telephone number appearing in this Application or otherwise notified by me/us to Macquarie.

Please sign below.

Signature of applicant

Date: / /

Name:

Director to sign for company Sole director to sign for company

Signature of applicant

Date: / /

Name:

Director to sign for company Sole director to sign for company

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Appoint an Authorised Representative (optional)

To appoint an Authorised Representative to receive notices of Instalment Acceleration Events and to issue instructions on your behalf, please complete this section.

Please note that if on an ongoing basis you are unlikely to be able to be contacted at the email address and phone number(s) provided by you, you will be required to appoint a licensed adviser as your Authorised Representative and upon acceptance by Macquarie of the appointment of that Authorised Representative, this section will constitute an agreement for the purposes of S985M of the Corporations Act.

Please use black ink and BLOCK letters.

- I/We hereby appoint the person whose details appear below (my/our Authorised Representative) as my agent and attorney:
1. to receive notices from Macquarie Bank Limited (**Macquarie**) of the occurrence of an Instalment Acceleration Event in respect of my/our Facility
 2. to view and have access to my GearUp account in respect of my Facility
 3. to give the following instructions to Macquarie, including via GearUp on my/our behalf in relation to my/our Instalment Receipts and the Underlying Securities (whether in response to an Instalment Acceleration Event or otherwise):
 - a) Investment Instructions
 - b) instructions in relation to Early Instalment Payments, Early Closure and Completion Payments
 - c) instructions in relation to corporate actions and Ordinary Dividends
 - d) instructions in relation to the interest rates applicable to my/our Facility, and
 - e) instructions to debit or credit my/our nominated account with any amounts owing by or to me/us
 4. to sign on my/our to provide Macquarie with any missing or additional information about me/us or my/our Facility that may be required by law or in terms of Macquarie's internal policies.

Authorised Representative details

Authorised Representative details – this section is mandatory

Title: First name: Middle name:
 Surname:
 Any other name known by:
 Occupation: Date of birth: / /

Residential address (this cannot be a PO Box)

Street name and number:
 Suburb:
 State: Postcode: Country:

Please note: All Authorised Representatives must provide an FSC/FPA form or an original certified copy of their driver's licence or passport.

Work phone number: Home phone number:
 Fax number: Mobile number:
 Email:

Is your Authorised Representative your adviser?

No Yes, their existing AFSL number is:

Does your nominated Authorised Representative have access to a Macquarie Access Code (MAC)?

No, please set my Authorised Representative up with a new MAC.
 Yes, my Authorised Representative's existing MAC is:

Appoint an Authorised Representative (optional) (continued)

Acknowledgements of Applicant

I/We acknowledge that Macquarie:

- will take reasonable steps to notify my/our Authorised Representative and me/us of the occurrence of an Instalment Acceleration Event
- is authorised to act on any instruction given to it by the Authorised Representative that I/we have appointed in respect of the transaction types listed above
- is not obliged to verify instructions or obtain additional information before giving effect to an instruction which purports to be from my/our Authorised Representative although it may do so
- will continue to give notices of Instalment Acceleration Events to my/our Authorised Representative and to act on requests and instructions from my/our Authorised Representative until I/we revoke my/our consent in writing
- will not under any circumstances accept instructions from my/our Authorised Representative to credit funds to any bank account other than my/our nominated bank account.

Executed as a deed.

If the investor is a company, this form is executed in accordance with section 127(1) of the Corporations Act 2001 by authority of its directors in the presence of:

Signature of Investor 1/Company Director/Sole Director/Trustee

Date: / / Title:

Name:

If a company officer, your corporate title:

Signature of Investor 2/Company Director/Sole Director/Trustee

Date: / / Title:

Name:

If a company officer, your corporate title:

Signature of Witness 1

Date: / / Title:

Name:

If a company officer, your corporate title:

Signature of Witness 2

Date: / / Title:

Name:

If a company officer, your corporate title:

Appoint an Authorised Representative (optional) (continued)

Acknowledgements of Authorised Representative

I acknowledge and agree that:

- a) Macquarie may collect and use personal information about me
 - i) to process this Authorised Representative form
 - ii) to give me notifications in accordance with this Authorised Representative form
 - iii) to identify me as the person authorised under this Authorised Representative form when I give any instructions in terms of that authorisation and
 - iv) to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, rules and other subordinate instruments (**AML/CTF Laws**)
- b) Macquarie may disclose information it holds about me in the following circumstances (even if the disclosure is to an organisation overseas which is not subject to privacy obligations equivalent to those which apply to us)
 - i) to companies and representatives (including related entities) that provide services in respect of the Investor's Facility on Macquarie's behalf and
 - ii) if the disclosure is required or authorised by law
- c) I do not have to disclose my personal information to Macquarie but if I do not Macquarie may not be able to accept my appointment as an Authorised Representative under this form
- d) I can access, correct or update any of my personal information that Macquarie holds by contacting Macquarie on 1800 080 033
- e) I acknowledge that Macquarie is subject to AML/CTF laws. If requested, I will provide additional information and assistance and comply with all reasonable requests to facilitate Macquarie's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction
- f) I will not knowingly do anything to put Macquarie in breach of the AML/CTF Laws and I will promptly notify Macquarie if I am aware of anything that would put Macquarie in breach of AML/CTF Laws
- g) I am not aware and have no reason to suspect that
 - i) the money used to fund any investment made by or on behalf of the investor appointing me as Authorised Representative (the **Investor**) is derived from or related to money laundering, terrorism financing or similar activities (**Illegal Activities**) and
 - ii) proceeds of any investment made by or on behalf of the Investor will fund illegal activities
- h) I acknowledge that in certain circumstances Macquarie may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. Pursuant to the AML/CTF Laws, Macquarie is not liable to me for any consequences or losses suffered as a result of the freezing or blocking of the investor's account in accordance with the AML/CTF Laws
- i) I acknowledge that Macquarie retains the right not to provide services or issue products to any investor that Macquarie decides, in its sole discretion, that it does not wish to supply
- j) I will keep secure and confidential any password or other security measure in relation to my use of GearUp
- k) I will not access an Investor's Facility account, including placing instructions in GearUp, without proper authority
- l) I acknowledge that the information contained in this section is correct.

Signature of Authorised Representative

Date: / /

Name:

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MACQUARIE

Financial Services Guide for Bond Street Custodians Limited

About this document

This Financial Services Guide ("FSG") dated 14 September 2015 is an important document that Bond Street Custodians Limited ("we", "us" or "our") is required to provide you under the requirements of its Australian Financial Services Licence number 237489. It provides you with information about Bond Street Custodians Limited (ABN 57 008 607 065) to help you consider whether to use the financial products and services we offer.

The FSG contains important information including:

- who we are and how we can be contacted
- what financial services and products we are authorised to provide you
- how we (and any other relevant parties) are remunerated
- our associations or relationships and potential conflicts of interest
- our privacy policy and how you can access your information
- our compensation arrangements, and
- details of our internal and external dispute resolution procedures and how you can access them.

It is intended that this FSG should assist you in deciding whether to use any of our products or services. If you choose to use any of our financial products or financial services you may also receive other documents, such as a Product Disclosure Statement ("PDS"), a Short-Form Product Disclosure Statement ("Short-Form PDS") or other guide or document relating to the financial products or financial services which you should read carefully. Such documentation (if any) will contain information necessary for you to make an informed decision about a product or service.

Information about Bond Street Custodians Limited

Through our representatives, we provide the financial services described in this guide, acting on our own behalf. Bond Street Custodians Limited is part of the Macquarie Group of companies and as such is associated with other Macquarie entities.

Bond Street Custodians Limited is also a participant of ASX Settlement Pty Limited.

If you have any questions about our financial products or financial services, you can speak to your nominated representative (for example your adviser).

If you do not have a nominated representative, you can:

- call our Client Contact Centre on 1800 814 523
- email us at mim.clientservice@macquarie.com, or
- write to us at:
PO Box R1723, Royal Exchange, NSW, 1225.

Our financial services and financial products

Under our Australian Financial Services Licence, we are authorised to offer the following financial services and products to retail clients.

- Deal in the following classes of financial products:
 - ✓ deposit and payment products
 - ✓ derivatives
 - ✓ Foreign Exchange Contracts
 - ✓ debentures, stocks or bonds issued or proposed to be issued by a government
 - ✓ interests in managed Investment Schemes excluding Investor Directed Portfolio Services (IDPS)
 - ✓ securities.
- Provide custodial or depository services other than an Investor Directed Portfolio Service.

Providing instructions to Bond Street Custodians Limited

There may be special instruction arrangements for some financial products and services, details of which are explained in the relevant PDS, Short-Form PDS, or other guide or document.

Payments to Bond Street Custodians Limited for the services provided

If you invest in a financial product or use a financial service that we provide, we may receive remuneration in relation to your investment in that financial product or service. Any remuneration we receive for the financial services and products we offer will be set out in the PDS, Short-Form PDS, or other guide or document for that particular product or service.

Where we charge you a fee for the provision of a financial service, you will be issued with a tax invoice for any services we provide.

Remuneration or other benefits received by Macquarie staff

Our employees and Directors receive salaries, bonuses, commissions and other benefits from us where permitted by law.

How we hold property for our clients

We may hold property on trust for you from time to time. Where we do so, we may not hold that property in a separate account designated for you, but may, where permitted by applicable law, hold it in a trust account together with the property of other clients. Where we do hold your property with the property of other people, we will:

- at all times maintain adequate records showing which assets are held for you, and
- perform regular reconciliations to ensure that our records and asset holdings are accurate.

Associations and relationships

Members of the Macquarie Group (including Bond Street Custodians Limited) or their associates, officers or employees (Macquarie Members) may have interests in particular financial products by acting in various roles including as investment banker, underwriter or dealer, holder of principal positions, broker, lender or adviser in respect of that financial product.

In addition Macquarie Members may buy or sell the financial products as principal or agent and may receive fees, brokerage or commissions for acting in the various capabilities set out above.

Personal information

At Macquarie, the privacy of your personal information is important to us. Any personal information collected will be handled in accordance with our Privacy Policy. Our Privacy Policy details how we comply with the requirements of the Privacy Act 1988 (Cth) in the handling of your personal information. A copy of that policy can be obtained by visiting the Macquarie website at macquarie.com/au/personal. The Privacy Policy can be found at the bottom of each page on the website. Alternatively you can contact us and we will send you a copy.

Compensation arrangements

We have the benefit of a professional indemnity insurance policy which satisfies the regulatory requirements for compensation arrangements under section 912B of the Corporations Act.

Subject to its terms and conditions, the policy provides cover for civil liability resulting from third party claims concerning the professional services provided by us and our employees and representatives. The policy continues to provide coverage for past employees and representatives in respect of professional services performed whilst engaged by us.

Complaints handling

We are committed to providing a high standard of client service and to maintaining our reputation for honesty and integrity. If our level of service or quality of products has failed to meet your expectations, we would like you to tell us about your concerns. Our complaint handling process is designed to ensure that your concerns are treated seriously and that your complaint is addressed promptly and fairly. Your complaint may be lodged either verbally or in writing and will be dealt with in strict confidence.

If you have a complaint about the service provided to you, you should take the following steps:



Contact our **Client Contact Centre** on 1800 814 523

If your complaint is not satisfactorily resolved, write to:



The Complaints Officer

Macquarie Group Limited
PO Box R1723, Royal Exchange, NSW, 1225

If you are not satisfied with our handling of your complaint, you may lodge a written complaint to the Financial Ombudsman Service (FOS). Bond Street Custodians Limited is a member of FOS, an independent external complaints resolution scheme. You can contact FOS quoting our membership number 11554.

FOS can be contacted at:



Financial Ombudsman Service

GPO Box 3, Melbourne, VIC, 3001

Telephone: 1800 368 287

Fax: (03) 9613 6399

Email: info@fos.org.au

Web: www.fos.org.au

Issuer contact details

Macquarie Bank Limited

No 1 Martin Place
Sydney NSW 2000

Macquarie Specialist Investments – Equity Lever

M Macquarie Equity Lever
GPO Box 4294
Sydney NSW 1164

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