

Form 604

Corporations Law
Section 671B

Notice of change of interests of substantial holder

To: Company Name/Scheme CARSALES.COM LIMITED
ACN/ARSN 074 444 018

1. Details of substantial holder

Name UBS AG and its related bodies corporate

ACN/ARSN (if applicable): _____

There was a change in the interests of the substantial holder on **10 March 2011**

The previous notice was given to the company on **9 March 2011**

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous Notice		Present Notice	
	Person's Votes	Voting Power (5)	Person's Votes	Voting Power (5)
Ordinary	35,096,951	14.99%	15,280,895	6.53%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of Change (6)	Consideration given in relation to change (7)	Class and Number of securities affected	Person's votes affected
Please see Annexure B.					

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
UBS AG, Australia Branch	UBS Nominees Pty Ltd	UBS AG, Australia Branch	Prime Broker with power to control the exercise of the power to dispose of shares pursuant to a Prime Broking Agreement (see attached)	4,155,569 Ordinary	4,155,569
UBS AG	Various custodians	UBS AG	Fund Manager with power to exercise control over voting shares	3,423 Ordinary	3,423
UBS AG, London Branch	Citicorp Nominees Pty Ltd	UBS AG, London Branch	Prime Broker with power to control the exercise of the power to dispose of shares pursuant to a Prime Broking Agreement (see attached)	3,555,495 Ordinary	3,555,495
UBS AG, London Branch	Various custodians	UBS AG, London Branch	Power to control disposal over shares pursuant to stock borrowing and lending activities (see attached)	200,000 Ordinary	200,000
UBS AG, London Branch	Various custodians	UBS AG, London Branch	Beneficial owner	38,186 Ordinary	38,186
UBS Securities Australia Ltd	Warbont Nominees Pty Ltd	UBS Securities Australia Ltd	Power to control disposal over shares pursuant to stock borrowing and lending activities (see attached)	1,213,512 Ordinary	1,213,512
UBS Securities Australia Ltd	Brispot Nominees Pty Ltd	UBS Securities Australia Ltd	Beneficial owner	5,585,906 Ordinary	5,585,906
UBS Securities LLC	Various custodians	UBS Securities LLC	Power to control disposal over shares pursuant to stock borrowing and lending activities (see attached)	376,365 Ordinary	376,365
UBS Wealth Management Australia Ltd	UBS Wealth Management Australia Nominees Pty Ltd	UBS Wealth Management Australia Ltd	Broker with power to exercise discretion over account (see attached)	152,439 Ordinary	152,439

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

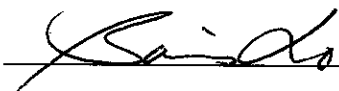
Name	Address
Details of all UBS offices can be found through the following link: http://apps.ubs.com/locationfinder	

SIGNATURE

Print Name: Boris Lo

Capacity: Authorised signatory

Sign Here:



Date: 14 March 2011

Print Name: So Young Kim

Capacity: Authorised signatory

Sign Here:



Date: 14 March 2011

Contact details for this notice:

Tiffany Leung
Legal & Compliance
(T) +852 2971 8042
(F) +852 2971 7895

UBS AG, Australia Branch

AFSL 231087
ABN 47 088 129 613
Level 16 Chifley Tower
2 Chifley Square
SYDNEY NSW 2000
Tel: 61 2 9324 2000
www.ubs.com

COMMERCIAL-IN CONFIDENCE

7 March 2011

ACP Magazines Limited
54-58 Park St
Sydney NSW 2000
Fax: (02) 9267 4361

Dear Sirs

Sale of Shares in carsales.com Limited

1 Introduction

This Agreement sets out the terms and conditions upon which ACP Magazines Limited (ABN 18 033 273 546) ("ACP") engages UBS AG, Australia Branch (ABN 47 088 129 613) (the "Lead Manager") to dispose of 114,955,181 existing fully paid ordinary shares in carsales.com Limited (ABN 91 074 444 018) (the "Company") owned by ACP (the "Sale Shares") (the "Sale") and the Lead Manager agrees to procure the disposal of the Sale Shares and to provide underwriting thereof in accordance with the terms of this Agreement.

2 Sale of shares

2.1 **Sale.** ACP agrees to sell the Sale Shares and the Lead Manager agrees to:

- (a) manage the sale of the Sale Shares by procuring purchasers for the Sale Shares at the price of \$4.92 per Sale Share ("Sale Price"). Purchasers may include the Lead Manager's related bodies corporate and Affiliates (as defined in clause 12.8) and may be determined by the Lead Manager in its discretion provided that the identities of the purchasers satisfy, and the offers to them comply with, the requirements of clauses 2.7 and 2.8; and
- (b) underwrite and guarantee the sale of the Sale Shares by, subject to clause 2.5, purchasing at the Sale Price per Sale Share those of the Sale Shares which have not been purchased by third party purchasers (or the Lead Manager's related bodies corporate or Affiliates) in accordance with clause 2.1(a) as at 7.00pm on the date of this Agreement (or such time as the parties agree in writing) ("Balance Shares").

In accordance with the terms of this Agreement.

2.2 **Announcement.** ACP shall procure that at the time specified in the Timetable (defined below) the Company announces the Sale (including the seller's name and the number

of Sale Shares to be sold under the Sale) through the Company's Announcement Platform of ASX (in substantially the form agreed between the parties).

2.3 **Timetable.** The Lead Manager and ACP must conduct the Sale in accordance with the timetable set out in Schedule 1 (the "Timetable") (unless the parties consent in writing to a variation).

2.4 **Account Opening.** On the date of this Agreement the Lead Manager or its nominated affiliate will (where relevant) open an account in the name of ACP in accordance with its usual practice, and do all such things necessary to enable it to act as Lead Manager to sell the Sale Shares in accordance with this Agreement.

2.5 **Principal Shares.** Notwithstanding anything else in this Agreement, the number of Sale Shares which must be purchased by the Lead Manager under the terms of this Agreement ("Principal Shares") will be the lesser of:

- (a) the Balance Shares; and
- (b) the maximum number of the Sale Shares that can be sold to the Lead Manager without:
 - (i) the Lead Manager or any of its affiliates being obliged to notify the Treasurer of Australia under section 26 of the Foreign Acquisitions and Takeovers Act 1975 (Cth); or
 - (ii) breach by the Lead Manager or any of its associates of section 606 of the Corporations Act 2001 (Cth)).

2.6 **Calculation of Principal Shares.** The Lead Manager warrants that the information it provides to ACP to enable it to calculate the number of Principal Shares in accordance with clause 2.5(b) will, at the time it is given, be accurate.

2.7 **Manner of Sale.** The Lead Manager will conduct the Sale by way of an offer only to persons:

- (a) if in Australia, who do not need disclosure under Part 6D.2 of the Corporations Act; and
- (b) if outside Australia, to whom offers for sale of securities may lawfully be made without requiring the preparation, delivery, lodgement or filing of any prospectus or other disclosure document or any other lodgement, registration or filing with, or approval by, a government agency (other than any such requirement with which ACP, in its sole and absolute discretion, is willing to comply), as determined by agreement by ACP and the Lead Manager.

provided in each case (a) and (b) above that either (i) such persons may not be in the United States or "U.S. persons" (as defined in Rule 902(k) under the U.S. Securities Act of 1933 (the "U.S. Securities Act") ("U.S. Persons") or acting for the account or benefit of U.S. Persons unless the Lead Manager reasonably believes them to be "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act ("QIBs"); or (ii) such persons are dealers or other professional fiduciaries organised, incorporated or (if an individual) resident in the United States that are acting for an account (other than an estate or trust) held for the benefit or account of persons that are not U.S. Persons for which they have and are exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act ("Eligible U.S. Fund Managers").

Any investor that purchases Sale Shares (other than Balance Shares) will be required to execute a confirmation letter prior to the Settlement Date substantially in the form agreed by ACP and the Lead Manager (and as may be amended by mutual agreement) (the "Confirmation Letter") confirming, among other things:

(i) its status as an investor meeting the requirements of this clause 2.7 and clause 2.8; and

(ii) its compliance with all relevant laws and regulations (including the takeover and insider trading provisions of the Corporations Act and the Foreign Acquisitions and Takeovers Act 1974 (Ch)).

2.8 U.S. Securities Act. The Sale Shares shall only be offered and sold:

(a) to persons that are (i) not in the United States and are not U.S. Persons and are not acting for the account or benefit of U.S. Persons, in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act), or (ii) are Eligible U.S. Fund Managers, in the case of each (i) and (ii) in reliance on Regulation S under the U.S. Securities Act ("Regulation S"); and

(b) to persons in the United States or that are U.S. Persons or are acting for the account or benefit of U.S. Persons whom the Lead Manager reasonably believes to be QIBs, in transactions exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144A thereunder.

2.9 Fee. In consideration of performing its obligations under this Agreement, the Lead Manager shall be entitled to such fees as the parties agree.

3 Sale of Agency Shares

3.1 Agency Shares. If the number of Principal Shares is less than the number of Balance Shares, such difference to be referred to in this Agreement as the "Agency Shares", then the Lead Manager will sell, as agent for ACP in the ordinary course of the Lead Manager's business, the Agency Shares by 6 September 2011 ("End Date").

3.2 Indemnity for Agency Shares. The Lead Manager must indemnify ACP for any shortfall between the actual price received for each Agency Share sold (if any) as agent and the Sale Price in accordance with clause 4. Any such indemnified amount is to be paid to ACP on the Settlement Date in accordance with clause 4.

3.3 Interest in Agency Shares. The parties acknowledge that the Lead Manager does not acquire any interest in the Agency Shares (if any) or any rights in them (by way of security or otherwise) in respect of them except as agent for the sale of those shares.

4 Settlement

4.1 Sale and Settlement Dates. The Lead Manager shall purchase or procure the purchase of the Sale Shares (excluding the Agency Shares) on the Trade Date (as defined in the Timetable in Schedule 1), by way of a special crossing (in accordance with the ASX Operating Rules) at the Sale Price, with settlement to follow on a T+3 basis in accordance with the ASX Settlement Operating Rules ("Settlement Date"). The sale of the Agency Shares, if any, will be effected in accordance with the ASX Settlement Operating Rules, with settlement to follow on a T+3 basis.

4.2 Sale Shares. By 3 pm on the Settlement Date the Lead Manager must pay or procure the payment to ACP, or as ACP directs, of an amount equal to the Sale Price multiplied by the number of Sale Shares (excluding the Agency Shares (if any)).

4.3 Advance Amount. By 3 pm on the Settlement Date, the Lead Manager must advance to ACP an amount equal to the number of Agency Shares multiplied by the Sale Price ("Advance Amount"). No interest will be payable on the Advance Amount. ACP must only repay the Advance Amount from and to the extent that ACP receives the proceeds of sale of the Agency Shares. The outstanding Advance Amount will not be repayable in any circumstances in respect of Agency Shares not sold by the End Date and the agency will terminate at that time or at such earlier time when all Agency Shares have been sold. If ACP receives a dividend or other distribution on a Agency Share prior to the End Date, where that dividend or distribution was announced after the Trade Date, then ACP must pay the after-tax amount of the receipt to the Lead Manager in reduction of the Advance Amount applicable to that Agency Share.

4.4 Repayment. The Lead Manager will automatically apply any proceeds of sale of the Agency Shares as agent against repayment of the Advance Amount by ACP, immediately upon receipt of those proceeds.

4.5 Obligations cease. The Lead Manager's obligations under this Agreement cease on the first to occur of:

(a) payment of the purchase monies to ACP (or its nominee) in accordance with clause 4.2 where there are no Agency Shares; and

(b) the agency coming to an end in accordance with clause 4.3 (where applicable)

5 GST

5.1 Input Tax Credit. Any fees which the parties agree to be payable to the Lead Manager and any other amounts payable to the Lead Manager under this Agreement are to be agreed and calculated to be exclusive of GST. However, if any amounts payable to the Lead Manager under this Agreement are calculated by reference to a cost or expense incurred by the Lead Manager, the amount payable to the Lead Manager under any other provision of this Agreement must be reduced by the amount of any input tax credit to which the Lead Manager or the representative member of the GST group of which the Lead Manager is a member is entitled for an acquisition in connection with that cost or expense.

5.2 Tax Invoice. If any supply made under this Agreement is a taxable supply, the entity making the taxable supply ("Supplier") must issue a valid tax invoice to the party providing the consideration for that taxable supply ("Recipient"). The tax invoice issued by the Supplier must comply with the GST law and set out in detail the nature of

the taxable supply, the consideration attributable to the taxable supply, the amount of GST payable by the Supplier in connection with the taxable supply and any other details reasonably requested by the Recipient. The GST amount means, in relation to a taxable supply, the amount of GST for which the Supplier is liable in respect of the taxable supply ("GST Amount").

5.3 **Timing of Payment.** Subject to the receipt of a tax invoice, the Recipient must pay the GST Amount in connection with a taxable supply at the same time that the Recipient must provide the consideration for that taxable supply (under the other provisions of this Agreement), or if later, within 5 business days of the Recipient receiving a tax invoice for that taxable supply.

5.4 **Payment Differences.** If the GST payable by the Supplier in connection with the taxable supply differs from the GST Amount paid by the Recipient under this clause, the Supplier must repay any excess to the Recipient or the Recipient must pay any deficiency to the Supplier, as appropriate within 5 business days of the Supplier providing the Recipient with a written notification regarding the difference in the GST payable. Where the difference in the GST payable results from an adjustment event, the written documentation provided by the Supplier under this clause must include an adjustment note or tax invoice as required by the GST law.

5.5 **Defined Terms.** The references to "GST" and other terms used in this clause 5 (except Recipient and GST Amount) have the meanings given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time). However, any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 5.

5.6 **References.** A reference to something done (including a supply made) by a party includes a reference to something done by any entity through which that party acts.

6 Undertakings

6.1 **Restricted Activities.** Each of ACP and the Lead Manager undertakes to:

(a) not, prior to settlement on the Settlement Date commit, be involved in or acquiesce in any activity which breaches:

- (i) the Corporations Act and any other applicable laws;
 - (ii) its constitution;
 - (iii) the ASX Listing Rules and ASX Operating Rules;
 - (iv) any legally binding requirement of ASIC or the ASX; and
- (b) immediately notify the other parties of any breach of any warranty or undertaking given by it under this Agreement.
- each of these undertakings being material terms of this Agreement.

6.2 **US Opinion.** ACP will procure that Sidley Austin, special United States counsel to ACP, provide the Lead Manager with an opinion on the Settlement Date and dated as of that date and expressed to be for its benefit to the effect that no registration of the Sale Shares is

required under the U.S. Securities Act for the offer, sale and delivery of the Sale Shares under clause 2.1 in the manner contemplated by this Agreement.

6.3 **Cleansing Notices.** ACP must, and must procure that the Company must, give to ASX cleansing statements pursuant to section 708A(5)(e)(i) of the Corporations Act (as amended by ASIC Class Order 08/25) in respect of the sale of the Sale Shares, by 3.00pm on the Settlement Date.

7 Representations and Warranties

7.1 **Representations and warranties by ACP.** As at the date of this Agreement and on each day until and including the Settlement Date (or in the case where clause 2.5 applies in respect of the Lead Manager, 3 Business Days after the End Date) ACP represents and warrants to the Lead Manager that each of the following statements is true, accurate and not misleading.

- (a) **(body corporate)** ACP is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) **(capacity)** ACP has full legal capacity and power to enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) **(authority)** ACP has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out of the transactions that this Agreement contemplates;
- (d) **(agreement effective)** this Agreement constitutes ACP's legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) **(ownership, encumbrances)** ACP is the registered holder and sole legal owner of 114,392,681 Sale Shares and the beneficial owner of 562,500 Sale Shares. ACP will, at 9.00am on the Settlement Date, be the registered holder and sole legal owner of all Sale Shares. ACP will transfer the full legal and beneficial ownership of the Sale Shares free and clear of all liens, charges, security interests, claims, equities and pre-emptive rights, subject to registration of the transfer(s) in the register of shareholders of the Company;
- (f) **(Sale Shares)** following sale by ACP, the Sale Shares will rank equally in all respects with all other outstanding ordinary shares of the Company, including their entitlement to dividends, and following the issue of cleansing notices as contemplated by this Agreement, may be offered for sale on the financial market operated by ASX without disclosure to investors under Part 6D.2 of the Corporations Act;
- (g) **(power to sell)** ACP has the corporate authority and power to sell the Sale Shares under this Agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Shares;
- (h) **(no insider trading offence)** the sale of the Sale Shares will not constitute a violation by ACP of Division 3 of Part 7.10 of the Corporations Act;
- (i) **(ASX listing)** the Sale Shares are quoted on the financial market operated by ASX;
- (j) **(no general solicitation or general advertising)** none of ACP, any of its Affiliates or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom ACP makes no representation) has

offered or sold, or will offer or sell, any of the Sale Shares in the United States using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;

- (k) **(no directed selling efforts)** with respect to those Sale Shares sold in reliance on Regulation S, none of ACP, any of its Affiliates, or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom ACP makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
- (l) **(offering restrictions)** each of ACP, its Affiliates and any person acting on their behalf (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom no representation or warranty is made) has complied and will comply with the offering restrictions requirements of Regulation S with regard to the Sale Shares to be sold in reliance on Regulation S;
- (m) **(foreign private issuer and no substantial U.S. market interest)** to the best of ACP's knowledge, the Company is a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act and there is no "substantial U.S. market interest" (as defined in Rule 902D under the U.S. Securities Act) in the Sale Shares or any security of the same class or series as the Sale Shares;
- (n) **(no stabilisation or manipulation)** neither ACP nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law;
- (o) **(no integrated offers)** none of ACP, any of its Affiliates or any person acting on behalf of any of them (other than the Lead Manager or its Affiliates or any person acting on behalf of any of them, as to whom no representation or warranty is made), has solicited any offer to buy, offered to sell or sold, and none of them will solicit any offer to buy, offer to sell or sell, in the United States or to, or for the account or benefit of, any U.S. person any security which could be integrated with the sale of the Sale Shares in a manner that would require the offer and sale of the Sale Shares to be registered under the U.S. Securities Act;
- (p) **(no registration required)** subject to compliance by the Lead Manager with its obligations under clauses 7.2(f), (g), (h), (i), (k), (l) and (m) of this Agreement, it is not necessary in connection with the offer and sale of the Sale Shares to purchasers of the Lead Manager or the initial resale to purchasers by the Lead Manager to register the offer and sale of the Sale Shares under the U.S. Securities Act, it being understood that ACP makes no representation or warranty about any subsequent resale of the Sale Shares;
- (q) **(not an investment company)** to the best of ACP's knowledge, the Company is not, and solely after giving effect to the offering and sale of the Sale Shares will not be, required to register as an "investment company" under U.S. Investment Company Act of 1940;
- (r) **(144A eligibility)** to the best of ACP's knowledge, the Sale Shares are eligible for resale pursuant to Rule 144A and are not of the same class as securities listed on a national securities exchange registered under Section 6 of the U.S. Securities Exchange Act of 1934 (the "Exchange Act") or quoted in a U.S. automated interdealer quotation system;
- (s) **(Rule 1293-2(b) status)** to the best of ACP's knowledge, the Company is exempt from reporting under Section 13 or 15(d) of the Exchange Act pursuant to Rule 1293-2(b) thereunder, and

(t) **(breach of law)** it will perform its obligations under this Agreement so as to comply with all applicable laws in any jurisdiction including in particular the Corporations Act and the Foreign Acquisitions and Takeovers Act 1975 (Cth).

For the purposes of the representations and warranties of ACP above, for the avoidance of doubt and without implying otherwise, the term "Affiliate" does not include the Company or any of its subsidiaries.

7.2 Representations and warranties of Lead Manager. As at the date of this Agreement and on each day until and including the Settlement Date (or in the case where clause 2.6 applies in respect of the Lead Manager, 3 Business Days after the End Date), the Lead Manager represents to ACP that each of the following statements is correct.

- (a) **(body corporate)** it is a body corporate validly existing and duly incorporated under the laws of its place of incorporation;
- (b) **(capacity)** it has full legal capacity and power to enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) **(authority)** it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out of the transactions that this Agreement contemplates;
- (d) **(agreement effective)** this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) **(licences)** it holds all licences, permits and authorities necessary for it to fulfill its obligations under this Agreement and has complied with the terms and conditions of the same in all material respects;
- (f) **(status)** it is a CIB or is not a U.S. Person;
- (g) **(no registration)** it acknowledges that the Sale Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (h) **(no general solicitation or general advertising)** none of it, its Affiliates nor any person acting on behalf of any of them has solicited offers for, offered to sell or sold, and none of them will solicit offers for, offer to sell or sell, the Sale Shares in the United States using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;
- (i) **(confirmation or notice)** it, its Affiliates and any person acting on behalf of any of them, at or prior to confirmation of sales of the Sale Shares will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Sale Shares from it until 40 days after the Settlement Date, a confirmation or notice to substantially the following effect:

"The Sale Shares covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, any U.S. person (i) as part of their distribution at any time or (ii) otherwise until 40 days after the Settlement Date, except in either case in accordance with Regulation S or Rule

144A under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act”;

- (j) **(broker-dealer requirements)** all offers and sales of the Sale Shares in the United States by it and any of its Affiliates will be effected by its registered U.S. broker-dealer affiliate and in accordance with all applicable U.S. broker-dealer requirements;
 - (k) **(U.S. selling restrictions)** it, its Affiliates and any person acting on behalf of any of them has offered and sold the Sale Shares, and will offer and sell the Sale Shares:
 - (i) in the United States or to, or for the account or benefit of, U.S. Persons, only to persons that it reasonably believes to be QIBs in transactions exempt from the registration requirements of the U.S. Securities Act under Rule 144A thereunder; and
 - (ii) to persons that are (X) not in the United States and are not, and are not acting for the account or benefit of, U.S. Persons, or (Y) Eligible U.S. Fund Managers, in “offshore transactions” (as defined in Rule 902(f) under the U.S. Securities Act) in accordance with Regulation S.
- and, in each case, has only sold and will only sell the Sale Shares to persons that have executed a Confirmation Letter, provided that any Balance Shares may only be offered and sold solely to persons that are not in the United States and are not, and are not acting for the account or benefit of, U.S. Persons, in each case in “offshore transactions” in accordance with Regulation S, provided, however, that the Lead Manager may sell Balance Shares in a regular brokered transaction on the ASX if neither it, nor any person acting on its behalf, knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (l) **(no directed selling efforts)** with respect to those Sale Shares sold in reliance on Regulation S, none of it, its Affiliates nor any person acting on behalf of any of them has engaged or will engage in any “directed selling efforts” (as that term is defined in Rule 902(c) under the U.S. Securities Act);
 - (m) **(offering restrictions)** it, its Affiliates and any person acting on behalf of any of them has complied and will comply with the offering restrictions requirements of Regulation S with regard to the Sale Shares to be sold in reliance on Regulation S; and
 - (n) **(breach of law)** it will perform its obligations under this Agreement so as to comply with all applicable laws in any jurisdiction including in particular the Corporations Act and the Foreign Acquisitions and Takeovers Act 1975 (Cth), provided that the Lead Manager shall not be in breach of this warranty to the extent any breach is caused by an act or omission which constitutes a breach by ACP of its representations, warranties and undertakings contained in clause 7.1 or the Lead Manager’s reliance on legal advice provided by or on behalf of ACP.
- 7.3 **Reliance.** Each party giving a representation and warranty acknowledges that the other parties have relied on the above representations and warranties in entering into this Agreement and will continue to rely on these representations and warranties in performing their obligations under this Agreement. The above representations and warranties continue in full force and effect notwithstanding completion of this Agreement.

7.4 **Notification.** Each party agrees that it will tell the other parties promptly upon becoming aware of any of the following occurring prior to the completion of the sale of the Sale Shares:

- (a) any material change affecting any of the foregoing representations and warranties; or
- (b) any of the foregoing representations or warranties becoming materially untrue or materially incorrect.

8 Termination

8.1 **Right of termination.** If any of the following events occurs at any time during the Risk Period (as defined in clause 8.4), then the Lead Manager may terminate its obligations under this Agreement without cost or liability to itself at any time before the expiry of the Risk Period by giving written notice to ACP:

- (a) **ASX actions.** ASX does any of the following:
 - (i) announces that the Company will be removed from the official list of ASX or ordinary shares in the Company will be suspended from quotation;
 - (ii) removes the Company from the official list; or
 - (iii) suspends the trading of ordinary shares in the Company for any period of time (for the avoidance of doubt this does not include a trading halt granted at the request of carsales.com Limited).
- (b) **ASIC inquiry.** ASIC issues or threatens to issue proceedings in relation to the Sale or commences, or threatens to commence any inquiry or investigation in relation to the Sale.
- (c) **Other termination events.** Subject to clause 8.2, any of the following occurs:
 - (A) **Banking moratorium.** A general moratorium on commercial banking activities in Australia, United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.
 - (B) **Breach of Agreement.** ACP is in default of any of the terms and conditions of this Agreement or breaches any representation or warranty given or made by it under this Agreement.
 - (C) **Change in law.** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, any State or Territory of Australia, the Reserve Bank of Australia or any Minister or other governmental authority of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this agreement).

- 8.2 **Materiality.** No event listed in clause 8.1(b) or (c) entitles the Lead Manager to exercise its termination rights unless, in the bona fide opinion of the Lead Manager, it:
- (a) has, or would reasonably be expected to have, a material adverse effect on:
 - (i) the willingness of persons to purchase the Sale Shares; or
 - (ii) the price at which ordinary shares in the Company are sold on the ASX; or
 - (b) would reasonably be expected to give rise to a liability of the Lead Manager under the Corporations Act or any other applicable law.
- 8.3 **Effect of termination.** Where, in accordance with this clause 8, the Lead Manager terminates its obligations under this Agreement:
- (a) the obligations of the Lead Manager under this Agreement immediately end; and
 - (b) any entitlements of the Lead Manager accrued under this Agreement, including the right to be indemnified, up to the date of termination survive.
- 8.4 **Risk Period.** For the purposes of this clause, the "Risk Period" means the period commencing on the execution of this Agreement and ending at the earlier of 10.00am on the Trade Date (as defined in the Timetable) and the time of allocations of Sale Shares to purchasers pursuant to clause 2.
- 9 Indemnity**
- 9.1 ACP agrees with the Lead Manager that it will keep the Lead Manager and its Related Bodies Corporate (as that term is defined in the Corporations Act), and their respective directors, officers and employees ("Indemnified Parties"), indemnified against any losses, damages, liabilities, costs, claims, actions and demands (including any reasonable expenses arising in connection therewith) ("Losses") to the extent that such Losses are incurred or made as a result of a breach of this Agreement by ACP, including any breach of any of the above representations or warranties given by ACP, and will reimburse the Lead Manager for all out of pocket costs, charges and expenses which it may reasonably pay or incur in connection with investigating, disputing or defending any such action, demand or claim for which it is indemnified under this Agreement.
- 9.2 The indemnity in clause 9.1 does not extend to and is not to be taken as an indemnity against any Losses of an Indemnified Party to the extent any Losses have resulted from:
- (a) any fraud, recklessness, willful misconduct or gross negligence of the Indemnified Party;
 - (b) any penalty or fine which the Indemnified Party is required to pay for any contravention of any law;
 - (c) any amount in respect of which the indemnity would be illegal, void or unenforceable under any applicable law.

- 9.3 Both ACP and an Indemnified Party must not settle any action, demand or claim to which the indemnity in clause 9.1 relates without the prior written consent of ACP or the Lead Manager, as applicable, such consent not to be unreasonably withheld.
- 9.4 The indemnity in clause 9.1 is a continuing obligation, separate and independent from the other obligations of the parties under this Agreement and survives termination or completion of this Agreement. It is not necessary for the Lead Manager to incur expense or make payment before enforcing that indemnity.
- 9.5 The indemnity in clause 9.1 is granted to the Lead Manager both for itself and on trust for each of the Indemnified Parties.
- 9.6 Subject to clause 9.7, the parties agree that if for any reason the indemnity in clause 9.1 is unavailable or insufficient to hold harmless any Indemnified Party against any Losses against which the Indemnified Party is stated to be indemnified (other than expressly excluded), the respective proportional contributions of ACP and the Indemnified Party or the Indemnified Parties in relation to the relevant Losses will be as agreed, or failing agreement as determined by a court of competent jurisdiction, having regard to the participation in, instigation of or other involvement of ACP and the Indemnified Parties in the act complained of, having particular regard to relative intent, knowledge, access to information and opportunity to correct any untrue statement or omission.
- 9.7 ACP agrees with each of the Indemnified Parties that in no event will the Lead Manager and its associated Indemnified Parties be required to contribute under clause 9.6 to any Losses in an aggregate amount that exceeds the aggregate of the fees paid to the Lead Manager under this Agreement.
- 9.8 If an Indemnified Party pays an amount in relation to Losses where it is entitled to contribution from ACP under clause 9.6 ACP agrees promptly to reimburse the Indemnified Party for that amount.
- 9.9 If ACP pays an amount to the Indemnified Parties in relation to Losses where it is entitled to contribution from the Indemnified Parties under clause 9.6 the Indemnified Parties must promptly reimburse ACP for that amount.
- 9.10 Notwithstanding the limitations on the indemnity and limitation of liability expressed in clause 9.2, such limitations shall not apply in respect of any action, demand or claim under U.S. Law (as defined below) to the extent that such Losses arise out of or are based upon any untrue statement of material fact or alleged untrue statement of material fact in any information related to the Company made public by the Company on the ASX or otherwise provided to one or more investors (either specifically or generally) by ACP in connection with the Sabor any omission or alleged omission to state a material fact necessary in order to make the statements in any such information, taken together with the ASX and other public disclosures of the Company, in light of the circumstances under which they were made, not misleading.
- For the purposes of this clause 9.10 and clause 12.2, "U.S. Law" means the U.S. Securities Act, the Exchange Act, the rules and regulations of the U.S. Securities and Exchange Commission, common law in the United States, and all other applicable laws, rules and regulations of the United States and any State or governmental authority or agency thereof or therein.

10 Announcements

10.1 ACP and the Lead Manager will consult each other in respect of any material public releases by any of them concerning the sale of the Sale Shares. The prior written consent of ACP must be obtained prior to the Lead Manager making any release or announcement or engaging in publicity in relation to the Sale of the Sale Shares and such release, announcement or engagement must be in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction. No announcements will be made by the Lead Manager prior to the Settlement Date.

10.2 The Lead Manager may, after completion of its other obligations under this Agreement, place advertisements in financial and other newspapers and journals at its own expense describing their service to ACP provided such advertisements are in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction and are consistent with other publicly available information in relation to the announcement.

11 Confidentiality

Each party agrees to keep the terms and subject matter of this Agreement confidential, except:

- (a) where disclosure is required by applicable law, a legal or regulatory authority or the ASX Listing Rules;
- (b) disclosure is made to an adviser or to a person who must know for the purposes of this Agreement, on the basis that the adviser or person keeps the information confidential; and
- (c) to a person to the extent reasonably necessary in connection with any actual or potential claim or judicial or administrative process involving that party in relation to the Sale.

12 Miscellaneous

12.1 **Entire agreement.** This Agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that matter.

12.2 **Governing law.** This Agreement is governed by the laws of New South Wales, Australia, except that the interpretation of the exception contained in clause 9.10 in respect of actions brought pursuant to U.S. Law shall be governed by and construed in accordance with the Federal laws of the United States and the laws of the State of New York without regard to any conflict of laws principles that would indicate the applicability of the laws of any other jurisdiction. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, and waives any right to claim that those courts are an inconvenient forum.

12.3 **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

12.4 **Waiver and variation.** A provision of or right vested under this Agreement may not be:

- (a) waived except in writing signed by the party granting the waiver; or
- (b) varied except in writing signed by the parties.

12.5 **No merger.** The rights and obligations of the parties will not merge on the termination or expiration of this Agreement. Any provision of this Agreement remaining to be performed or observed by a party, or having effect after the termination of this Agreement for whatever reason remains in full force and effect and is binding on that party.

12.6 **No assignment.** No party may assign its rights or obligations under this Agreement without the prior written consent of the other parties.

12.7 **Notices.** Any notice, approval, consent, agreement, waiver or other communication in connection with this Agreement must be in writing.

12.8 **Affiliates.** In this Agreement the term "Affiliates" means any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a person; "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person, whether through the ownership of securities by contract or agency or otherwise and the term "person" is deemed to include a partnership.

12.9 **Business Day.** In this Agreement "Business Day" means a day on which:

- (a) ASX is open for trading in securities; and
- (b) banks are open for general banking business in Sydney, Australia.

12.10 **Interpretation.** In this Agreement:

- (a) headings and sub-headings are for convenience only and do not affect interpretation;
- (b) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (c) a reference to "dollars" and "\$" is to Australian currency; and
- (d) all references to time are to Sydney, New South Wales, Australia time.

12.11 **Counterparts.** This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one agreement.

Yours sincerely,

SIGNED on behalf of UBS AG, Australia Branch
by its duly authorised signatories

Signature of Authorised Signatory

Andrew DeFina

Print name

ANDREW DEFINA

Date

7 MARCH 2011

Signature of Authorised Signatory

Tiffany Ward

Print name

TIFFANY WARD

Date

7 MARCH 2011

Accepted and agreed to as of the date of this Agreement.

SIGNED on behalf of ACP Magazines
Limited

Director/Secretary

Director/Secretary

Print name

Print name

Date

Date

SIGNED on behalf of UBS AG, Australia Branch
by its duly authorised signatories

Signature of Authorised Signatory

Print name

Print name

Date

Date

Accepted and agreed to as of the date of this Agreement.

SIGNED on behalf of ACP Magazines
Limited

Director/Secretary

Director/Secretary

Print name

Print name

Date

Date

Paul Sullivan

David Grogan

7 March 2011

7 MARCH 2011

**Schedule 1
Timetable**

	Time (AEST)	Date
Books open	7.30am	7 March 2011
Final books close	8.45am	7 March 2011
Company releases ASX announcement in relation Before 10am to Sale		7 March 2011
Trade Date (T)		7 March 2011
Settlement Date (T + 3)		10 March 2011

Date of change	Person whose security interest changed	Nature of Change	Consideration (given in relation to change)	Number of securities	Class
9-Mar-11	UBS Securities Australia Ltd	Sell	113	(23)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	24,528,946	4,983,986	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	479,070	95,814	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	41,097	(8,221)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,799,997	365,853	Ordinary
9-Mar-11	UBS AG, London Branch	Buy	282,713	56,421	Ordinary
9-Mar-11	UBS AG, London Branch	Buy	156	31	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	63,980	12,550	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	97	190	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	2,408	473	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	92	18	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	92	(18)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	97	18	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	682	(129)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	67,346	(13,231)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	149	(29)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,992	390	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	3,758	736	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	21	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	327,544	(66,574)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	67,346	(13,231)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	N/A	(100,000)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	12,523	2,443	Ordinary
9-Mar-11	UBS AG, London Branch	Sell	42,773	(8,346)	Ordinary
9-Mar-11	UBS AG, London Branch	Buy	4,781	(937)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,752	1,122	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	56	11	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	56	(11)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	2,660	(500)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	21	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	21	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	21	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	3,205	(626)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,507	288	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	3,603	705	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	133	26	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	26	5	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	56	(11)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	2,560	(500)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	1,859	(363)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	1,347	(268)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	51	(10)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	415	(81)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	21	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	573	(112)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	51	(10)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	51	10	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	128	(29)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	297	(59)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,381	1,053	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	143	(28)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	143	(28)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	515	101	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,095	997	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	4,241	(830)	Ordinary

Date of change	Person whose security interest changed	Nature of Change	Consideration (given in relation to change)	Number of securities	Class
9-Mar-11	UBS Securities Australia Ltd	Sell	996	(193)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	859	129	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,743	1,126	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,239	243	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	21	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	4,358	862	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,237	243	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	56	(11)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	107	(21)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	51	(10)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	5,636	(1,105)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	5,754	(1,126)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	1,415	(277)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	4,338	(849)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	561	110	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	536	105	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	597	117	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	638	125	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	558	129	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	107	21	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	510	100	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	968	131	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	638	125	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	833	163	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	562	110	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,400	(274)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,257	246	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	205	40	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,403	(274)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	4,362	(852)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,055	206	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	4,508	880	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,776	(1,126)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,778	1,126	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	5,464	(1,063)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	324	(63)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,788	1,126	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	745	145	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	5,739	(1,126)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	747	145	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5,052	981	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	1,852	(359)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	3,958	(767)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,009	196	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	93	18	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	913	178	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,837	356	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	2,962	574	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	2,812	(545)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	1,145	(222)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	1,502	(291)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	2,843	551	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,803	350	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,161	225	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	2,843	551	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,524	297	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	3,704	722	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	5	1	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	544	106	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	62	(12)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	67	(13)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	5,310	(1,033)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	350	(68)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	72	(14)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	67	(13)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	77	(15)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	57	(11)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Sell	5,572	(1,084)	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	811	158	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	2,565	500	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	1,857	362	Ordinary
9-Mar-11	UBS Securities Australia Ltd	Buy	544	106	Ordinary

10-Mar-11	UBS Securities Australia Ltd	Sell		(21)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	107	(5)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	26	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	107	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	56	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	58	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	20	(4)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	35	(7)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	35	(7)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	20	(4)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	40	(8)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	15	(3)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	55	(11)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	40	(8)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	65	(13)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	90	(18)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	10	(2)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	105	(21)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	105	(21)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	23,594,874	(4,795,706)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	3,046	(608)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	4,520	(962)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	265	(53)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,483	(290)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	661	(132)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	3,407	(680)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	4,950	(988)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	1,052	(210)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	140	(28)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	2,124	(424)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	2,114	(422)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	140	(28)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Sell	4,950	(988)		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Buy	4,950	988		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Buy	140	28		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Buy	314	63		Ordinary
10-Mar-11	UBS Securities Australia Ltd	Stock Returned	N/A	(200,000)		Ordinary
10-Mar-11	UBS AG, Australia Branch	revert interest in shares sold by ACP Magazines Limited ("ACP"), upon settlement of the sale of those shares, to the extent that such a relevant interest arose under the terms of the Block Trade Agreement between UBS AG, Australia Branch ("UBS") and ACP dated 7 March 2011 (See Annexure (A)) ("Block Trade Agreement")	See Block Trade Agreement attached as Annexure (A)	(27,676,020)		Ordinary



Master Securities Loan Agreement

2000 Version

Dated as of: _____

Between: _____

and _____

1. Applicability.

From time to time the parties hereto may enter into transactions in which one party (“Lender”) will lend to the other party (“Borrower”) certain Securities (as defined herein) against a transfer of Collateral (as defined herein). Each such transaction shall be referred to herein as a “Loan” and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in an Annex or Schedule hereto and in any other annexes identified herein or therein as applicable hereunder. Capitalized terms not otherwise defined herein shall have the meanings provided in Section 25.

2. Loans of Securities.

2.1 Subject to the terms and conditions of this Agreement, Borrower or Lender may, from time to time, seek to initiate a transaction in which Lender will lend Securities to Borrower. Borrower and Lender shall agree on the terms of each Loan (which terms may be amended during the Loan), including the issuer of the Securities, the amount of Securities to be lent, the basis of compensation, the amount of Collateral to be transferred by Borrower, and any additional terms. Such agreement shall be confirmed (a) by a schedule and receipt listing the Loaned Securities provided by Borrower to Lender in accordance with Section 3.2, (b) through any system that compares Loans and in which Borrower and Lender are participants, or (c) in such other manner as may be agreed by Borrower and Lender in writing. Such confirmation (the “Confirmation”), together with the Agreement, shall constitute conclusive evidence of the terms agreed between Borrower and Lender with respect to the Loan to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any inconsistency between the terms of such Confirmation and this Agreement, this Agreement shall prevail unless each party has executed such Confirmation.

2.2 Notwithstanding any other provision in this Agreement regarding when a Loan commences, unless otherwise agreed, a Loan hereunder shall not occur until the Loaned Securities and the Collateral therefor have been transferred in accordance with Section 15.

3. Transfer of Loaned Securities.

- 3.1 Unless otherwise agreed, Lender shall transfer Loaned Securities to Borrower hereunder on or before the Cutoff Time on the date agreed to by Borrower and Lender for the commencement of the Loan.
- 3.2 Unless otherwise agreed, Borrower shall provide Lender, for each Loan in which Lender is a Customer, with a schedule and receipt listing the Loaned Securities. Such schedule and receipt may consist of (a) a schedule provided to Borrower by Lender and executed and returned by Borrower when the Loaned Securities are received, (b) in the case of Securities transferred through a Clearing Organization which provides transferors with a notice evidencing such transfer, such notice, or (c) a confirmation or other document provided to Lender by Borrower.
- 3.3 Notwithstanding any other provision in this Agreement, the parties hereto agree that they intend the Loans hereunder to be loans of Securities. If, however, any Loan is deemed to be a loan of money by Borrower to Lender, then Borrower shall have, and Lender shall be deemed to have granted, a security interest in the Loaned Securities and the proceeds thereof.

4. Collateral.

- 4.1 Unless otherwise agreed, Borrower shall, prior to or concurrently with the transfer of the Loaned Securities to Borrower, but in no case later than the Close of Business on the day of such transfer, transfer to Lender Collateral with a Market Value at least equal to the Margin Percentage of the Market Value of the Loaned Securities.
- 4.2 The Collateral transferred by Borrower to Lender, as adjusted pursuant to Section 9, shall be security for Borrower's obligations in respect of such Loan and for any other obligations of Borrower to Lender hereunder. Borrower hereby pledges with, assigns to, and grants Lender a continuing first priority security interest in, and a lien upon, the Collateral, which shall attach upon the transfer of the Loaned Securities by Lender to Borrower and which shall cease upon the transfer of the Loaned Securities by Borrower to Lender. In addition to the rights and remedies given to Lender hereunder, Lender shall have all the rights and remedies of a secured party under the UCC. It is understood that Lender may use or invest the Collateral, if such consists of cash, at its own risk, but that (unless Lender is a Broker-Dealer) Lender shall, during the term of any Loan hereunder, segregate Collateral from all securities or other assets in its possession. Lender may Retransfer Collateral only (a) if Lender is a Broker-Dealer or (b) in the event of a Default by Borrower. Segregation of Collateral may be accomplished by appropriate identification on the books and records of Lender if it is a "securities intermediary" within the meaning of the UCC.
- 4.3 Except as otherwise provided herein, upon transfer to Lender of the Loaned Securities on the day a Loan is terminated pursuant to Section 6, Lender shall be obligated to transfer the Collateral (as adjusted pursuant to Section 9) to Borrower no later than the Cutoff Time on such day or, if such day is not a day on which a transfer of such Collateral may be effected under Section 15, the next day on which such a transfer may be effected.
- 4.4 If Borrower transfers Collateral to Lender, as provided in Section 4.1, and Lender does not transfer the Loaned Securities to Borrower, Borrower shall have the absolute right to the return of the Collateral; and if Lender transfers Loaned Securities to Borrower and

Borrower does not transfer Collateral to Lender as provided in Section 4.1, Lender shall have the absolute right to the return of the Loaned Securities.

- 4.5 Borrower may, upon reasonable notice to Lender (taking into account all relevant factors, including industry practice, the type of Collateral to be substituted, and the applicable method of transfer), substitute Collateral for Collateral securing any Loan or Loans; provided, however, that such substituted Collateral shall (a) consist only of cash, securities or other property that Borrower and Lender agreed would be acceptable Collateral prior to the Loan or Loans and (b) have a Market Value such that the aggregate Market Value of such substituted Collateral, together with all other Collateral for Loans in which the party substituting such Collateral is acting as Borrower, shall equal or exceed the agreed upon Margin Percentage of the Market Value of the Loaned Securities.
- 4.6 Prior to the expiration of any letter of credit supporting Borrower's obligations hereunder, Borrower shall, no later than the Extension Deadline, (a) obtain an extension of the expiration of such letter of credit, (b) replace such letter of credit by providing Lender with a substitute letter of credit in an amount at least equal to the amount of the letter of credit for which it is substituted, or (c) transfer such other Collateral to Lender as may be acceptable to Lender.

5. Fees for Loan.

- 5.1 Unless otherwise agreed, (a) Borrower agrees to pay Lender a loan fee (a "Loan Fee"), computed daily on each Loan to the extent such Loan is secured by Collateral other than cash, based on the aggregate Market Value of the Loaned Securities on the day for which such Loan Fee is being computed, and (b) Lender agrees to pay Borrower a fee or rebate (a "Cash Collateral Fee") on Collateral consisting of cash, computed daily based on the amount of cash held by Lender as Collateral, in the case of each of the Loan Fee and the Cash Collateral Fee at such rates as Borrower and Lender may agree. Except as Borrower and Lender may otherwise agree (in the event that cash Collateral is transferred by clearing house funds or otherwise), Loan Fees shall accrue from and including the date on which the Loaned Securities are transferred to Borrower to, but excluding, the date on which such Loaned Securities are returned to Lender, and Cash Collateral Fees shall accrue from and including the date on which the cash Collateral is transferred to Lender to, but excluding, the date on which such cash Collateral is returned to Borrower.
- 5.2 Unless otherwise agreed, any Loan Fee or Cash Collateral Fee payable hereunder shall be payable:
- (a) in the case of any Loan of Securities other than Government Securities, upon the earlier of (i) the fifteenth day of the month following the calendar month in which such fee was incurred and (ii) the termination of all Loans hereunder (or, if a transfer of cash in accordance with Section 15 may not be effected on such fifteenth day or the day of such termination, as the case may be, the next day on which such a transfer may be effected); and
 - (b) in the case of any Loan of Government Securities, upon the termination of such Loan and at such other times, if any, as may be customary in accordance with market practice.

Notwithstanding the foregoing, all Loan Fees shall be payable by Borrower immediately in the event of a Default hereunder by Borrower and all Cash Collateral Fees shall be payable immediately by Lender in the event of a Default by Lender.

6. Termination of the Loan.

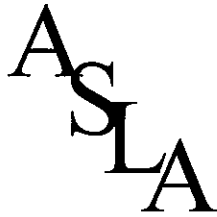
- 6.1 (a) Unless otherwise agreed, either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be (i) in the case of Government Securities, the next Business Day following such notice and (ii) in the case of all other Securities, the third Business Day following such notice.
- (b) Notwithstanding paragraph (a) and unless otherwise agreed, Borrower may terminate a Loan on any Business Day by giving notice to Lender and transferring the Loaned Securities to Lender before the Cutoff Time on such Business Day if (i) the Collateral for such Loan consists of cash or Government Securities or (ii) Lender is not permitted, pursuant to Section 4.2, to Retransfer Collateral.
- 6.2 Unless otherwise agreed, Borrower shall, on or before the Cutoff Time on the termination date of a Loan, transfer the Loaned Securities to Lender; provided, however, that upon such transfer by Borrower, Lender shall transfer the Collateral (as adjusted pursuant to Section 9) to Borrower in accordance with Section 4.3.

7. Rights in Respect of Loaned Securities and Collateral.

- 7.1 Except as set forth in Sections 8.1 and 8.2 and as otherwise agreed by Borrower and Lender, until Loaned Securities are required to be redelivered to Lender upon termination of a Loan hereunder, Borrower shall have all of the incidents of ownership of the Loaned Securities, including the right to transfer the Loaned Securities to others. Lender hereby waives the right to vote, or to provide any consent or to take any similar action with respect to, the Loaned Securities in the event that the record date or deadline for such vote, consent or other action falls during the term of the Loan.
- 7.2 Except as set forth in Sections 8.3 and 8.4 and as otherwise agreed by Borrower and Lender, if Lender may, pursuant to Section 4.2, Retransfer Collateral, Borrower hereby waives the right to vote, or to provide any consent or take any similar action with respect to, any such Collateral in the event that the record date or deadline for such vote, consent or other action falls during the term of a Loan and such Collateral is not required to be returned to Borrower pursuant to Section 4.5 or Section 9.

8. Distributions.

- 8.1 Lender shall be entitled to receive all Distributions made on or in respect of the Loaned Securities which are not otherwise received by Lender, to the full extent it would be so entitled if the Loaned Securities had not been lent to Borrower.



Australian Securities Lending Association Limited

(ACN 054 944 482)
www.asla.com.au
Registered Office
Level 50, MLC Centre
19-29 Martin Place
Sydney NSW 2000

AUSTRALIAN MASTER SECURITIES LENDING AGREEMENT *

(Version: December 2002)

Dated as of:

Between: (1) *(Name of Company)* UBS Securities Australia Ltd
(ACN or ARBN (as applicable)) 62 008 586 481
a company incorporated under the laws of the ACT, Australia
of (Business address) Level 16 Chifley Tower, 2 Chifley Square,
Sydney, NSW, 2000

And: (2) *(Name of Company)* _____
(ACN or ARBN (as applicable)) _____
a company incorporated under the laws of _____
of (Business address) _____

* *The original (Version: 4 April 1997) version of this agreement was adapted from the ISLA Overseas Securities Lender's Agreement (Version: December 1995, as amended by 1996 UK Tax Addendum), prepared by Clifford Chance, London, England for use by parties required to meet UK Inland Revenue tax requirements. The 4 April 1997 version has been updated in December 2002 to take account of, among other things, intervening Australian tax, stamp duty and regulatory changes, and also to better reflect Australian market practice.*

* *The original and updated versions of this agreement are both also subject to the "Warning and Disclaimer" on the coversheet to the original (Version: 4 April 1997) and updated (Version: December 2002) "User's Guide" relating to this agreement.*

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(“title”) shall pass from one Party to the other free and clear of any liens, claims, charges or encumbrances or any other interest of the Transferring Party or of any third party (other than a lien routinely imposed on all securities in a relevant clearance system), the Party obtaining such title being obliged to redeliver Equivalent Securities or Equivalent Collateral, as the case may be. Each Transfer under this Agreement will be made so as to constitute or result in a valid and legally effective transfer of the Transferring Party’s legal and beneficial title to the recipient.

- (c) Where, in respect of any transaction, any distribution is made, or Income or fee is paid, other than in cash, the provisions of this agreement (other than clause 4.2(b)) shall apply, with necessary modifications, to the same extent as if the distribution, Income or fee had been made or paid in cash, and terms such as “pay” and “amount” shall be construed accordingly.

- 1.5 **[Headings]** All headings appear for convenience only and shall not affect the interpretation of this Agreement.
- 1.6 **[Currency conversion]** For the purposes of clauses 6, 8.3 and 8.4, when a conversion into the Base Currency is required, all prices, sums or values (including any Value, Offer Value and Bid Value) of Securities, Equivalent Securities, Collateral or Equivalent Collateral (including Cash Collateral) stated in currencies other than the Base Currency shall be converted into the Base Currency at the rate quoted by an Australian bank selected by the Lender (or, if an Event of Default has occurred in relation to the Lender, by the Borrower) at or about 11.00am (Sydney time) on the day of conversion as its spot rate for the sale by the bank of the Base Currency in exchange for the relevant other currency.
- 1.7 **[Other agreements]** Where at any time there is in existence any other agreement between the Parties the terms of which make provision for the lending of Securities (as defined in this Agreement) as well as other securities, the terms of this Agreement shall apply to the lending of such Securities to the exclusion of any other such agreement.
- 1.8 **[Nominees]** If payment is made or Securities, Equivalent Securities, Collateral or Equivalent Collateral is Transferred to a Party’s nominee or otherwise in accordance with the directions of a Party (whether by the other Party or by a third party), it shall be deemed, for the purposes of this agreement, to have been paid or made or Transferred to the first mentioned Party.

2 Loans of Securities

- 2.1 **[Borrowing Request and acceptance thereof]** The Lender will lend Securities to the Borrower, and the Borrower will borrow Securities from the Lender, in accordance with the terms and conditions of this Agreement and with the Rules. The terms of each Loan should be agreed prior to the commencement of the relevant Loan, either orally or in writing (including any agreed form of electronic communication) and confirmed in such form and on such basis as is agreed between the Parties. Any confirmation produced by a Party shall not supersede or prevail over the prior oral, written or electronic communication (as the case may be).
- 2.2 **[Changes to a Borrowing Request]** The Borrower has the right to reduce the amount of Securities referred to in, or otherwise vary, a Borrowing Request **provided that:**
- (a) the Borrower has notified the Lender of such reduction or variation no later than midday Australian Eastern standard or summer (as appropriate) time on

the day which is two Business Days prior to the Settlement Date, unless otherwise agreed between the Parties, and

- (b) the Lender shall have accepted such reduction or variation (by whatever means).

3 Delivery of Securities

[Delivery of Securities] The Lender shall procure the delivery of Securities to the Borrower or deliver such Securities in accordance with the relevant agreement **together with** appropriate instruments of transfer (where necessary) duly stamped (where necessary) and such other instruments (if any) as may be requisite to vest title thereto in the Borrower. Such Securities shall be deemed to have been delivered by the Lender to the Borrower on delivery to the Borrower or as it shall direct of the relevant instruments of transfer and certificates or other documents of title (if any), or in the case of Securities title to which is registered in a computer based system which provides for the recording and transfer of title to the same by way of electronic entries (such as CHESS), on the transfer of title in accordance with the rules and procedures of such system as in force from time to time, or by such other means as may be agreed.

4 Title, Distributions and Voting

4.1 **[Passing of title]** The Parties shall execute and deliver all necessary documents and give all necessary instructions to procure that all right, title and interest in:

- (a) any Securities borrowed pursuant to clause 2;
- (b) any Equivalent Securities redelivered pursuant to clause 7;
- (c) any Collateral delivered pursuant to clause 6;
- (d) any Equivalent Collateral redelivered pursuant to clauses 6 or 7,

shall pass from one Party to the other, free from all liens, charges, equities and encumbrances, on delivery or redelivery of the same in accordance with this Agreement. In the case of Securities, Collateral, Equivalent Securities or Equivalent Collateral title to which is registered in a computer based system which provides for the recording and transfer of title to the same by way of electronic entries, delivery and transfer of title shall take place in accordance with the rules and procedures of such system as in force from time to time.

4.2 **[Distributions]**

- (a) **[Cash distributions]** Unless otherwise agreed, where Income is paid by the issuer in relation to any Securities on or by reference to an Income Payment Date on which such Securities are the subject of a loan under this Agreement, the Borrower shall, on the date of the payment of such Income, or on such other date as the Parties may from time to time agree, (the “**Relevant Payment Date**”) pay to the Lender a sum of money (a “**Substitute payment**”) equivalent to the amount that the Lender would have been entitled to receive (after any deduction, withholding or payment for or on account of any tax made by the relevant issuer (or on its behalf) in respect of such Income) had such Securities not been loaned to the Borrower and been held by the Lender on the Income Payment Date, irrespective of whether the Borrower received the same.

- (b) **[Corporate actions]** Subject to paragraph (c) (unless otherwise agreed), where, in respect of any borrowed Securities or any Collateral, any rights relating to conversion, sub-division, consolidation, pre-emption, rights arising under a takeover offer or other rights, including those requiring election by the holder for the time being of such Securities or Collateral, become exercisable prior to the redelivery of Equivalent Securities or Equivalent Collateral, then the Lender or Borrower, as the case may be, may, within a reasonable time before the latest time for the exercise of the right or option, give written notice to the other Party that, on redelivery of Equivalent Securities or Equivalent Collateral, as the case may be, it wishes to receive Equivalent Securities or Equivalent Collateral in such form as will arise if the right is exercised or, in the case of a right which may be exercised in more than one manner, is exercised as is specified in such written notice.
- (c) **[1936 Tax Act ss 26BC(3)(c)(ii) and (v) requirements]** Notwithstanding paragraph (b), where, in respect of any borrowed Securities or any Collateral, the relevant issuer company, trustee, government or government authority issues any right or option in respect of the borrowed Securities or Collateral, as the case may be, the Borrower or the Lender, respectively, must deliver or make available, as the case may be, to the other Party on the date of such issue or on such other date as the Parties may from time to time agree:
- (i) the right, or option; or
 - (ii) an identical right or option; or
 - (iii) a payment equal to the value to the Lender or the Borrower, respectively, of the right or option;
- together with any such endorsements or assignments as shall be customary and appropriate.
- (d) **[Manner of payment]** Any payment to be made by the Borrower under this clause shall be made in a manner to be agreed between the Parties.

- 4.3 **[Voting]** Unless paragraph 4 in Schedule 1 specifies that this clause 4.3 does not apply, each Party undertakes that, where it holds Securities of the same description as any Securities borrowed by it or transferred to it by way of Collateral at a time when a right to vote arises in respect of such Securities, it will use its best endeavours to arrange for the voting rights attached to such Securities to be exercised in accordance with the instructions of the other Party **provided always that** each Party shall use its best endeavours to notify the other of its instructions in writing no later than seven Business Days prior to the date upon which such votes are exercisable, or as otherwise agreed between the Parties, and that the Party concerned shall not be obliged so to exercise the votes in respect of the number of Securities greater than the number so lent or transferred to it. For the avoidance of doubt, the Parties agree that, subject as hereinbefore provided, any voting rights attaching to the relevant Securities, Equivalent Securities, Collateral and/or Equivalent Collateral shall be exercisable by the persons in whose name they are registered, or in the case of Securities, Equivalent Securities, Collateral and/or Equivalent Collateral in bearer form by the persons by or on behalf of whom they are held, and not necessarily by the Borrower or the Lender (as the case may be).

5 Fees

- 5.1 **[Fees]** In respect of each loan of Securities:

-
- (a) for which the Collateral is cash:
 - (i) the Lender must pay a fee to the Borrower in respect of the amount of that Collateral, calculated at the rate agreed between them; and
 - (ii) unless the Parties otherwise agree, the Borrower is not obliged to pay a fee to the Lender;
 - (b) for which there is no Cash Collateral, the Borrower must pay a fee to the Lender, calculated at the rate agreed between them.
- 5.2 **[Where there are different types of Collateral]** Where the Collateral comprises only partly cash, clause 5.1 is to be construed as if there were separate loans of Securities, one secured solely by Cash Collateral and the other secured solely by non-cash Collateral.
- 5.3 **[Calculation of fees]** In respect of each loan of Securities, the payments referred to in clause 5.1 of this clause shall accrue daily in respect of the period commencing on and inclusive of the Settlement Day and terminating on and exclusive of the Business Day upon which Equivalent Securities are redelivered or Cash Collateral is repaid. Unless otherwise agreed, the sums so accruing in respect of each calendar month shall be paid in arrears by the Borrower to the Lender or to the Borrower by the Lender (as the case may be) not later than the Business Day which is one week after the last Business Day of the calendar month to which such payment relates or such other date as the Parties from time to time agree. Any payment made pursuant to clause 5.1 shall be in Australian currency, unless otherwise agreed, and shall be paid in such manner and at such place as shall be agreed between the Parties.

6 Collateral

- 6.1 **[Borrower's obligation to provide Collateral]** Unless otherwise agreed, subject to the other provisions of this clause 6, the Borrower undertakes to deliver to or deposit with the Lender (or in accordance with the Lender's instructions) Collateral of the kind specified in the relevant Borrowing Request or as otherwise agreed between the Parties (together with appropriate instruments of transfer duly stamped (where necessary) and such other instruments as may be requisite to vest title thereto in the Lender) simultaneously with delivery of the Borrowed Securities by the Lender.
- 6.2 **[Global margining]**
- (a) **[Adjustments to Collateral]** Unless otherwise agreed between the Parties, subject to paragraph (b), clause 6.4 and paragraph 1.5 in Schedule 1:
 - (i) The aggregate Value of the Collateral delivered to or deposited with the Lender or its nominated bank or depository (excluding any Collateral repaid or redelivered under paragraph (ii) below (as the case may be)) in respect of **all** loans of Securities outstanding under this Agreement ("**Posted Collateral**") shall from day to day and at any time be at least the aggregate of the Required Collateral Values in respect of such loans.
 - (ii) If at any time the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement exceeds the aggregate of the Required Collateral Values in respect of such loans, the Lender shall (on demand) repay such Cash Collateral and/or redeliver to the Borrower such Equivalent Collateral as will eliminate the excess.

-
- (iii) If at any time the aggregate Value of the Posted Collateral in respect of all loans of Securities outstanding under this Agreement falls below the aggregate of Required Collateral Values in respect of all such loans, the Borrower shall (on demand) provide such further Collateral to the Lender as will eliminate the deficiency.
- (b) **[Netting of Collateral obligations where a Party is both Lender and Borrower]** Unless otherwise agreed between the Parties, subject to clause 6.4 and paragraph 1.5 in Schedule 1, where paragraph (a) applies, if a Party (the “**first Party**”) would, but for this paragraph, be required under paragraph (a) to repay Cash Collateral, redeliver Equivalent Collateral or provide further Collateral in circumstances where the other Party (the “**second Party**”) would, but for this paragraph, also be required to repay Cash Collateral, redeliver Equivalent Collateral or provide further Collateral under paragraph (a), then the Value of the Cash Collateral, Equivalent Collateral or further Collateral deliverable by the first Party (“**X**”) shall be set-off against the Value of the Cash Collateral, Equivalent Collateral or further Collateral deliverable by the second Party (“**Y**”) and the only obligation of the Parties under paragraph (a) shall be, where X exceeds Y, an obligation of the first Party, or where Y exceed X, an obligation of the second Party, (on demand) to repay Cash Collateral, redeliver Equivalent Collateral or deliver further Collateral having a Value equal to the difference between X and Y.
- 6.3 **[Required Collateral Value]** For the purposes of clause 6.2(a), the Value of the Posted Collateral to be delivered or deposited in respect of any loan of Securities, while the loan of Securities continues, shall be equal to the aggregate of the Value of the borrowed Securities and the Margin applicable thereto (the “**Required Collateral Value**”).
- 6.4 **[Time for payment/repayment of Collateral]** Except as provided in clause 6.1 or clause 6.6 or as otherwise agreed, where any Cash Collateral is to be repaid, Equivalent Collateral is to be redelivered or further Collateral is to be provided under this clause 6, it shall be paid or delivered as stated in paragraph 1.4 in Schedule 1.
- 6.5 **[Substitution of Alternative Collateral]** The Borrower may from time to time call for the repayment of Cash Collateral or the redelivery of Equivalent Collateral prior to the date on which the same would otherwise have been repayable or redeliverable, provided that, at the time of such repayment or redelivery, the Borrower shall have delivered or delivers Alternative Collateral acceptable to the Lender.
- 6.6 **[Return of Collateral/Equivalent Collateral on redelivery of Equivalent Securities]**
- (a) Cash Collateral shall be repaid and Equivalent Collateral shall be redelivered at the same time as Equivalent Securities in respect of the Securities borrowed are redelivered.
- (b) Where Collateral is provided through a book entry transfer system (such as Austraclear or RITS), the obligation of the Lender shall be to redeliver Equivalent Collateral through such book entry transfer system in accordance with this Agreement. If the loan of Securities in respect of which Collateral was provided has not been discharged when the Equivalent Collateral is redelivered, any payment obligation generated within the book entry transfer system on such redelivery shall, until the loan of Securities is discharged or further Collateral is provided, be deemed to constitute an obligation to pay Cash Collateral.

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- 6.7 **[Receipt by Lender of Income on Collateral]** Where Collateral (other than Cash Collateral) is delivered in respect of which any Income may become payable and an Income Payment Date in respect of that Collateral occurs prior to the redelivery of Equivalent Collateral, then, unless such Income is paid directly to the Borrower, the Lender shall, on the date on which such Income is paid or on such other date as the Parties may from time to time agree, pay to the Borrower a sum of money (a “**Substitute payment**”) equivalent to the amount of such Income that (after any deduction, withholding or payment for or on account of any tax made by the relevant issuer (or on its behalf) in respect of such Income) the Lender either actually received, or would have been entitled to receive had such Collateral been held by the Lender on the Income Payment Date, irrespective of whether the Lender received the same. If the Lender is required by law, as modified by the practice of any relevant taxing authority, to make any deduction or withholding from any Substitute payment to be made under the preceding sentence, then the Lender must:
- (a) promptly pay to the relevant taxing authority the full amount of the deduction or withholding; and
 - (b) forward to the Borrower on request a copy of any official receipt or other evidence showing that the full amount of any such deduction or withholding has been paid over to the relevant taxing authority.
- 6.8 **[Borrower’s rights re Collateral are not assignable]** The Borrower may not assign, transfer or otherwise dispose of, or mortgage, charge or otherwise encumber, or otherwise deal with its rights in respect of any Collateral without the prior written consent of the Lender.
- 6.9 **[Lender may set off obligation to repay or return Equivalent Collateral]** If the Borrower fails to comply with its obligation to redeliver Equivalent Securities, the obligation of the Lender in respect of any Collateral may be the subject of a set-off in accordance with clause 8.
- 6.10 **[Collateral provided to Lender’s Nominee]** Without limiting clause 1.8, where Collateral is provided to the Lender’s nominee, any obligation under this Agreement to repay or redeliver or otherwise account for Equivalent Collateral shall be an obligation of the Lender, notwithstanding that any such repayment or redelivery may be effected in any particular case by the nominee.
- 6.11 **[Letters of Credit]** If the Collateral in respect of one or more loans of Securities is or includes a letter of credit, the Lender may only draw down under that letter of credit when an Event of Default occurs in relation to the Borrower and, upon the Lender drawing down, whether or not permitted under this clause 6.11, the Collateral (or that part of it represented by the letter of credit) becomes cash Collateral.
- 6.12 **[Non-Cash Collateral]** If the Collateral in respect of one or more loans of Securities is or includes other Securities and either the Borrower is a taxpayer to whom the Tax Act applies in respect of the disposal of those other Securities or in any other case the Parties so agree:
- (a) The Parties acknowledge that the provision of those other Securities is by way of a loan of Securities under this Agreement, to which section 26BC(3)(a) of the 1936 Tax Act may apply (subject to the re-acquisition time being less than 12 months after the original disposal time).
 - (b) For the purposes of section 26BC(3)(d) of the 1936 Tax Act, the notifiable consideration in respect of the provision of those Securities by way of loan is specified as follows:

- (i) There is no fee.
 - (ii) There is no adjustment for variations in the market value of the Collateral or Equivalent Collateral.
 - (iii) There is other consideration: see the obligations of the recipient of the Collateral under clauses 4.2(b), 4.2(c), 4.3 and 6.7.
- (c) For the avoidance of doubt, this clause 6.12 is directed solely at clarifying either or both of the following issues: that the provision of the other Securities as Collateral is eligible for the application of first section 26BC and secondly, where applicable, the successor to sections 160AQUA and 160AQUD of the 1936 Tax Act. Accordingly, clauses 2, 4.2(a), 5, 6.1 to 6.11, 7, 8, 9.1, 9.2 (unless otherwise agreed), 9.4 and 12 do not apply to any loan of Securities under paragraph (a). Instead, those Securities are simply to be regarded as Collateral for the purposes of those clauses.

7 Redelivery of Equivalent Securities

- 7.1 **[Borrower's obligation to redeliver Equivalent Securities]** The Borrower undertakes to redeliver Equivalent Securities in accordance with this Agreement and the terms of the relevant Borrowing Request.
- 7.2 **[Lender may call for redelivery of Equivalent Securities]** Subject to clause 8 and the terms of the relevant Borrowing Request, the Lender may call for the redelivery of all or any Equivalent Securities at any time by giving notice on any Business Day of not less than the Standard Settlement Time for such Equivalent Securities or the equivalent time on the exchange or in the clearing organisation through which the relevant borrowed Securities were originally delivered. The Borrower shall as hereinafter provided redeliver such Equivalent Securities not later than the expiry of such notice in accordance with the Lender's instructions.
- 7.3 **[Lender may terminate loan if Borrower defaults]** If the Borrower does not redeliver Equivalent Securities in accordance with such call, the Lender may elect to continue the loan of Securities ; **provided that**, if the Lender does not elect to continue the loan, the Lender may by written notice to the Borrower elect to terminate the relevant loan. Upon the expiry of such notice the provisions of clauses 8.2 to 8.5 shall apply as if upon the expiry of such notice an Event of Default had occurred in relation to the Borrower (who shall thus be the Defaulting Party for the purposes of this Agreement) and as if the relevant loan were the only loan outstanding.
- 7.4 **[Consequence of exercise of "buy-in" against Lender, as a result of Borrower default]** In the event that, as a result of the failure of the Borrower to redeliver Equivalent Securities to the Lender in accordance with this Agreement, a "buy-in" is exercised against the Lender, then, provided that reasonable notice has been given to the Borrower of the likelihood of such a "buy-in", the Borrower shall account to the Lender for the total costs and expenses reasonably incurred by the Lender as a result of such "buy-in".
- 7.5 **[Right of Borrower to terminate loan early]** Subject to the terms of the relevant Borrowing Request, the Borrower shall be entitled at any time to terminate a particular loan of Securities and to redeliver all and any Equivalent Securities due and outstanding to the Lender in accordance with the Lender's instructions.

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another as provided for in this Agreement, the Party obtaining such title being obliged to redeliver Equivalent Securities or Equivalent Collateral as the case may be.

2.4 Currency conversions

For the purposes of determining any prices, sums or values (including Market Value, Required Collateral Value, Relevant Value, Bid Value and Offer Value for the purposes of paragraphs 5 and 10 of this Agreement) prices, sums or values stated in currencies other than the Base Currency shall be converted into the Base Currency at the latest available spot rate of exchange quoted by a bank selected by Lender (or if an Event of Default has occurred in relation to Lender, by Borrower) in the London interbank market for the purchase of the Base Currency with the currency concerned on the day on which the calculation is to be made or, if that day is not a Business Day the spot rate of exchange quoted at Close of Business on the immediately preceding Business Day.

2.5 The parties confirm that introduction of and/or substitution (in place of an existing currency) of a new currency as the lawful currency of a country shall not have the effect of altering, or discharging, or excusing performance under, any term of the Agreement or any Loan thereunder, nor give a party the right unilaterally to alter or terminate the Agreement or any Loan thereunder. Securities will for the purposes of this Agreement be regarded as equivalent to other securities notwithstanding that as a result of such introduction and/or substitution those securities have been redenominated into the new currency or the nominal value of the securities has changed in connection with such redenomination.

2.6 Modifications etc to legislation

Any reference in this Agreement to an act, regulation or other legislation shall include a reference to any statutory modification or re-enactment thereof for the time being in force.

3. LOANS OF SECURITIES

Lender will lend Securities to Borrower, and Borrower will borrow Securities from Lender in accordance with the terms and conditions of this Agreement. The terms of each Loan shall be agreed prior to the commencement of the relevant Loan either orally or in writing (including any agreed form of electronic communication) and confirmed in such form and on such basis as shall be agreed between the Parties. Any confirmation produced by a Party shall not supersede or prevail over the prior oral, written or electronic communication (as the case may be).

4. DELIVERY

4.1 Delivery of Securities on commencement of Loan

Lender shall procure the delivery of Securities to Borrower or deliver such Securities in accordance with this Agreement and the terms of the relevant Loan. Such Securities shall be deemed to have been delivered by Lender to Borrower on delivery to Borrower or as it shall direct of the relevant instruments of transfer, or in the case of Securities held by an agent or within a clearing or settlement system on the effective instructions to such

agent or the operator of such system which result in such Securities being held by the operator of the clearing system for the account of the Borrower or as it shall direct, or by such other means as may be agreed.

4.2 **Requirements to effect delivery**

The Parties shall execute and deliver all necessary documents and give all necessary instructions to procure that all right, title and interest in:

- (a) any Securities borrowed pursuant to paragraph 3;
- (b) any Equivalent Securities redelivered pursuant to paragraph 8;
- (c) any Collateral delivered pursuant to paragraph 5;
- (d) any Equivalent Collateral redelivered pursuant to paragraphs 5 or 8;

shall pass from one Party to the other subject to the terms and conditions set out in this Agreement, on delivery or redelivery of the same in accordance with this Agreement with full title guarantee, free from all liens, charges and encumbrances. In the case of Securities, Collateral, Equivalent Securities or Equivalent Collateral title to which is registered in a computer based system which provides for the recording and transfer of title to the same by way of book entries, delivery and transfer of title shall take place in accordance with the rules and procedures of such system as in force from time to time. The Party acquiring such right, title and interest shall have no obligation to return or redeliver any of the assets so acquired but, in so far as any Securities are borrowed or any Collateral is delivered to such Party, such Party shall be obliged, subject to the terms of this Agreement, to redeliver Equivalent Securities or Equivalent Collateral as appropriate.

4.3 **Deliveries to be simultaneous unless otherwise agreed**

Where under the terms of this Agreement a Party is not obliged to make a delivery unless simultaneously a delivery is made to it, subject to and without prejudice to its rights under paragraph 8.6 such Party may from time to time in accordance with market practice and in recognition of the practical difficulties in arranging simultaneous delivery of Securities, Collateral and cash transfers waive its right under this Agreement in respect of simultaneous delivery and/or payment provided that no such waiver (whether by course of conduct or otherwise) in respect of one transaction shall bind it in respect of any other transaction.

4.4 **Deliveries of Income**

In respect of Income being paid in relation to any Loaned Securities or Collateral, Borrower in the case of Income being paid in respect of Loaned Securities and Lender in the case of Income being paid in respect of Collateral shall provide to the other Party, as the case may be, any endorsements or assignments as shall be customary and appropriate to effect the delivery of money or property equivalent to the type and amount of such Income to Lender, irrespective of whether Borrower received the same in respect of any

Loaned Securities or to Borrower, irrespective of whether Lender received the same in respect of any Collateral.

5. COLLATERAL

5.1 Delivery of Collateral on commencement of Loan

Subject to the other provisions of this paragraph 5, Borrower undertakes to deliver to or deposit with Lender (or in accordance with Lender's instructions) Collateral simultaneously with delivery of the Securities to which the Loan relates and in any event no later than Close of Business on the Settlement Date. In respect of Collateral comprising securities, such Collateral shall be deemed to have been delivered by Borrower to Lender on delivery to Lender or as it shall direct of the relevant instruments of transfer, or in the case of such securities being held by an agent or within a clearing or settlement system, on the effective instructions to such agent or the operator of such system, which result in such securities being held by the operator of the clearing system for the account of the Lender or as it shall direct, or by such other means as may be agreed.

5.2 Deliveries through payment systems generating automatic payments

Unless otherwise agreed between the Parties, where any Securities, Equivalent Securities, Collateral or Equivalent Collateral (in the form of securities) are transferred through a book entry transfer or settlement system which automatically generates a payment or delivery, or obligation to pay or deliver, against the transfer of such securities, then:-

- (i) such automatically generated payment, delivery or obligation shall be treated as a payment or delivery by the transferee to the transferor, and except to the extent that it is applied to discharge an obligation of the transferee to effect payment or delivery, such payment or delivery, or obligation to pay or deliver, shall be deemed to be a transfer of Collateral or redelivery of Equivalent Collateral, as the case may be, made by the transferee until such time as the Collateral or Equivalent Collateral is substituted with other Collateral or Equivalent Collateral if an obligation to deliver other Collateral or redeliver Equivalent Collateral existed immediately prior to the transfer of Securities, Equivalent Securities, Collateral or Equivalent Collateral; and
- (ii) the party receiving such substituted Collateral or Equivalent Collateral, or if no obligation to deliver other Collateral or redeliver Equivalent Collateral existed immediately prior to the transfer of Securities, Equivalent Securities, Collateral or Equivalent Collateral, the party receiving the deemed transfer of Collateral or redelivery of Equivalent Collateral, as the case may be, shall cause to be made to the other party for value the same day either, where such transfer is a payment, an irrevocable payment in the amount of such transfer or, where such transfer is a delivery, an irrevocable delivery of securities (or other property, as the case may be) equivalent to such property.

5.3 Substitutions of Collateral

Borrower may from time to time call for the repayment of Cash Collateral or the redelivery of Collateral equivalent to any Collateral delivered to Lender prior to the date on which the same would otherwise have been repayable or redeliverable provided that at the time of such repayment or redelivery Borrower shall have delivered or delivers Alternative Collateral acceptable to Lender and Borrower is in compliance with paragraph 5.4 or paragraph 5.5, as applicable.

5.4 Marking to Market of Collateral during the currency of a Loan on aggregated basis

Unless paragraph 1.3 of the Schedule indicates that paragraph 5.5 shall apply in lieu of this paragraph 5.4, or unless otherwise agreed between the Parties:-

- (i) the aggregate Market Value of the Collateral delivered to or deposited with Lender (excluding any Equivalent Collateral repaid or redelivered under Paragraphs 5.4(ii) or 5.5(ii) (as the case may be) ("**Posted Collateral**") in respect of all Loans outstanding under this Agreement shall equal the aggregate of the Market Value of the Loaned Securities and the applicable Margin (the "**Required Collateral Value**") in respect of such Loans;
- (ii) if at any time on any Business Day the aggregate Market Value of the Posted Collateral in respect of all Loans outstanding under this Agreement exceeds the aggregate of the Required Collateral Values in respect of such Loans, Lender shall (on demand) repay and/or redeliver, as the case may be, to Borrower such Equivalent Collateral as will eliminate the excess;
- (iii) if at any time on any Business Day the aggregate Market Value of the Posted Collateral in respect of all Loans outstanding under this Agreement falls below the aggregate of Required Collateral Values in respect of all such Loans, Borrower shall (on demand) provide such further Collateral to Lender as will eliminate the deficiency.

5.5 Marking to Market of Collateral during the currency of a Loan on a Loan by Loan basis

If paragraph 1.3 of the Schedule indicates this paragraph 5.5 shall apply in lieu of paragraph 5.4, the Posted Collateral in respect of any Loan shall bear from day to day and at any time the same proportion to the Market Value of the Loaned Securities as the Posted Collateral bore at the commencement of such Loan. Accordingly:

- (i) the Market Value of the Posted Collateral to be delivered or deposited while the Loan continues shall be equal to the Required Collateral Value;
- (ii) if at any time on any Business Day the Market Value of the Posted Collateral in respect of any Loan exceeds the Required Collateral Value in respect of such Loan, Lender shall (on demand) repay and/or redeliver, as the case may be, to Borrower such Equivalent Collateral as will eliminate the excess; and
- (iii) if at any time on any Business Day the Market Value of the Posted Collateral falls below the Required Collateral Value, Borrower shall (on demand) provide such further Collateral to Lender as will eliminate the deficiency.

5.6 Requirements to redeliver excess Collateral

Where paragraph 5.4 applies, unless paragraph 1.4 of the Schedule indicates that this paragraph 5.6 does not apply, if a Party (the "**first Party**") would, but for this paragraph 5.6, be required under paragraph 5.4 to provide further Collateral or redeliver Equivalent Collateral in circumstances where the other Party (the "**second Party**") would, but for this paragraph 5.6, also be required to or provide Collateral or redeliver Equivalent Collateral under paragraph 5.4, then the Market Value of the Collateral or Equivalent Collateral deliverable by the first Party ("**X**") shall be set-off against the Market Value of the Collateral or Equivalent Collateral deliverable by the second Party ("**Y**") and the only obligation of the Parties under paragraph 5.4 shall be, where X exceeds Y, an obligation of the first Party, or where Y exceeds X, an obligation of the second Party to repay and/or (as the case may be) redeliver Equivalent Collateral or to deliver further Collateral having a Market Value equal to the difference between X and Y.

5.7 Where Equivalent Collateral is repaid or redelivered (as the case may be) or further Collateral is provided by a Party under paragraph 5.6, the Parties shall agree to which Loan or Loans such repayment, redelivery or further provision is to be attributed and failing agreement it shall be attributed, as determined by the Party making such repayment, redelivery or further provision to the earliest outstanding Loan and, in the case of a repayment or redelivery up to the point at which the Market Value of Collateral in respect of such Loan equals the Required Collateral Value in respect of such Loan, and then to the next earliest outstanding Loan up to the similar point and so on.

5.8 Timing of repayments of excess Collateral or deliveries of further Collateral

Where any Equivalent Collateral falls to be repaid or redelivered (as the case may be) or further Collateral is to be provided under this paragraph 5, unless otherwise agreed between the Parties, it shall be delivered on the same Business Day as the relevant demand. Equivalent Collateral comprising securities shall be deemed to have been delivered by Lender to Borrower on delivery to Borrower or as it shall direct of the relevant instruments of transfer, or in the case of such securities being held by an agent or within a clearing or settlement system on the effective instructions to such agent or the operator of such system which result in such securities being held by the operator of the clearing system for the account of the Borrower or as it shall direct or by such other means as may be agreed.

5.9 Substitutions and extensions of Letters of Credit

Where Collateral is a Letter of Credit, Lender may by notice to Borrower require that Borrower, on the Business Day following the date of delivery of such notice, substitute Collateral consisting of cash or other Collateral acceptable to Lender for the Letter of Credit. Prior to the expiration of any Letter of Credit supporting Borrower's obligations hereunder, Borrower shall, no later than 10.30a.m. UK time on the second Business Day prior to the date such Letter of Credit expires, obtain an extension of the expiration of such Letter of Credit or replace such Letter of Credit by providing Lender with a substitute Letter of Credit in an amount at least equal to the amount of the Letter of Credit for which it is substituted.

7. RATES APPLICABLE TO LOANED SECURITIES AND CASH COLLATERAL

7.1 Rates in respect of Loaned Securities

In respect of each Loan, Borrower shall pay to Lender, in the manner prescribed in subparagraph 7.3, sums calculated by applying such rate as shall be agreed between the Parties from time to time to the daily Market Value of the Loaned Securities.

7.2 Rates in respect of Cash Collateral

Where Cash Collateral is deposited with Lender in respect of any Loan, Lender shall pay to Borrower, in the manner prescribed in paragraph 7.3, sums calculated by applying such rates as shall be agreed between the Parties from time to time to the amount of such Cash Collateral. Any such payment due to Borrower may be set-off against any payment due to Lender pursuant to paragraph 7.1.

7.3 Payment of rates

In respect of each Loan, the payments referred to in paragraph 7.1 and 7.2 shall accrue daily in respect of the period commencing on and inclusive of the Settlement Date and terminating on and exclusive of the Business Day upon which Equivalent Securities are redelivered or Cash Collateral is repaid. Unless otherwise agreed, the sums so accruing in respect of each calendar month shall be paid in arrear by the relevant Party not later than the Business Day which is one week after the last Business Day of the calendar month to which such payments relate or such other date as the Parties shall from time to time agree.

8. REDELIVERY OF EQUIVALENT SECURITIES

8.1 Delivery of Equivalent Securities on termination of a Loan

Borrower shall procure the redelivery of Equivalent Securities to Lender or redeliver Equivalent Securities in accordance with this Agreement and the terms of the relevant Loan on termination of the Loan. Such Equivalent Securities shall be deemed to have been delivered by Borrower to Lender on delivery to Lender or as it shall direct of the relevant instruments of transfer, or in the case of Equivalent Securities held by an agent or within a clearing or settlement system on the effective instructions to such agent or the operator of such system which result in such Equivalent Securities being held by the operator of the clearing system for the account of the Lender or as it shall direct, or by such other means as may be agreed. For the avoidance of doubt any reference in this Agreement or in any other agreement or communication between the Parties (howsoever expressed) to an obligation to redeliver or account for or act in relation to Loaned Securities shall accordingly be construed as a reference to an obligation to redeliver or account for or act in relation to Equivalent Securities.

8.2 Lender's right to terminate a Loan

Subject to paragraph 10 and the terms of the relevant Loan, Lender shall be entitled to terminate a Loan and to call for the redelivery of all or any Equivalent Securities at any time by giving notice on any Business Day of not less than the standard settlement time for such Equivalent Securities on the exchange or in the clearing organisation through

which the Loaned Securities were originally delivered. Borrower shall redeliver such Equivalent Securities not later than the expiry of such notice in accordance with Lender's instructions.

8.3 Borrower's right to terminate a Loan

Subject to the terms of the relevant Loan, Borrower shall be entitled at any time to terminate a Loan and to redeliver all and any Equivalent Securities due and outstanding to Lender in accordance with Lender's instructions and Lender shall accept such redelivery.

8.4 Redelivery of Equivalent Collateral on termination of a Loan

On the date and time that Equivalent Securities are required to be redelivered by Borrower on the termination of a Loan, Lender shall simultaneously (subject to paragraph 5.4 if applicable) repay to Borrower any Cash Collateral or, as the case may be, redeliver Collateral equivalent to the Collateral provided by Borrower pursuant to paragraph 5 in respect of such Loan. For the avoidance of doubt any reference in this Agreement or in any other agreement or communication between the Parties (however expressed) to an obligation to redeliver or account for or act in relation to Collateral shall accordingly be construed as a reference to an obligation to redeliver or account for or act in relation to Equivalent Collateral.

8.5 Redelivery of Letters of Credit

Where a Letter of Credit is provided by way of Collateral, the obligation to redeliver Equivalent Collateral is satisfied by Lender redelivering for cancellation the Letter of Credit so provided, or where the Letter of Credit is provided in respect of more than one Loan, by Lender consenting to a reduction in the value of the Letter of Credit.

8.6 Redelivery obligations to be reciprocal

Neither Party shall be obliged to make delivery (or make a payment as the case may be) to the other unless it is satisfied that the other Party will make such delivery (or make an appropriate payment as the case may be) to it. If it is not so satisfied (whether because an Event of Default has occurred in respect of the other Party or otherwise) it shall notify the other party and unless that other Party has made arrangements which are sufficient to assure full delivery (or the appropriate payment as the case may be) to the notifying Party, the notifying Party shall (provided it is itself in a position, and willing, to perform its own obligations) be entitled to withhold delivery (or payment, as the case may be) to the other Party.

9. FAILURE TO REDELIVER

9.1 Borrower's failure to redeliver Equivalent Securities

- (i) If Borrower does not redeliver Equivalent Securities in accordance with paragraph 8.1 or 8.2, Lender may elect to continue the Loan (which Loan, for the avoidance of doubt, shall continue to be taken into account for the purposes of paragraph 5.4 or 5.5 as applicable) provided that if Lender does not elect to continue the Loan, Lender may either by written notice to Borrower terminate

"Offer Price" in relation to Equivalent Securities or Equivalent Collateral means the best available offer price on the most appropriate market in a standard size;

"Offer Value" subject to paragraph 10.5 means:-

- (a) in relation to Collateral equivalent to Collateral in the form of a Letter of Credit zero and in relation to Cash Collateral the amount of the currency concerned; and
- (b) in relation to Equivalent Securities or Collateral equivalent to all other types of Collateral the amount it would cost to buy such Equivalent Securities or Equivalent Collateral at the Offer Price at Close of Business on the relevant Business Day together with all costs, fees and expenses that would be incurred in connection therewith, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the transaction and adding thereto the amount of any interest, dividends, distributions or other amounts, in the case of Equivalent Securities, paid to Borrower and in respect of which equivalent amounts have not been paid to Lender and in the case of Equivalent Collateral, paid to Lender and in respect of which equivalent amounts have not been paid to Borrower, in accordance with paragraph 6.1 prior to such time in respect of such Equivalent Securities, Equivalent Collateral or the original Securities or Collateral held, gross of all and any tax deducted or paid in respect thereof;

10.2 Termination of delivery obligations upon Event of Default

Subject to paragraph 9, if an Event of Default occurs in relation to either Party, the Parties' delivery and payment obligations (and any other obligations they have under this Agreement) shall be accelerated so as to require performance thereof at the time such Event of Default occurs (the date of which shall be the "**Termination Date**" for the purposes of this clause) so that performance of such delivery and payment obligations shall be effected only in accordance with the following provisions:

- (i) the Relevant Value of the securities which would have been required to be delivered but for such termination (or payment to be made, as the case may be) by each Party shall be established in accordance with paragraph 10.3; and
- (ii) on the basis of the Relevant Values so established, an account shall be taken (as at the Termination Date) of what is due from each Party to the other and (on the basis that each Party's claim against the other in respect of delivery of Equivalent Securities or Equivalent Collateral or any cash payment equals the Relevant Value thereof) the sums due from one Party shall be set-off against the sums due from the other and only the balance of the account shall be payable (by the Party having the claim valued at the lower amount pursuant to the foregoing) and such balance shall be payable on the Termination Date.

If the Bid Value is greater than the Offer Value, and the Non-Defaulting Party had delivered to the Defaulting Party a Letter of Credit, the Defaulting Party shall draw on

the Letter of Credit to the extent of the balance due and shall subsequently redeliver for cancellation the Letter of Credit so provided.

If the Offer Value is greater than the Bid Value, and the Defaulting Party had delivered to the Non-Defaulting Party a Letter of Credit, the Non-Defaulting Party shall draw on the Letter of Credit to the extent of the balance due and shall subsequently redeliver for cancellation the Letter of Credit so provided.

In all other circumstances, where a Letter of Credit has been provided to a Party, such Party shall redeliver for cancellation the Letter of Credit so provided.

10.3 Determination of delivery values upon Event of Default

For the purposes of paragraph 10.2 the "**Relevant Value**":-

- (i) of any securities to be delivered by the Defaulting Party shall, subject to paragraph 10.5 below, equal the Offer Value of such securities; and
- (ii) of any securities to be delivered to the Defaulting Party shall, subject to paragraph 10.5 below, equal the Bid Value of such securities.

10.4 For the purposes of paragraph 10.3, but subject to paragraph 10.5, the Bid Value and Offer Value of any securities shall be calculated for securities of the relevant description (as determined by the Non-Defaulting Party) as of the first Business Day following the Termination Date, or if the relevant Event of Default occurs outside the normal business hours of such market, on the second Business Day following the Termination Date (the "**Default Valuation Time**");

10.5 Where the Non-Defaulting Party has following the occurrence of an Event of Default but prior to the close of business on the fifth Business Day following the Termination Date purchased securities forming part of the same issue and being of an identical type and description to those to be delivered by the Defaulting Party or sold securities forming part of the same issue and being of an identical type and description to those to be delivered by him to the Defaulting Party, the cost of such purchase or the proceeds of such sale, as the case may be, (taking into account all reasonable costs, fees and expenses that would be incurred in connection therewith) shall (together with any amounts owing pursuant to paragraph 6.1) be treated as the Offer Value or Bid Value, as the case may be, of the amount of securities to be delivered which is equivalent to the amount of the securities so bought or sold, as the case may be, for the purposes of this paragraph 10, so that where the amount of securities to be delivered is more than the amount so bought or sold as the case may be, the Offer Value or Bid Value as the case may be, of the balance shall be valued in accordance with paragraph 10.4.

10.6 Any reference in this paragraph 10 to securities shall include any asset other than cash provided by way of Collateral.

10.7 Other costs, expenses and interest payable in consequence of an Event of Default

The Defaulting Party shall be liable to the Non-Defaulting Party for the amount of all reasonable legal and other professional expenses incurred by the Non-Defaulting Party in

connection with or as a consequence of an Event of Default, together with interest thereon at the one-month London Inter Bank Offered Rate as quoted on a reputable financial information service ("**LIBOR**") as of 11.00 am, London Time, on the date on which it is to be determined or, in the case of an expense attributable to a particular transaction and where the parties have previously agreed a rate of interest for the transaction, that rate of interest if it is greater than LIBOR. The rate of LIBOR applicable to each month or part thereof that any sum payable pursuant to this paragraph 10.7 remains outstanding is the rate of LIBOR determined on the first Business Day of any such period of one month or any part thereof. Interest will accrue daily on a compound basis and will be calculated according to the actual number of days elapsed.

11. TRANSFER TAXES

Borrower hereby undertakes promptly to pay and account for any transfer or similar duties or taxes chargeable in connection with any transaction effected pursuant to or contemplated by this Agreement, and shall indemnify and keep indemnified Lender against any liability arising as a result of Borrower's failure to do so.

12. LENDER'S WARRANTIES

Each Party hereby warrants and undertakes to the other on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that, where acting as a Lender:

- (a) it is duly authorised and empowered to perform its duties and obligations under this Agreement;
- (b) it is not restricted under the terms of its constitution or in any other manner from lending Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (c) it is absolutely entitled to pass full legal and beneficial ownership of all Securities provided by it hereunder to Borrower free from all liens, charges and encumbrances; and
- (d) it is acting as principal in respect of this Agreement or, subject to paragraph 16, as agent and the conditions referred to in paragraph 16.2 will be fulfilled in respect of any Loan which it makes as agent.

13. BORROWER'S WARRANTIES

Each Party hereby warrants and undertakes to the other on a continuing basis to the intent that such warranties shall survive the completion of any transaction contemplated herein that, where acting as a Borrower:

- (a) it has all necessary licenses and approvals, and is duly authorised and empowered, to perform its duties and obligations under this Agreement and will do nothing prejudicial to the continuation of such authorisation, licences or approvals;

- (b) it is not restricted under the terms of its constitution or in any other manner from borrowing Securities in accordance with this Agreement or from otherwise performing its obligations hereunder;
- (c) it is absolutely entitled to pass full legal and beneficial ownership of all Collateral provided by it hereunder to Lender free from all liens, charges and encumbrances; and
- (d) it is acting as principal in respect of this Agreement.

14. EVENTS OF DEFAULT

14.1 Each of the following events occurring in relation to either Party (the "**Defaulting Party**", the other Party being the "**Non-Defaulting Party**") shall be an Event of Default for the purpose of paragraph 10 but only (subject to sub-paragraph (v) below) where the Non-Defaulting Party serves written notice on the Defaulting Party:-

- (i) Borrower or Lender failing to pay or repay Cash Collateral or deliver Collateral or redeliver Equivalent Collateral or Lender failing to deliver Securities upon the due date;
- (ii) Lender or Borrower failing to comply with its obligations under paragraph 5;
- (iii) Lender or Borrower failing to comply with its obligations under paragraph 6.1;
- (iv) Borrower failing to comply with its obligations to deliver Equivalent Securities in accordance with paragraph 8;
- (v) an Act of Insolvency occurring with respect to Lender or Borrower, an Act of Insolvency which is the presentation of a petition for winding up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party not requiring the Non-Defaulting Party to serve written notice on the Defaulting Party;
- (vi) any representation or warranty made by Lender or Borrower being incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated;
- (vii) Lender or Borrower admitting to the other that it is unable to, or it intends not to, perform any of its obligations under this Agreement and/or in respect of any Loan;
- (viii) Lender (if applicable) or Borrower being declared in default or being suspended or expelled from membership of or participation in, any securities exchange or association or suspended or prohibited from dealing in securities by any regulatory authority;
- (ix) any of the assets of Lender or Borrower or the assets of investors held by or to the order of Lender or Borrower being transferred or ordered to be transferred to a trustee (or a person exercising similar functions) by a regulatory authority pursuant to any securities regulating legislation, or

- (x) Lender or Borrower failing to perform any other of its obligations under this Agreement and not remedying such failure within 30 days after the Non-Defaulting Party serves written notice requiring it to remedy such failure.
- 14.2 Each Party shall notify the other (in writing) if an Event of Default or an event which, with the passage of time and/or upon the serving of a written notice as referred to above, would be an Event of Default, occurs in relation to it.
- 14.3 The provisions of this Agreement constitute a complete statement of the remedies available to each Party in respect of any Event of Default.
- 14.4 Subject to paragraph 9.3 and 10.7, neither Party may claim any sum by way of consequential loss or damage in the event of failure by the other party to perform any of its obligations under this Agreement.

15. **INTEREST ON OUTSTANDING PAYMENTS**

In the event of either Party failing to remit sums in accordance with this Agreement such Party hereby undertakes to pay to the other Party upon demand interest (before as well as after judgment) on the net balance due and outstanding, for the period commencing on and inclusive of the original due date for payment to (but excluding) the date of actual payment, in the same currency as the principal sum and at the rate referred to in paragraph 10.7. Interest will accrue daily on a compound basis and will be calculated according to the actual number of days elapsed.

16. **TRANSACTIONS ENTERED INTO AS AGENT**

16.1 **Power for Lender to enter into Loans as agent**

Subject to the following provisions of this paragraph, Lender may (if so indicated in paragraph 6 of the Schedule) enter into Loans as agent (in such capacity, the "Agent") for a third person (a "Principal"), whether as custodian or investment manager or otherwise (a Loan so entered into being referred to in this paragraph as an "Agency Transaction").

16.2 **Conditions for agency loan**

A Lender may enter into an Agency Transaction if, but only if:-

- (i) it specifies that Loan as an Agency Transaction at the time when it enters into it;
- (ii) it enters into that Loan on behalf of a single Principal whose identity is disclosed to Borrower (whether by name or by reference to a code or identifier which the Parties have agreed will be used to refer to a specified Principal) at the time when it enters into the Loan or as otherwise agreed between the Parties; and
- (iii) it has at the time when the Loan is entered into actual authority to enter into the Loan and to perform on behalf of that Principal all of that Principal's obligations under the agreement referred to in paragraph 16.4(ii).

UBS AG

AND

[INSERT COUNTERPARTY NAME]

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- (b) if UBS considers it desirable (i) in order to facilitate Transactions or (ii) that UBS has collateral (or additional collateral) in relation to your obligations to UBS under this Agreement and the Customer Agreements, credit the Assets to the Transferred Assets Account.

6.3 UBS will credit all Cash to the Banking Account, and hold the Cash as banker and not as trustee, and so will not hold the Cash in accordance with the FSA's client money rules.

6.4 Assets are delivered to UBS at your risk. In the case of registrable Assets, you must deliver, together with the Assets, transfers duly executed in blank in the manner and form UBS requires.

6.5 UBS may in its absolute discretion decline to accept (in whole or in part) any securities, cash or other property tendered to it for credit to the Custody Account, Transferred Assets Account or Banking Account. UBS is not obliged to give any reason for its refusal.

6.6 If, on the relevant settlement or income payment date, UBS credits the Custody Account, Transferred Assets Account or Banking Account with Assets, Income or the proceeds of a sale, purchase or exchange of any Assets, or debits the Custody Account, Transferred Assets Account or Banking Account with the Assets or cost of any Assets, UBS may reverse any credit or debit if the relevant transaction fails to settle, or the Income is not received, on a timely basis.

6.7 Subject to the terms of this Agreement, UBS is authorised and agrees to act on all Instructions. UBS acts upon Instructions at your sole risk. UBS may for any reason refuse to act on any Instructions, including to deliver any Assets from the Custody Account or Transferred Assets Account or make any payments of Cash from the Banking Account.

7. TRANSFERRED ASSETS ACCOUNT

7.1 If UBS credits Assets to the Transferred Assets Account, all right, title and interest in those Assets passes to UBS free of all liens, charges, encumbrances and all third-party interests and rights, and UBS is obliged to deliver to you Equivalent Assets in accordance with, and subject to, the terms of this Agreement. UBS may retain for its own account all fees, profits and other benefits received in connection with any Assets credited to the Transferred Assets Account. Equivalent Assets will be delivered to you, pursuant to clause 10.1 or, at UBS's discretion, earlier, by crediting them to the Custody Account, and this Agreement applies to those assets as if they were

Assets credited to the Custody Account pursuant to clause 6.2, and UBS will debit the Transferred Assets Account accordingly.

7.2 Following any record date for payment or distribution of Income on any Assets credited to the Transferred Assets Account, UBS will credit an amount equal to or securities equivalent to the Income, after deduction of any taxes and duties payable, to either the Banking Account or Custody Account, as appropriate, as soon as reasonably practical after UBS receives the Income.

8. CUSTODY ACCOUNT

8.1 Subject to the terms of this Agreement, in relation to Assets credited by UBS to the Custody Account, UBS will:

- (a) on your behalf, hold or procure to be held to UBS's order those Assets; and
- (b) as soon as practicable after receipt of any necessary documents, procure registration of any registrable Assets in a manner permitted by the FSA Rules, which may include registration in the name of (i) due to the law or market practice of particular jurisdictions, UBS or a sub-custodian, (ii) UBS's or a sub-custodian's nominee, or (iii) any other person as you notify to UBS in writing.

At your request, UBS will notify you of those jurisdictions where registrable Assets credited to the Custody Account are currently registered in the name of UBS or a sub-custodian, and, in relation to the latter, of the name of the sub-custodian.

8.2 Subject to this Agreement, Assets credited to the Custody Account are held by UBS at your risk. Where Assets credited to the Custody Account are registered in the name of UBS, those Assets might not be segregated from UBS's own assets and, if UBS defaults, may not be as well protected from claims made on behalf of the general creditors of UBS. The consequences of you instructing UBS regarding the registration of Assets credited to the Custody Account are at your risk. You may instruct UBS in writing to hold documents of title for Assets credited to the Custody Account other than in UBS's physical possession or with an eligible custodian and you acknowledge that the consequences of doing so or of instructing UBS pursuant to clause 8.1(b)(iii) are at your risk.

8.3 In respect of Assets credited to the Custody Account which are held by a sub-custodian, UBS will, wherever possible, require that sub-custodian to record

them in its books to an account the title of which makes it clear that those Assets belong to a client of UBS.

8.4 Unless UBS has received contrary Instructions in sufficient time for UBS to act on them, UBS will, subject to this Agreement, in relation to Assets credited to the Custody Account and on your behalf:

- (a) collect, as they become payable, all interest, cash dividends and securities dividends and all other cash and securities income and cash and securities payments, with respect to such Assets, and credit the Banking Account or Custody Account on receipt, as appropriate, and, for this purpose, execute in your name any declarations of ownership or other documentation as may be required;
- (b) present for payment all such Assets which are called, redeemed or otherwise become payable and all coupons and other income items which call for payment upon presentation, in any case provided that UBS is actually aware of the opportunities, and credit the Cash, when received, to the Banking Account;
- (c) credit, on receipt, to the Custody Account all Assets received by UBS as a result of a share sub-division or re-organisation, capitalisation of reserves or otherwise with respect to Assets credited to the Custody Account; and
- (d) to the extent the issuer of the relevant assets permits, exchange interim or temporary receipts or certificates for definitive certificates, and old or overstamped certificates for new certificates.

8.5 In accordance with Instructions, UBS will, subject to this Agreement, execute and deliver, or procure to be executed and delivered, to you or as you may direct, any powers of attorney or proxies as may reasonably be required, authorising those attorneys or proxies to exercise any rights conferred by, or otherwise act in respect of, any Assets credited to the Custody Account.

8.6 UBS will use its reasonable efforts to notify you, as soon as reasonably practicable after receipt, of any notice relating to any of the Assets credited to the Custody Account, including, without limitation, notice of a tender or exchange offer or of a rights entitlement or a fractional interest resulting from a rights issue, stock dividend or stock split, but excluding notice of any general meeting of holders of securities. Unless

agreed otherwise with you, UBS is not responsible for taking any action with respect to any such notice, or for the exchange of any Asset credited to the Custody Account even if purely administrative, or for the exercise of any rights to subscribe for securities, conversion rights, voting rights or any other rights relating to those Assets or for dealing with any takeover, other offer or capital re-organisation affecting those Assets. However, for the avoidance of doubt, you have no right to vote in respect of Assets credited to the Custody Account to the extent that they are Settlement Securities that have not yet been delivered to third parties.

8.7 You authorise UBS to transfer Assets credited to the Custody Account from such account to the Transferred Assets Account (so that UBS may borrow, lend, charge, sell, transfer or otherwise use those Assets for its own purposes or the purposes of its other clients) without giving notice of this to you, and clause 7.1 applies accordingly.

8.8 You authorise UBS and UBS's sub-custodians, agents and other delegates to hold Assets credited to the Custody Account in accounts in which those Assets are commingled with assets of the same class held by the relevant person for its other clients. Where Assets are held in such an account, your rights to those Assets is not in relation to any separately identifiable securities, but rather is in relation to the same number, class, denomination and issue as those delivered to UBS, and you confirm you accept this. Where Assets credited to the Custody Account are pooled on this basis, UBS:

- (a) acknowledges that you have an equitable interest in that pool of assets (or in UBS' interest in respect of that pool) equal to the proportion which from time to time the number of Assets credited to the Custody Account (or which should have been credited) which have been pooled bears to the total number of assets in the pool (or in that part of the pool in respect of which UBS has an interest); and
- (b) may, if those Assets are called for partial redemption by their issuer, and subject to the rules or regulations pertaining to allocation of any Securities System in which those Assets have been deposited, allot or procure to be allotted the called portion to the respective beneficial holders of that class of investment in any manner UBS considers fair and equitable.

For the purposes of this clause 8.8, assets are of the same class as other assets if they are (i) of the same

light or which UBS may suffer or incur in respect of past Transactions.

PART D: SECURITY

11. CHARGE

11.1 The charge created by this clause 11 is given by you to UBS as continuing security for the payment and discharge of all your Liabilities. As security for your Liabilities, you charge to UBS by way of first fixed charge, with full title guarantee and free from any adverse interest:

- (a) all your right, title and interest in respect of the Assets (other than assets falling within paragraph (c) below) for the time being credited to the Custody Account, including without limitation any rights against any custodian, banker or other person;
- (b) all your right, title and interest in respect of assets which, or the certificates or documents of title to which, are from time to time deposited with or held by a member of UBS Group, including without limitation any rights against any custodian, banker or other person;
- (c) all your rights under this Agreement and the Customer Agreements including without limitation all rights that you have to the delivery of Equivalent Assets; and
- (d) all of your rights and interest in any amount payable to you by UBS under a Customer Agreement following termination of that Customer Agreement.

11.2 The Charge is a continuing security and is not affected in any way by any settlement of account (whether or not any Liabilities remain outstanding thereafter) or other matter and is in addition to any other current or future security, guarantee or indemnity held by UBS or any other person in respect of any or all of the Liabilities.

11.3 You acknowledge that UBS may file or register details of the Charge in appropriate jurisdictions. You must do everything commercially reasonable requested by UBS to perfect the Charge, including without limitation executing and signing promptly all documents required to vest the Charged Property in UBS or a nominee of UBS.

11.4 You undertake not to allow to continue or to create any encumbrance or security interest over the Charged Property, other than any security interests arising by operation of law, the Charge and any

interests created in favour of parties appointed under clause 23.

11.5 You by way of security irrevocably appoint UBS as your attorney on your behalf and in your name or otherwise to execute all transfers, assignments, further assurances or other documents as may reasonably be required to vest any of the Charged Property in UBS or in a person acting as nominee or otherwise on behalf of UBS or to perfect or preserve the rights and interests in respect of the Charge (including, without limitation, the institution and conduct of legal proceedings) or for the exercise by UBS of all or any of the powers, authorities and discretions conferred on UBS by this Agreement.

11.6 For all purposes, including any legal proceedings, a certificate by any officer of UBS as to the sums or Liabilities for the time being due to or incurred by UBS is conclusive in the absence of fraud or manifest error.

11.7 Sections 93 (restriction on consolidation of mortgages) and 103 (regulation of exercise of power of sale) of the Law Property Act 1925 shall not apply to this Agreement. The Liabilities shall become due for the purposes of section 101 (mortgagee powers) of the Law of Property Act 1925, and the statutory power of sale and of appointing a receiver conferred under that Act (as varied or extended under this Agreement) and all other powers shall be deemed to arise immediately after execution of this Agreement.

11.8 All rights charged by you to UBS shall secure your obligations to UBS under this Agreement and your obligations to UBS under the relevant Customer Agreements between you and UBS and under any other agreement or transaction between you and UBS. In the event of an enforcement of the Charge, UBS shall have absolute discretion to determine the order and manner in which the proceeds of sale are applied to discharge Liabilities under Customer Agreements and any other agreement or transaction between you and UBS

PART E: MARGIN

12. MARGIN REQUIREMENT

12.1 You must at all times maintain with UBS Margin equal to or greater than the aggregate of the Liabilities and any applicable Initial Margin.

12.2 Where the Margin Requirement exists and is greater than the Minimum Call amount specified in the Schedule, UBS may require you to deliver to it Acceptable Collateral of a Value (in aggregate) at least equal to or greater than the Margin Requirement by giving notice in writing to you at the address specified

PRIME BROKERAGE AGREEMENT

Details

Interpretation – definitions are at the end of the General terms

Parties	UBS and Customer	
UBS	Name	UBS AG, Australia Branch
	ABN	47 088 129 613
	AFSL	231 087
	Address	Level 16 Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000
	Telephone	+61 2 9324 2000
	Fax	+61 2 9324 2558
	Attention	General Counsel
Customer	Name	
	ABN	
	AFSL	
	Address	
	Telephone	
	Fax	
	Attention	
	Scheme	
	ARSN	
Recitals	A	The Customer wishes to appoint UBS to provide a prime brokerage service to the Customer in its capacity as trustee and manager of the Scheme.
	B	UBS wishes to accept that appointment.
Governing law	New South Wales	
Date of agreement	See Signing page	

10.2 Custodial Assets

UBS may request the Custodian at any time to pay or deliver to UBS any of the Custodial Assets, provided that UBS may only request the Custodian to deliver to UBS Custodial Assets which are ASX listed securities if such delivery would not cause UBS to have a 'relevant interest' for the purposes of the Corporations Act 2001 (C'th) of greater than 18% in any ASX listed entity. Subject to clauses 10.3, 10.4, 10.5 and 10.6 the Customer agrees that any Custodial Assets which UBS requests the Custodian to pay or deliver to UBS, or any Collateral, may be used by UBS for UBS's own account (including to borrow, lend, charge, re-hypothecate, dispose of or otherwise use for its own purposes) and in respect of UBS's obligations (or those of other customers of UBS) and, as a consequence, those Assets are not held by UBS for the Customer or the Custodian. UBS will have a contractual obligation to return equivalent Custodial Assets to the Custodian in accordance with clause 10.6. The Customer and the Custodian will in relation to the obligation to return equivalent Custodial Assets rank as one of UBS's general creditors in the event of UBS becoming Insolvent. Subject to clause 4.2 of the ASLA, UBS may retain all fees, profits and other benefits received in connection with such activities.

10.3 Express Authorisation for Collateral

Without limiting UBS's right to request transfer of any of the Custodial Assets under clause 10.2, the Customer expressly authorises UBS in its discretion to:

- (a) identify any Collateral as being held as margin or security against a particular obligation of the Customer under this agreement or against an UBS Transaction;
- (b) subject to clauses 10.2 and 10.5, transfer any Custodial Assets to UBS expressly as Collateral for any obligations of the Customer under this agreement or an UBS Transaction; and
- (c) transfer the proceeds of a cash advance made to the Customer to any Related Entity to satisfy any margin or security requirement of a Related Entity in relation to a Transaction (provided that the Customer and UBS have previously agreed in writing that the Transaction is a Transaction to which this clause 10.3 applies).

10.4 No Derogation from Liability to provide Collateral

The authorisation of UBS set out in clause 10.3 does not derogate from the Customer's obligation to meet a demand for Outstanding Margin Requirement under clause 5.3 or any margin or security requirement owed to a Related Entity. Unless UBS agrees otherwise in a particular case, UBS is only deemed to have agreed to transfer Custodial Assets to meet an Outstanding Margin Requirement or transferring the proceeds of a cash advance to the Customer to meet a margin or security requirement of a Related Entity upon it actually transferring those Custodial Assets or proceeds (as applicable) and is not liable for failure to do so.

10.5 Provision of Collateral

Subject to UBS's rights under clause 10.2, Collateral which is required by UBS pursuant to clause 5, if provided to the Custodian, will be held by the Custodian as bare trustee for the Customer subject to the Security. Any other Collateral provided to UBS in accordance with clause 5 will be provided to UBS in accordance with the terms and conditions of the ASLA and with the Rules. Securities delivered by the Custodian to UBS under clause 10.2 will be deemed to be provided by the Customer to UBS in accordance with the terms and conditions of the ASLA and with the Rules. UBS will become the legal and beneficial owner of those securities upon taking delivery of them from the Custodian.

10.6 Custodial Assets to be borrowed by UBS

Any Custodial Assets which UBS has the Custodian pay or deliver to it, will be borrowed by UBS from the Customer in accordance with the terms and conditions of the ASLA and with the Rules. If any of the terms of the ASLA are inconsistent with any of the terms of this agreement, this agreement prevails to the extent of the inconsistency.

10.7 Withholding Taxes on Income

If a law requires UBS to deduct an amount in respect of Taxes in relation to any income or other payments to the Customer under this agreement, the Customer authorises UBS to make such deductions without any further express instructions. UBS will pay to the Customer the amount of income or other payments net of Taxes.

11 Representations, Warranties and Acknowledgment

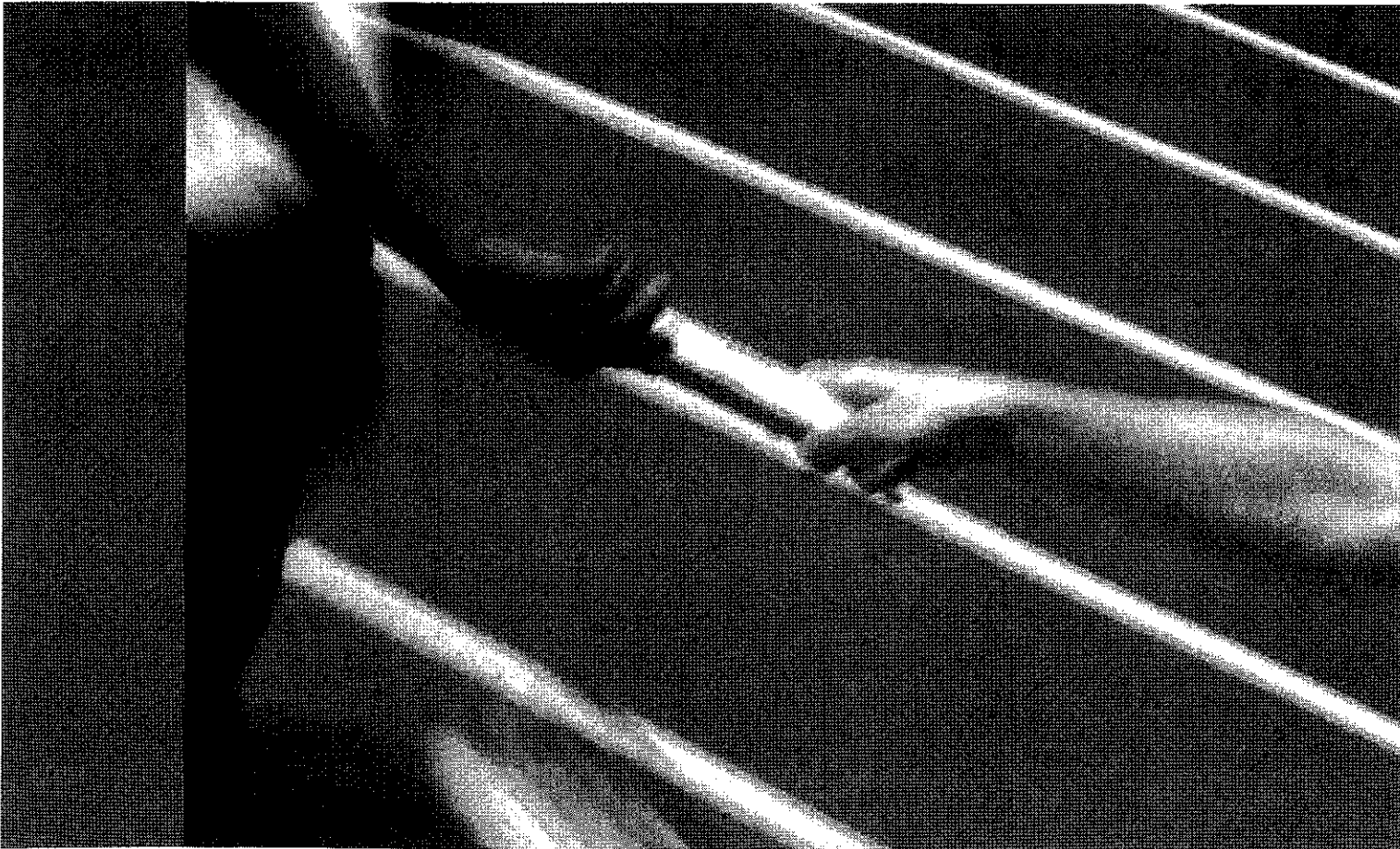
11.1 Customer's representations and warranties

The Customer represents and warrants to UBS that:

- (a) it has the power to enter into and perform its obligations under this agreement, and has duly executed this agreement so as to constitute valid and binding obligations of the Customer;
- (b) it has duly executed this agreement in its capacity as trustee and manager of the Scheme and for the benefit of the beneficiaries of the Scheme;
- (c) it holds such licences and authorities as are necessary to lawfully perform its obligations under this agreement;
- (d) in giving any instructions under this agreement, the Customer will act as principal;
- (e) in giving any instructions under this agreement, the Customer will act in accordance with the provisions of its constitution, the constitution of the Scheme or other constituent documents, any applicable laws and regulations and comply with any investment restrictions in any prospectus, information memorandum, investment management

Opening a New Account

Terms and Conditions



Terms and Conditions

55. In respect of your credit facilities secured by the Portfolio or any part thereof, you acknowledge and accept the requirement to maintain sufficient collateral in respect of such credit facilities.

Discretionary Management Agreement

This Discretionary Management Agreement applies in addition to the General Terms and Conditions, the Sponsorship Terms (as applicable) and the Terms and Conditions for Safe Custody (as applicable). In the event of any inconsistency between the General Terms and Conditions, the Terms and Conditions for Safe Custody and this Discretionary Management Agreement, this Discretionary Management Agreement will prevail to the extent of the inconsistency.

56. Appointment and Function of UBS Wealth Management

56.1 You appoint UBS Wealth Management to manage the Portfolio on your behalf with full authority, subject to any special written instructions which you may from time to time give to UBS Wealth Management and which are accepted by UBS Wealth Management, to deal with all or part of the Portfolio (including acquire, realise, sell, subscribe for, purchase, withdraw or otherwise dispose of the Portfolio's assets), exercise (or not exercise) any rights attached to the Portfolio, establish, operate or access any accounts in connection with the Portfolio, reinvest distributions received in connection with the Portfolio and do anything else in connection with the Portfolio which UBS Wealth Management considers proper, necessary or convenient.

56.2 You agree to pay the fees and charges determined in accordance with clause 3 in relation to the services UBS Wealth Management provides under this Discretionary Management Agreement, and UBS Wealth Management may debit any of your accounts, apply any cash held in the Portfolio or sell or dispose of any assets in the Portfolio to raise the necessary funds to pay the fees and charges.

56.3 In performing its obligations under this Discretionary Management Agreement, UBS Wealth Management will provide the service in accordance with the criteria laid down in the description of the Offered Portfolio and Investment Strategy selected by you (referred to as the **Investment Program**).

56.4 Without limiting the discretion or authority of UBS Wealth Management under clause 56.1, but having regard to the Investment Program under clause 56.3, you authorise UBS Wealth Management to:

- (a) place, subject to the Relief, funds in a current account and/or deposits of any kind with any financial institution including itself and its branches, subsidiaries, affiliates and associates in any jurisdiction and on such terms as UBS Wealth Management deems appropriate including to place any such funds on any account jointly with the moneys of any other client or clients and to enter into any transaction jointly on your behalf for your account and for any other account of any other client or clients for UBS Wealth Management, provided that the same will be recorded in UBS Wealth Management's books in such manner as to distinguish the portion attributable to the Portfolio and provided also that all interests on such deposits and all moneys, rights or property which may at any time accrue or be offered (whether by way of bonus, redemption, dividends, conversion, preference, option or otherwise) in respect of such property will be apportioned proportionally amongst you and such other client or clients of UBS Wealth Management;
- (b) arrange on your behalf for UBS Securities to execute ASX Transactions in relation to the Portfolio;
- (c) deposit for safe custody any certificate, scrip or other documents of title in relation to any investments in the Portfolio with such persons or institutions including UBS Wealth Management and UBS Wealth Management's subsidiaries, affiliates and associates in any jurisdiction and on such terms as UBS Wealth Management deems appropriate;
- (d) enforce rights in or in connection with the Portfolio with full power to instigate or discontinue any such proceedings, make any settlement and comply with or submit to arbitration any matter in dispute or doubt and recover any expenses in enforcing such rights from any cash held in the Portfolio or by selling or disposing of any assets in the Portfolio to fund the payment of these expenses;
- (e) apply for short term bridging finance in the form of temporary overdrafts not exceeding 30 days at UBS Wealth Management's prevailing rates and upon terms and conditions acceptable to UBS Wealth Management. UBS Wealth Management may create a security interest over or in respect of all or part of the Portfolio to secure such overdrafts and you will execute any document UBS Wealth Management may require to give effect to that security interest; and
- (f) in its sole discretion appoint a person as an Asset Adviser to advise it on the investments in the Portfolio. UBS Wealth Management is not bound to follow the advice of any Asset Adviser and may in its sole discretion terminate an appointment of an Asset Adviser under this clause 56.4(e) and will notify you of such a termination and alternative arrangements.

57. Credit Facilities

57.1 If UBS Wealth Management provides you with a credit facility to fund the Portfolio, you acknowledge that:

- (a) the credit facility will be subject to separate documentation; and
- (b) the provision of any collateral in connection with the credit facility may affect investment decisions of UBS Wealth Management under this Discretionary Management Agreement. If UBS Wealth Management, in its absolute discretion, determines that there is insufficient collateral, UBS Wealth Management may, without notice to or consent from you, liquidate the Portfolio to the extent UBS Wealth Management considers appropriate and apply the proceeds to reduce your liability to UBS Wealth Management.

57.2 Without limiting clause 57.1, if you choose to gear your portfolio through Geared DPM (ie using funds drawn under a margin loan facility with UBS AG), then you agree that:

- (a) you will establish a margin loan facility with UBS AG using UBS AG's standard margin lending documents; and
- (b) you authorise UBS Wealth Management in its absolute discretion to exercise your rights and perform on your behalf your obligations under that loan facility in whatever way UBS Wealth Management considers appropriate.

You acknowledge that the terms of the Geared DPM, as well as some additional risks associated with it, are described in the Investment Program. Your agree to be bound by those terms.

If you choose to gear your portfolio through Geared DPM, the nominee who holds Financial Products under the Terms and Conditions for Safe Custody will enter into a sponsorship arrangement with a Controlling Participant on substantially same terms as those set out in UBS AG's standard margin lending documents. The Sponsorship Terms will not apply to