

Double your

saving power

CommSec Margin Loan
with Regular Gearing
Application Form



CommSec



Please note

CommSec Margin Loan with Regular Gearing

To apply for a CommSec Margin Loan with Regular Gearing please complete and sign the relevant sections of this booklet, attach supporting documentation as required and send to:

Reply Paid 61267

CommSec Margin Loan with Regular Gearing

Locked Bag 34

Australia Square NSW 1214

ONLY **FULLY** COMPLETED APPLICATIONS CAN BE PROCESSED.

CHECKLIST:

PLEASE ENSURE ALL SECTIONS ARE COMPLETED AND ALL SECTIONS HAVE BEEN SIGNED.

WHAT TO INCLUDE WITH YOUR APPLICATION FORM

Application Fee

Company and Trustee Applications must include a cheque for \$125 (made payable to CommSec Margin Loan) to cover the application fee. Other charges may apply to Company applications. There is no fee for individual applications **unless** you are applying as a Trustee. A fee will apply for partial releases and for closing the loan down. These will be deducted from the loan.

COMPANY BORROWERS

For Company applications each Director must provide a *Guarantee*. Following receipt of *your* applications we will send to each Director *Guarantee* documents for completion.

SPECIAL PROVISIONS APPLY FOR TRUST APPLICATIONS

Additional details may be required from (1) Trustee applicants where total *Loan* facilities with Commonwealth Bank will be over \$1,000,000 and (2) Trustee applicants who are not *Borrowers* but are providing *Securities* to secure a *Borrower's* obligations. Please contact *our* Client Service Team on **13 17 09** before forwarding this application.

MEANING OF WORDS

In this application form words in *italics* are defined words which have the same meaning as in the CommSec Margin Loan with Regular Gearing Terms and Conditions Booklet dated 10/02 in which this application form was enclosed.

The credit union distributes this product, the CommSec Margin Loan with Regular Gearing, on behalf of Commonwealth Bank of Australia. CommSec Margin Loan with Regular Gearing is a product of the Commonwealth Bank of Australia ABN 48 123 123 124 administered by its wholly owned subsidiary Commonwealth Securities Limited ABN 60 067 254 399 ('CommSec'). The credit union may receive commission in connection with the provision of the CommSec Margin Loan with Regular Gearing.

The information included in this application form is being collected by *CommSec* so that it can manage and administer the CommSec Margin Loan with Regular Gearing offered by the Commonwealth Bank of Australia. For more information regarding the collection and use of personal information, refer to the section "Privacy Information and Authorisations" on page 20 of this application.

Borrower's checklist

Please ensure ALL relevant attachments are included

Please take a moment to review this list to assist in the timely approval of your CommSec Margin Loan with Regular Gearing.

Please remember: Check our list of approved securities to ensure your proposed investments can be geared with us.

The following sections are **COMPULSORY**

Identification details	<input type="checkbox"/> see page 2
Applicant details	<input type="checkbox"/> see page 3
Applicant profile	<input type="checkbox"/> see pages 4 – 5
Regular Gearing details	<input type="checkbox"/> see pages 6 – 7
Direct Debit – monthly contributions	<input type="checkbox"/> see page 15
Power of attorney [#]	<input type="checkbox"/> see page 17
Risk disclosure	<input type="checkbox"/> see page 18 – 19
Acknowledgement and signatures	<input type="checkbox"/> see page 21
Have you attached your fund manager's prospectus	<input type="checkbox"/> see page 7

The following sections are **OPTIONAL** depending on the investments **you offer as Security for your Loan**

Australian Standard Transfer Form

Where you offer **Managed Funds** as *Security for your Loan*
a separate form must be completed for each **Managed Fund** holding ☐ see page 9

Statutory Declaration

Where you offer **Managed Funds** as *Security for your Loan*
complete one form only for all your **Managed Fund** investments ☐ see page 11

Request for Broker-to-Broker Transfer

Where you offer **Shares** as *Security for your Loan*
complete one form only for all your **Share** investments ☐ see page 13

[#] The Power of Attorney is used in our dealings with Fund Managers where we are acting on your instructions.
Some Fund Managers require this document as proof of our authority to act on your behalf.

Identification details

Identification for Individuals/Directors

Compulsory

600 / 002

1

Existing CommSec Clients

☐ Are you a client of CommSec?

If so, please quote your account number:

Borrower 1 (or joint account)
Borrower 2 (only to be used if CommSec accounts are in individual names)

2

Existing Credit Union Members

☐ I/We have a Credit Union account, the details are:

Bank State Branch (BSB) number

Account Number

(Your number may be less than 10 digits.)

and/or Membership Number

(Your number may be less than 10 digits.)

Account in the name(s) of

If co-borrower to CommSec Margin Loan account.

Bank State Branch (BSB) number

Account Number

(Your number may be less than 10 digits.)

and/or Membership Number

(Your number may be less than 10 digits.)

Account in the name(s) of

Do you have a relationship manager?

☐ Yes ☐ No (if yes please fill out details below)

Relationship manager's name

Branch/business centre

3

Identification

If you cannot provide details in either questions 1 or 2 (above) then please ensure question 3 is completed.

To enable us to confirm the identities of the individuals named, you must either provide details of an existing CommSec trading or Credit Union account held in the same name, or attach a copy of one form of identification listed below:

☐ I/We do not have a CommSec trading or Credit Union account and will attach a photocopy of (please tick one):

☐ Driver's Licence ☐ Passport ☐ Proof of Age Card ☐ Seniors Card

2

CommSec Margin Loan with Regular Gearing

Need help? Call 13 17 09

Applicant details

(please use block letters)

Compulsory

Application is hereby made to Commonwealth Bank of Australia ("the Bank") to grant a CommSec Margin Loan with Regular Gearing pursuant to the CommSec Margin Loan with Regular Gearing Terms and Conditions in the booklet dated 10/02 in which the application form was enclosed.

Borrower 1 Individual / Director 1 (company)

Title	Given name/s
<input type="text"/>	<input type="text"/>
Surname	
<input type="text"/>	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Date of birth <input type="text" value="DD"/> / <input type="text" value="MM"/> / <input type="text" value="YY"/>
Residential address	
<input type="text"/>	
<input type="text" value="Postcode"/>	
Postal address	
<input type="text"/>	
<input type="text" value="Postcode"/>	
Home phone	Work phone
<input type="text" value="()"/>	<input type="text" value="()"/>
Facsimile	Mobile phone
<input type="text" value="()"/>	<input type="text" value="()"/>
Preferred email address	
<input type="text"/>	

Borrower 2 Individual / Director 2 (company)

Title	Given name/s
<input type="text"/>	<input type="text"/>
Surname	
<input type="text"/>	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Date of birth <input type="text" value="DD"/> / <input type="text" value="MM"/> / <input type="text" value="YY"/>
Residential address	
<input type="text"/>	
<input type="text" value="Postcode"/>	
Postal address	
<input type="text"/>	
<input type="text" value="Postcode"/>	
Home phone	Work phone
<input type="text" value="()"/>	<input type="text" value="()"/>
Facsimile	Mobile phone
<input type="text" value="()"/>	<input type="text" value="()"/>
Preferred email address	
<input type="text"/>	

The following details will allow us to confirm your identity over the phone and the Internet:

Chosen passnumber

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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(must be **5 NUMBERS**)

Borrower (Company)

Company name		
<input type="text"/>		
ABN/ACN number		
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
Company address		
<input type="text"/>		
<input type="text" value="Postcode"/>		
Postal address		
<input type="text"/>		
<input type="text" value="Postcode"/>		
Work phone	Mobile phone	Facsimile
<input type="text" value="()"/>	<input type="text" value="()"/>	<input type="text" value="()"/>

Trustee Borrower (Insert details if you are applying in your capacity as Trustee)

Name of trust	Trustee's name
<input type="text"/>	<input type="text"/>

Applicant profile

Compulsory

1

Gross annual income (including salary/wages, rental, dividend income etc) of ALL Borrowers:

Borrower 1 / Director 1 / Trustee 1

\$

Borrower 2 / Director 2 / Trustee 2

\$

Net profit of Company / Trust

\$

Note: If *Loan* is in company name, income for Directors is also to be completed

2

Current employment:

Borrower 1 / Director 1 / Trustee 1

Position title

Employer name

Borrower 2 / Director 2 / Trustee 2

Position title

Employer name

Company Borrower

Industry type

If *you* have retired, please note last position held

Time elapsed since retirement (years)

3

Investor experience:

Have *you* invested in shares or managed funds in the past?

☐ Yes ☐ No (please tick answer)

Have *you* ever used a Margin Loan?

☐ Yes ☐ No (please tick answer)

Have *you* discussed this product with a financial planner or adviser?

☐ Yes ☐ No (please tick answer)

4

Applicant profile (continued)

Compulsory

4

Disclosure:

- (a) Are *you* aware that a CommSec Margin Loan with Regular Gearing carries risk not only in terms of *Interest Rate* movements, but also to movements in the value of share and managed fund prices?
- (b) Are *you* aware that *you* are personally liable for any shortfall incurred should *your* entire *Portfolio* be sold down to cover adverse movements in the *Market Value* of *your* investment?

☐ Yes ☐ No

☐ Yes ☐ No

5

Authorised representative if applicable

(to be completed by Borrower and signed by your Authorised representative):

We are authorised to share information about *your Loan* and *Securities* with *your* authorised representative who we may contact if we cannot contact *you* in the event of a **Margin Call**. In the event of a *Margin Call* this person must be able to make decisions to sell *Securities*, lodge additional *Securities* or provide additional funds. Please ensure *your* representative knows *your* password.

Given names

Surname

Residential address

Postcode

Home phone

Work phone

Facsimile

Mobile phone

(Please complete and circle *your* preferred contact number)

Signature of authorised representative

X

Regular gearing details

Compulsory

6

You offer to borrow from the Bank up to (minimum \$20,000)

\$

(Your regular Loan Advances will stop once this limit is reached)

7

Investment Details

YOUR Initial Equity Contribution (minimum \$2,000 applies)

EITHER

Cash

\$ **A**

+ AND/OR

Existing Investments

\$ **B**

(Current Market Value of managed funds and/or listed equities)

} Equals your initial Equity Contribution

+

Initial Loan Advance (minimum \$2,000 applies)

\$ **C**

=

Total Investment

\$ **D**

= A + B + C

YOUR Monthly Contribution (minimum \$250)

(Please note: This will be drawn from your account on the 13th of each month or next Business Day)

\$ **E**

+

Our Monthly Loan Contribution (minimum \$250)
(On the 15th of each month or next Business Day)

\$ **F**

} E must be greater than or equal to F

=

Total Regular Managed Fund Investment

\$ **G**

= E + F

8

Interest and Repayment Details

Interest Rate type

30 day variable Interest Rate

(Interest will be charged monthly in arrears on the last day of the month)

☐

Fixed Interest Rate for one (1) year paid in advance

(Available from initial Loan drawdown and subsequent anniversary date – regular advances will have interest calculated at the 30 day variable rate. Please call 13 17 09 to confirm rates. All Interest Rates offered are subject to change without notice.)

☐

Interest will be debited on the 13th day of the month after the initial Loan Advance is made.

First payment date

If you select yearly interest in advance please indicate:

☐

Cheque attached

☐

Direct Debit (see page 15)

9

Optional Deferred Start Date (for Regular Investments only)

MM / YY
month year

6

Regular gearing details (continued)

Please attach appropriate signed prospectus for each investment being made

Compulsory

10 Initial Investments

Details of Initial Managed Funds Investments to be made

Fund Manager and Name of Fund

1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
Total Managed Fund Investment	

Note: = A + C

Details of Regular Gearing Investments to be made

Fund Manager and Name of Fund

Total Monthly Investment

1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
Total Regular Managed Fund Investment	

Note: = G

Note: Please check the minimum investment for the fund you are entering

11 Existing Investments

The details listed here will be used as Security for your loan

Fund Manager and Name of Fund

of Units

\$ of Units

1.	#	\$
2.	#	\$
3.	#	\$
4.	#	\$
5.	#	\$
Total Managed Fund Investments		\$

(Please also complete the Australian Standard Transfer Form see page 9 and the Statutory Declaration for Managed Funds see page 11)

For Managed Funds please provide a copy of your current statement from your fund manager confirming units held.

Shares

of Shares

\$ of Shares

1.	#	\$
2.	#	\$
3.	#	\$
4.	#	\$
5.	#	\$
Total Share Investments		\$

(Please also complete the Request for Broker to Broker Transfer form see page 13)

For Shares please provide a copy of either your Holding Statement or CHESS certificate.

Total Existing Investments	\$	= B
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Monthly contributions will be processed on the 13th day of the month or next *Business Day*. All *Loan Advances* will be processed on the 15th day of each month or next *Business Day*. However, the date of the investment will be determined by the relevant investment manager or broker. Where *Loan Advances* have been suspended continuing *Equity Contributions* will be used to reduce your *Loan Balance*, see Terms and Conditions for further information.

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Australian Standard Transfer Form

Compulsory if you completed the Managed Funds section in item 11 on page 7

Investors using Managed Funds as Security for their Margin Loan must complete this form. A separate form is required for each separate Managed Fund investment.

AFFIX OR IMPRESS STAMP DUTY HERE		IMPRESS MARKETING/CERTIFICATION STAMP HERE		
Full Name of Company or Eligible Body				
Full Description of Securities	Class	If not fully paid, paid to	Register	
Quantity	Balance		Selling Broker's Stamp	
Full Name(s) of Seller(s)	Surname(s) Mr/Mrs/Miss Please use BLOCK letters			
Consideration	NIL		Date of Purchase	
Uncertified transferor Identification	SIN/SBN/IPN		TOTR	
Full Name of Buyer	STATE NOMINEES LIMITED		Brokers Only Transfer Identification Number	
Full Postal Address Of Buyer(s)			Transferor's Broker hereby certifies:— (a) As to the Validity of Documents (b) That Stamp Duty, if payable has been or will be paid	
Removal Request	Please enter these securities on the			REGISTER
Uncertified Identification	SIN/SBN/IPN	HIN		TETR
<ul style="list-style-type: none"> I/We the registered holder(s) and undersigned Seller(s) for the above consideration do hereby transfer to the above name(s) hereinafter called the Buyer(s) or to the several buyers named in Part 2 of the Brokers Transfer Form(s) or Split Transfer Form(s), the Securities as specified above standing in my/our name(s) in the books of the above-named Company or eligible body subject to the several conditions on which I/We held the same at the time of signing hereof and I/We the Buyers(s) do hereby agree to accept the said securities subject to the same conditions. I/We the registered holder(s) and undersigned seller(s) hereby transfer the above securities to the several transferees named in Part 2 of the Brokers Transfer Form(s) relating to the above securities. I/We have not received any notice of revocation of the Power of Attorney by death of the grantor or otherwise, under which this transfer is signed. Delete whichever does not apply. 				Transferor's Broker's Stamp
Seller(s) Sign Here			On:—	
Date Signed	/ /		For Company Use	
Buyer(s) Sign Here				
Date Signed	/ /		Lodging Agents Name	

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Statutory Declaration

Compulsory if you completed the Managed Funds section in item 11 on page 7

Investors using Managed Funds as Security for their Margin Loan must complete this form.

I/We <i>(Name in full)</i>	<input type="text"/>
Of <i>(Address)</i>	<input type="text"/>
	<input type="text"/>
Occupation	<input type="text"/>

Do solemnly and sincerely declare that: *(The facts to be stated according to the Declarant(s) knowledge)*

- (1) The beneficial ownership will remain the same; and
- (2) That no consideration has been paid in relation to the transfer; and
- (3) The transfer is for *Security* purposes only; and
- (4) This information is true and correct.

I/We make this solemn declaration, conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1900.

Declared by <i>(Signature)</i>	<input type="text"/>
<i>(Signature)</i>	<input type="text"/>
On this	<input type="text" value="day of"/> 20
Before me <i>(Witness)</i>	<input type="text"/>
	<i>(Justice of the Peace or other authorised witness)</i>

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Request for Broker to Broker Transfer

Compulsory if you completed the Shares section in item 11 on page 7

Investors using Shares as Security for their Margin Loan must complete this form.

Name	<input type="text"/>
A/C Designation (If Any)	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>

☐

Please transfer ALL my/our *CHESS* shareholdings and/or *SCRIP* held in safe custody and Holder Identification Number (HIN).

NB: Commonwealth Securities Limited will transfer *your* HIN as long as *you* do not already have an existing HIN with CommSec on that account.

OR

☐

Please transfer the below listed securities.

NB: Existing DRP, Tax file number, banking details for dividends etc. may need to be relodged with the share registry after this transfer.

Security	Quantity
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Existing Sponsoring Broker:

PID:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>					
HIN:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Account Number:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

New Sponsoring Broker:

Commonwealth Margin Lending
Locked Bag 34
Australia Square NSW 1214

PID:	1602								
HIN:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Account Number:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature of Shareholder(s) requesting transfer:

Client 1.	<input type="text"/>
Client 2.	<input type="text"/>
Client 3.	<input type="text"/>

Date:

* All holders must sign.

* Companies must execute under common seal bearing the ABN in accordance with their Constitution or with or without seal in accordance with section 127 of the Corporations Act 2001.

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Direct debit – monthly contributions

CommSec Margin Loan with Regular Gearing
Commonwealth Securities Limited ABN 60 067 254 399 (CommSec)
Locked Bag 34 Australia Square NSW 1214
Phone: 13 17 09
Internet: commsec.com.au

Compulsory

Form of Request for debiting amounts to accounts through the Bulk Electronic Clearing System (BECS).
When you wish to deposit funds to your Loan Account (eg payment of interest) or have money withdrawn from your Account (eg investment of regular contributions) we can arrange a Direct Debit from your Account. By completing this Direct Debit Request you are authorising Commonwealth Securities Ltd to both direct debit and direct credit your account. The Borrower should complete this form for all Loan Accounts.

I/We (Surname/Company Name)

Given Names/ABN/ACN

authorise and request, *CommSec* (APCA User ID No. 062934) as agent for Commonwealth Bank of Australia to arrange for funds to be debited from my/our account at the Financial Institution identified below and as prescribed below through the Bulk Electronic Clearing System (BECS). This authorisation is to remain in force in accordance with the terms described in the Direct Debit Request Service Agreement below.

I/We authorise the following:

- (1) *CommSec* to verify the details of the account with my/our Financial Institution
- (2) The Financial Institution to release information allowing *CommSec* to verify the account details.

Signature of Individual/ Client 1 (Joint)/Director 1

Signature of Client 2 (Joint)/Director 2

Details of the Account to be debited

Date DD / MM / YY

Name and address of Financial Institution at which your account is held:

Account Name (eg Mr John Brown)

Bank State Branch (BSB) number

Account Number

(Your number may be less than 10 digits.)

NOTE: Monthly regular investment contributions will be drawn from your account on the 13th day or next business day of each month.

Initial Invest Contribution

Please direct debit the initial investment contribution from the above listed account

☐ Yes ☐ No (please tick answer)

Note: Direct Debiting is not allowed on the full range of accounts. If in doubt, please refer to your Financial Institution.



Please detach and keep for future reference.

COMMSEC MARGIN LOAN WITH REGULAR
GEARING DIRECT DEBIT SERVICE AGREEMENT

Debit arrangements

1. We reserve the right to charge a transaction fee if any debit item already debited from your nominated account is returned as unpaid by the Financial Institution.
2. We will keep the information about your nominated account at the Financial Institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
3. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.
4. We will advise you 14 days in advance of any changes to the Direct Debit arrangements.

Your Rights

5. You may terminate the Direct Debit arrangement with us, however this termination must be in writing.
6. Where you consider the debit is incorrect in either the due date or amount or both, you should raise the matter with CommSec Margin Lending on 13 17 09.

Your Responsibilities

7. It is your responsibility:

- to check with the Financial Institution where your account is held before completing the Direct Debit Request (DDR) as Direct Debiting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of accounts. You should also complete your account details (including Bank State Branch (BSB) number) directly from a recent account statement from your Financial Institution;
- to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by CommSec;
- to ensure that the authorisation to debit the nominated account is in the same name as the account signing the instruction held by the Financial Institution where the account is held;
- to advise us if the account you have nominated to debit is transferred or closed;
- to ensure that suitable arrangements are made if the Direct Debit is cancelled;
 - by yourself;
 - by your nominated Financial Institution; or
 - for any other reason.

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Power of attorney

CommSec Margin Loan with Regular Gearing

Compulsory

I/We irrevocably and by way of security appoint Commonwealth Bank of Australia and Commonwealth Securities Limited (and each of their *Authorised Officers*, and their respective assigns) severally to be attorney of each of:

- the *Borrower*;
- the *Mortgagor*;

with full power either in *our* name, the name of the *Borrower* and/or the *Mortgagor*, to do all acts and things;

- which should be done by the *Borrower* and/or *Mortgagor* to satisfy a *Margin Call* (as that term is defined and described in the CommSec Margin Loan with Regular Gearing Terms and Conditions);
- which should be done by the *Borrower* and/or *Mortgagor* under any part of the CommSec Margin Loan with Regular Gearing Terms and Conditions; or
- which Commonwealth Bank of Australia and Commonwealth Securities Limited is authorised to do under any part of the CommSec Margin Loan with Regular Gearing Terms and Conditions or by law, and with full power from time to time to appoint or remove a substitute attorney; and
- to fill in blanks, correct errors, sign, seal and deliver and execute all documents (including assurances, identification and address declarations, and other instruments) which Commonwealth Bank of Australia and/or Commonwealth Securities Limited or the attorney considers necessary or expedient.

I/We declare that the attorney may exercise any of the powers described above despite such exercise involving a conflict of interest and duty.

Signed by Borrower (Individuals or a Company)

Print full name

Signature (Director to sign for company)

Print full name

Signature (Director/secretary to sign for company)

Are you a "Sole Director"

☐ Yes ☐ No (please tick answer)

Date

Date

If execution is by a company insert:

Company Name

ABN/ACN number

Signed by Mortgagor if not a Borrower (Individuals or a Company)

Print full name

Signature (Director to sign for company)

Print full name

Signature (Director/secretary to sign for company)

Are you a "Sole Director"

☐ Yes ☐ No (please tick answer)

Date

Date

If execution is by a company insert:

Company Name

ABN/ACN number

Risk disclosure

PLEASE NOTE: all following sections must be signed by all applicants

Before you apply for a CommSec Margin Loan with Regular Gearing, you must consider:

- whether the *Loan* is right for you; and
- risks associated with the *Loan* and Regular Gearing.

The CommSec Margin Loan with Regular Gearing brochure, with which this application form was enclosed, includes some suggestions for managing a *Loan* with Regular Gearing and reducing some of the risks of conducting the *Loan*. In every case, we strongly suggest that you obtain independent legal and financial advice to get a better idea of the risks of margin lending and the way in which you can manage those risks.

You and your advisers should be aware of the following risks:

- exposure to the volatility of the markets (like the stock market) in which *Securities* are bought and sold;
- borrowing money to purchase *Securities* (gearing) can magnify the financial effect on you of any decrease in the value of the *Securities*;
- all *Securities* which you buy using the *Loan* proceeds are *Mortgaged* to us to ensure your obligations under the *Loan Agreement*;
- income from your investments and the interest on your *Loan Account* may fluctuate. Also, the time at which you pay interest on your *Loan Account* may be different from the time at which you earn income on your investments;
- we can make a *Margin Call* at any time on any day.

We require that the maximum amount you owe us at any time is no greater than the *Margin Call Gearing Level*.

The Market Value of Securities may reduce rapidly over a short period adversely affecting your Gearing Level and potentially causing a Margin Call situation to arise.

If at any time the amount you owe us is greater than the *Margin Call Gearing Level* we can make a *Margin Call*.

For example, say the outstanding balance of your *Loan Account* at a particular time is \$8,000. On that same day the value of the *Securities* supporting your obligations is \$17,000. You are below both the *Margin Call Gearing Level* and the *Maximum Gearing Level*, and no action is required.

Say that 3 months later the *Securities* supporting your obligations are now only worth \$16,500 but your *Loan Balance* has risen to \$9,500.

Your *Current Gearing Level* will have increased to 57.57% and, as this is over the *Maximum Gearing Level* of 55%, we will contact you advising this fact and suggesting some defensive options you might consider to rectify this situation. If you choose to take no action we may suspend the monthly *Loan Advances* and reduce your *Loan Balance* with your *Equity Contributions* until such time that your *Current Gearing Level* falls below or equal to the *Target Gearing Level*.

Another scenario is that, even though we have suspended the monthly *Loan Advances* and used your *Equity Contributions* to reduce your *Loan Balance*, your *Current Gearing Level* continues to rise. For example, the value of the *Securities* supporting your obligations have fallen to \$11,500 and your *Loan Balance* has been reduced to \$9,000, giving a *Current Gearing Level* of 78%. As this is greater than the *Margin Call Gearing Level* of 75%, we can make a *Margin Call*.

Notice of Margin Call

If we make a *Margin Call*, you must satisfy that *Margin Call* whether or not you personally receive it. If there is more than one *Borrower* we do not need to contact each *Borrower*. In case you are not available to receive a *Margin Call* personally, you should direct us to give notice of any *Margin Call* we make to a person who:

- is always available; and
- is authorised by you to satisfy a *Margin Call*.

You must satisfy any *Margin Call* by 2.00pm on the next *Business Day*. You may have less than 24 hours to satisfy a *Margin Call*.

You may satisfy the *Margin Call* by:

- depositing money in your *Loan Account*;
- giving us more *Securities* to support your obligations; or
- selling all or more of your *Securities* and using the proceeds to reduce the *Loan Balance*.

If you do not satisfy a *Margin Call*:

- we may (but are not obliged to) sell or redeem any of or all the *Securities* supporting your obligations and reduce the amount you owe us;
- we may sell those *Securities* without contacting you first;
- we may sell those *Securities* in the order we choose. You should refer to the *Mortgage Terms and Conditions*, Clause 11(a).

Also, there may be circumstances in which we can require you to pay all of what you owe us.

They include situations where:

- you do not satisfy a *Margin Call*;
- the S&P/ASX 300 Index, All Ordinaries Index or other index as we may determine from time to time drops by 10% in one *Business Day* or 20% over three (3) consecutive *Business Days*;
- we consider that your financial position has deteriorated to a point where you may not be able to meet any obligations you owe to us.

You should familiarise yourself with the other circumstances in which we can ask you to pay us (for example, see Clauses 11-15 inclusive of the *Loan Agreement* and Clauses 1, 9 and 18 of the *Mortgage*).

Payments to Loan Account

Other than *Margin Calls*, interest or when we require you to pay your *Loan Account* in full, we do not require you to make any payments on your *Loan Account*.

Risk disclosure (continued)

Interest Payments

We charge interest on the debit balance of *your Loan Account*, no matter what sums go to make up that balance.

We do not allow *you* to nominate that interest be capitalised to *your Loan Account*. We require interest to be paid monthly by direct debit to *your nominated Account*. Where there are insufficient funds in *your Account*, at the time we process the Direct Debit, we will accrue the interest amount to *your Loan Account* and a fee may be applied.

Even if *you* do not draw on *your Loan Account*, the amount *you owe us* can increase with unpaid interest and unpaid fees and charges we debit to *your Loan Account* which subsequently may require *us* to make a *Margin Call*.

What you must pay us is not limited to the value of the Securities supporting your obligations. You must pay us all amounts you owe us even if:

- the *Securities* supporting *your* obligations are sold and the proceeds are not sufficient to pay all of what *you* owe *us*;
- the *Securities* supporting *your* obligations are of little or no value at all; or
- we reduce the Regular Gearing *Lending Ratio* of a *Security*.

Taxation

You may wish to negatively gear investments *you* make with *Loan* proceeds. However, it may not be possible to do so.

Interest deductibility is dependant on *your* personal circumstances and whether the borrowed funds are used to earn assessable income. *You* should speak to an independent taxation adviser to determine whether *you* can deduct interest incurred by *you* on *your Loan Account*.

You have sole responsibility for deciding in which Securities you will invest. (See Clause 19 of the Loan Agreement.)

We do not:

- recommend any *Securities*; or
- give any opinion on the performance of *Securities* or the company or trustee that issues *Securities*, even if we are willing to lend money against those *Securities*.

We consider whether or not to fund a drawing on the *Loan Account* at the time *you* ask *us* to fund the drawing. *You* may ask to draw on *your Loan Account* to purchase *Securities* at a date in the future. If the *Lending Ratio* of the *Security* is insufficient at that future date, we will not fund the drawing no matter what the position was when *you* asked for the drawing.

I/We have read and understood the Risk Disclosure Statement appearing above.

Borrower 1 / Director 1

Signed

X

Date:

DD / MM / YY

Borrower 2 / Director 2

Signed

X

Date:

DD / MM / YY

Privacy Information & Authorisations

For all Borrowers and Guarantors

1. Collection of personal information

CommSec collects personal information (including full name, address and contact details, as well as credit information) on its own behalf and for the Bank. The Bank provides the *CommSec* Margin Loan with Regular Gearing. *CommSec* also uses personal information to manage its client relationships and provide its clients with the products and services they request, as well as information on the Commonwealth Bank Group's products and services. Where it is necessary to do so, *CommSec* also collects information on individuals such as company directors and officers (where the company is its client), as well as clients' agents and persons dealing with *CommSec* on a 'one-off' basis. The law can also require *CommSec* to collect personal information (eg Commonwealth legislation requires *CommSec* to identify persons who open or operate accounts). If you provide *CommSec* with incomplete or inaccurate information, *CommSec* may not be able to provide you with the products or services you are seeking.

2. Disclosure of personal information

CommSec is permitted by the *Privacy Act* 1988 ('the Act') to disclose personal information to other members of the Commonwealth Bank Group. This enables the Group to have an integrated view of its customers.

Personal information may be disclosed to:

- (i) brokers and agents who refer business to *CommSec*, and external product providers;
- (ii) organisations to whom *CommSec* outsources certain functions. This may include overseas organisations. For greater detail on outsourcing, please refer to *CommSec*'s Privacy Policy Statement, which is available at commsec.com.au or on request by calling 13 17 09.

In all circumstances where contractors and agents may become aware of personal information, confidentiality arrangements apply. Personal information may only be used by *CommSec*'s agents and contractors for its purposes. *CommSec* may be allowed or obliged to disclose information by law, eg. under Court Orders or Statutory Notices pursuant to taxation or social security laws.

3. Access to your information

You may (subject to permitted exceptions) access your information by contacting: Client Relations, *CommSec* Margin Loan with Regular Gearing, Locked Bag 34, Australia Square NSW 1214. *CommSec* may charge you for providing access.

All Borrowers:

As advised, *CommSec* manages the *CommSec* Margin Loan with Regular Gearing on our behalf. Anything you authorise us to do may be carried out by *CommSec*.

You authorise us

- (a) to give to any *Guarantor* or proposed *Guarantor* ("Guarantor" includes a "Third Party Mortgagor" ie any person other than a *Borrower* who provides property as *Security* for your credit facilities) (i) any creditworthiness or record that has any bearing on your creditworthiness, credit standing, credit history or credit capacity in connection with such credit facilities for the purpose of deciding whether to act or continue to act as *Guarantor* in respect of, or to offer property as *Security* for, your credit facilities; (ii) a copy of the *Loan Agreement*, of any formal demand we send to you and, if the *Guarantor* asks, a copy of the latest statement of your *Loan Account*;
- (b) to give to and/or receive from your Stockbroker and/or Authorised Representative any record or personal information about you, your credit facilities and/or the *Securities* in connection with the processing and accepting of any application to us for credit and/or the subsequent management of the credit provided and the *Securities*; and
- (c) to exchange with *CommSec* (which manages the *CommSec* Margin Loan with Regular Gearing product on our behalf) any record or personal information about you in connection with the processing and accepting of this application, any *Securities* we are offered by you as *Mortgaged Property* and/or the subsequent management of any credit which we may agree to provide.

Individual Borrowers:

not applicable to a Borrower that is a company

You authorise us

- (a) to give a credit reporting agency certain personal information about you including the fact that you have applied for credit and the amount, any payments which become overdue more than 60 days and, in specified circumstances, that in our opinion you have committed a serious credit infringement;
- (b) to obtain from a credit reporting agency information relating to your commercial credit activities and a credit report containing personal and credit information about you to assess this application or for the purpose of collecting overdue payments in respect of any credit which we have provided to you or your company/firm;
- (c) to give to and obtain from any credit provider named in a credit report issued by a credit reporting agency or a commercial reporting agency respectively information about your credit arrangements including your creditworthiness, credit standing, credit history and credit capacity. The information may be given and used for purposes that include assessing an application by you for credit, assisting you avoid defaulting on your credit obligations, notifying other credit providers of a default by you, assessing your creditworthiness, and, where the information is given to participants in a securitisation scheme, assessing the risk in purchasing any *Loan* given to or applied for by you and/or the risk in undertaking credit enhancement of any such *Loan*;
- (d) when we are performing tasks reasonably necessary to the provision and management of securitised *Loans*, to obtain from a credit reporting agency a credit report containing personal credit information about you for the securitisation purposes permitted by Section 18E(1)(b)(ia) of the Act.

All Guarantors:

The Bank is authorised

- (a) to give to a credit reporting agency such permitted particulars to allow the *Guarantor* to be identified, and to inform the agency that the *Guarantor* acts or has offered to act as *Guarantor* and to obtain from a credit reporting agency a credit report containing certain personal information about the *Guarantor* to assess whether to accept the *Guarantee*;
- (b) to give to and obtain from the *Guarantor's* Bank and/or other credit provider (and/or parties to a securitisation scheme that are regarded as credit providers because of the application of Section 11B(4A) and (4B) of the Act) any record that has any bearing on the *Guarantor's* creditworthiness, credit standing, credit history or credit capacity for the purpose of (i) assessing whether to accept the *Guarantee* for personal or commercial credit applied for or provided to the *Borrower*; (ii) for any purpose related to the subsequent management of the personal or commercial credit granted by the Bank; or (iii) for any purpose related to the enforcement or proposed enforcement of this *Guarantee* each as the case may be;
- (c) when the Bank is performing tasks reasonably necessary to the provision and management of securitised *Loans*, to obtain from a credit reporting agency a credit report containing personal credit information about the *Guarantor* for the securitisation purposes permitted by Section 18E(1)(b) of the Act;
- (d) to exchange with *CommSec* (which manages the *CommSec* Margin Loan with Regular Gearing product on our behalf) any record or personal information about the *Guarantor* in connection with the processing and accepting of this application, any *Securities* the Bank is offered by the *Guarantor* as *Mortgaged Property* and/or the subsequent management of any credit which the Bank may agree to provide to the *Borrower*.

Acknowledgement & signatures

Note: each Borrower, individual or company, must sign.

Compulsory

By signing this application you acknowledge that:

1. if you are an individual *Borrower*, the *Loan* which may be provided to you is to be applied wholly or predominantly for business or investment purposes or for both purposes. You should not sign this acknowledgement unless the *Loan* is to be applied wholly or predominantly for business or investment purposes or for both purposes. By signing this acknowledgement you may lose your protection under the Consumer Credit Code.
2. all information which you have given in this application is correct and not misleading in any way.
3. you have read and understood the Terms and Conditions of a CommSec Margin Loan with Regular Gearing.
4. if you are an individual *Borrower*, you consent to the use and disclosure of your personal information as indicated in the section "Privacy Information and Authorisations" on page 20 of this application, including (where applicable) the sections 'All Borrowers', 'Individual Borrowers' and 'All Guarantors'. If you do not wish to receive promotional material from CommSec, including IPO information, tick this box: ☐.
5. you have not relied on any tax advice from CommSec and have sought your own independent legal and financial advice in relation to your obligations under the CommSec Margin Loan with Regular Gearing.
6. if you are a *Guarantor* you agree that when we ask you to do so you will sign a guarantee.
7. if we approve and accept the *Borrower's* application for a CommSec Margin Loan with Regular Gearing then you will automatically be legally bound by the Terms and Condition of the CommSec Margin Loan with Regular Gearing applicable to you. No drawings will be allowed, and we may avoid the contract, unless our *Security* requirements are satisfied.

Use these signing clauses if you are an Individual.

Signed by Borrower 1 (Individual)

Sign Name

X

Print Name

in the presence of (witness)

Sign Name

X

Print Name

Address

Postcode

Date

DD / MM / YY

Signed by Borrower 2 (Individual)

Sign Name

X

Print Name

in the presence of (witness)

Sign Name

X

Print Name

Address

Postcode

Date

DD / MM / YY

Use these signing clauses for each Borrower that is a COMPANY.

If you are a Director of a *Borrower* company:

- you sign this application for and on behalf of the company in your capacity as a Director and to confirm that you agree that when we ask you to do so, you will sign a guarantee and;
- by signing, you confirm that there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due.

DO NOT AFFIX COMPANY SEAL

EXECUTED BY

Company Name

ABN/ACN number

By being signed by those person/s who are authorised under its constitution to sign for the company:

Director 1

Sign Name

X

Print Name

Date

DD / MM / YY

Director 2

Sign Name

X

Print Name

Date

DD / MM / YY

Office use only

We approve and accept each of the offers contained in this Application Form

Signed

Date

DD / MM / YY



CommSec Margin Loan with Regular Gearing

Commonwealth Bank of Australia

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Australia Square NSW 1214
Telephone 13 17 09
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Internet commsec.com.au

MKTG 046 10/02

CommSec

