

5 October 2023

Leveraged Equities Limited  
ABN 26 051 629 282  
GPO Box 5388  
Sydney NSW 2001  
Telephone 1300 307 807  
Facsimile 02 8282 8383[leveraged.com.au](http://leveraged.com.au)

Dear &lt;Borrower&gt;,

**Leveraged Equities Margin Loan/Direct Investment Loan/Investment Funds Multiplier Loan****Account Name:** <XXX>  
**Account Number:** <XXXXXX>**Notice of Important Changes to your agreement**

Dear &lt;Borrower&gt;,

**Changes are being made to your loan agreement and associated terms.**

We are writing to notify you of important upcoming changes to your Margin Loan Agreement, Direct Investment Loan Agreement, or Investment Funds Multiplier Agreement (as applicable).

We refer to your relevant loan agreement as the '**Facility Agreement**' in this email. We also refer to 'your facility' or 'the facility' to mean your loan facility, whether this be a Margin Loan, Direct Investment Loan, or Investment Funds Multiplier Loan. And if you have an active Short Plus or Exchange Options Plus account, these accounts will also be included in references to your facility.

Leveraged Equities Limited (ABN 26 051 629 282, AFSL 360118) as Lender is making these changes and giving you notice of these changes under clause 65 or 66 (as applicable, relating to 'Variation') of your Facility Agreement.

From 9 November 2023, the terms and conditions that apply to your facility will change. Parts of your Facility Agreement will be varied by replacing them with terms and conditions of similar effect, except in certain important respects which are referred to below and described in more detail in the following pages.

Your new terms and conditions will be contained in a document known as the '**Leveraged Equities Facility Terms and Conditions**'.

Where you have an active Short Plus or Exchange Options Plus account, your existing agreements for these product features will also be varied by replacing them with the new Short Plus Agreement and Exchange Options Plus Agreement, containing terms and conditions of similar effect.

**Why is this happening?**

The changes to unfair contract terms laws that are coming into effect in November 2023 are prompting lenders to review their terms and conditions. As a result of our review, we have simplified the way we document the terms of our margin lending products, so that the terms and conditions are easier to read, understand and describe more clearly the processes we apply and operate under.

All new margin loans we provide from 9 November 2023 will be subject to the new Facility Terms and Conditions. In the interests of streamlining our processes and also making them more transparent, we would like our existing arrangements to also come under these new terms as much as possible.

## When is this change occurring?

The changes to your Facility Agreement (and where applicable, its associated terms relating to additional product features) will come into effect on 9 November 2023 ("**Effective Date**").

## What is changing?

Your new Terms and Conditions are more plainly and transparently written than your existing Facility Agreement. The operating processes and notice requirements for important notices (for example, Margin Calls) will remain the same but we have made certain provisions more favourable to you and you will generally receive more notice of certain things and will have more time to rectify a Default.

However, some terms will not be changing – in particular, the terms relating to the mortgage and the power of attorney you have granted us, and your direct debit authority (where applicable).

Enclosed with this email is important information about how certain terms of the Facility Agreement will be changing. We encourage you to read this information and the new Terms and Conditions and contact us if you have any questions.

You can find a copy of the new Terms and Conditions that will apply to your facility from the Effective Date, at [www.leveraged.com.au/RevisedAgreement/Nov2023](http://www.leveraged.com.au/RevisedAgreement/Nov2023).

Finally, in the context of what is changing, you may be accustomed to seeing the 'Product Guide' for your facility at the front of the Facility Agreement. The Product Guide will be available online as a separate document from the Effective Date. Although not part of your formal documentation, it is a useful reference for information about your facility.

## How you can contact us

If you have any questions or general queries, please do not hesitate to contact us on 1300 307 807 (or +61 2 8282 8282 for international callers) Monday to Friday between 8:30am and 5:30pm Sydney time.

Kind Regards,



Arthur Basha  
**Head of Customer & Partner Engagement**

## Specific changes to your Facility Agreement

The changes described below will take effect from 9 November 2023 ("**Effective Date**"). Terms defined in the new Facility Terms and Conditions (in Part A of the new Terms and Conditions) will have the same meaning when used in this notice. References to 'you' and 'your' below will be taken to refer to the Borrower.

<p><b>Margining Events</b></p> <p><i>(If you have an Investment Funds Multiplier Loan, please disregard this section. Margining events will continue to apply to your facility)</i></p>	<p><b>Margin Loans and Direct Investment Loans only:</b> The concept of 'Margining Event' will no longer apply to your facility. Under your existing Facility Agreement, a margining event occurs when the conditions for a Margin Call arise, that is, when your Loan Balance exceeds the lending value (also known as security value) of the secured portfolio plus buffer. Once a margining event occurs, we may record a Margin Call. We will generally record a Margin Call straightaway, so that the timing difference is negligible between when a margining event arises and when a Margin Call is recorded.</p> <p>Under the new Facility Terms and Conditions, there is no interim 'margining event' stage. If the conditions for a Margin Call arise, we will give you notice of the Margin Call that you will have to meet. If you do not meet the Margin Call, your facility will be subject to Gearing Adjustment.</p> <p>Even though a 'margining event' will no longer arise, our operating process relating to Margin Calls essentially remains the same.</p>
<p><b>Gearing Adjustment</b></p>	<p>(a) <b>Margin Loans and Direct Investment Loans:</b> There will be no change to how Gearing Adjustment operates, although the new Facility Terms and Conditions will now reflect the operational process. Namely, your facility will be subject to Gearing Adjustment if we issue you with a notice of a certain type to pay an amount and you do not pay the amount on time – this applies where the notice concerns a Margin Call, an exceeding of your Credit Limit, or a Market Disruption.</p> <p>(b) <b>Investment Funds Multiplier Loans:</b> If a Repayment Plan applies to your facility and you do not make the required payment on time, you will be in default under your existing Facility Agreement. Under the new Facility Terms and Conditions, we do not have to treat you as being in Default. Instead, your facility will generally be subject to Gearing Adjustment.</p> <p>While your facility is subject to Gearing Adjustment, you will not be able to borrow or operate your account. We have the right to sell any investments that secure payment of your loan, to discharge the unpaid amount and generally reduce your Loan Balance to an appropriate level.</p> <p>Your facility will remain in Gearing Adjustment until the relevant event or circumstance has been addressed. See clause 8 of the new Facility Terms and Conditions for more detail.</p>
<p><b>Default</b></p>	<p>We will generally be giving you more notice to rectify a default before we make a decision to terminate. The events and circumstances giving rise to a default are also more limited.</p>
<p><b>Linked Investment Account</b></p>	<p>If you have a linked deposit account so that credit balances can be swept into your loan account (to reduce the loan balance) and vice versa, this linked deposit account is described as a Linked Investment Account in the</p>

	new Facility Terms and Conditions. The terms on which it operates remain the same.
<b>Short Plus and Exchange Options Plus</b>	If Short Plus or Exchange Options Plus are activated under your facility, they will continue to operate with no change except that from the Effective Date, the terms applying to them will be set out in Parts D and E of the new Terms and Conditions.
<b>Cheques will no longer be accepted</b>	The banking industry is phasing out the use of cheques. In anticipation of this, we will no longer accept cheques or make payments by way of cheque from the Effective Date.
<b>The terms and conditions that will remain the same</b>	<p><b>Mortgage terms, nominee provisions, sponsorship provisions:</b> Section 3 (<i>Security terms</i>), Section 4 (<i>Nominee arrangements</i>) and Section 5 (<i>Sponsorship Agreement</i>) in the new Facility Terms and Conditions will not apply to you or the Guarantor. The equivalent sections in your existing Facility Agreement (or other agreement, if these terms are contained in a different agreement) will continue to apply. For example, if your mortgage terms are contained in the Leveraged Equities Margin Loan Agreement dated 6 October 2021 (MLA), the following parts of the MLA will continue to apply to your facility after the Effective Date: Part 7 (Mortgage Terms), Part 3 (Nominee Provisions) and Part 4 (Sponsorship Provisions).</p> <p><b>Power of attorney:</b> Clause 66 (<i>Power of attorney</i>) in the new Facility Terms and Conditions will not apply to you or the Guarantor. Instead, the power of attorney you granted us (and where applicable, the Nominee and the Sponsor) before the Effective Date will continue to apply.</p> <p><b>Direct debit arrangements:</b> If you signed a Direct Debit Service Agreement with us before the Effective Date (for example, to pay Instalment Plus contributions), this agreement will continue to apply.</p> <p><b>Authorised Persons and nominated persons:</b> Any Authorised Persons you have appointed, and any other third parties you have authorised under your existing agreement (for example, nominated brokers, financial advisers, platforms and so on), will continue to be authorised in the same way after the Effective Date.</p>