

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme **West Australian Newspapers Holdings Limited**

ACN/ARSN

1. Details of substantial holder (1)

Name **JPMorgan Chase & Co. and its affiliates**

ACN/ARSN (if applicable) **N/A**

There was a change in the interests of the substantial holder on

12 / Apr / 2011

The previous notice was given to the company on

25 / Feb / 2011

The previous notice was dated

25 / Feb / 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	26,751,727	12.18%	28,106,620	6.11%

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
	J.P. Morgan Chase & Co. and its affiliates	Due to increase in Issued Share Capital			

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 as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
J.P. Morgan Australia Limited	Relevant interest in shares held by Seven (WAN) Pty Ltd, a			26,712,134	26,712,134

	subsidiary of Seven Group Holdings Limited ("SGH"), to the extent which arose under the terms of the Block Trade Agreement between J.P. Morgan Australia Limited ("J.P. Morgan"), UBS AG, Australia. See J.P. Morgan Chase & Co Form 604 lodged on 25 February 2011 for a copy of the Block Trade Agreement				
See Annexure A	Proprietary			67,171	67,171
See Annexure A	Power to control disposal over shares pursuant to stock borrowing and lending activities (see Attached)			1,327,315	1,327,315

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	

6. Addresses

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

Name	Address
JPMorgan Chase & Co.	1111 Polaris Parkway, Columbus, Ohio 43240.

Signature

print name	Kezia Wong	capacity	Associate/ JPMorgan Chase Bank, N.A.
sign here		date	14/Apr/2011

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
 - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
 - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
 - (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
 - (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
 - (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.
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West Australian Newspapers Holdings Limited (ISIN AU000000WAN0)												Annexure A
Proprietary Block Trade Agreement												
J.P.Morgan Australia Limited and UBS AG, Australia Branch												
Transaction date	Entity	Type of transaction	Ccy	Price	Quantity	Total Positions	Issued share capital	% Owned	JPMSAL		Total	
Balance as at 23 Feb 2011						26,751,727	219,668,970	12.18%	39,593	26,712,134	26,751,727	
24-Feb-11	JPMSAL	Purchase	AUD	5.50	450,000	27,201,727	219,668,970	12.38%	450,000	-	450,000	
24-Feb-11	JPMSAL	Sell	AUD	5.49	(450,000)	26,751,727	219,668,970	12.18%	(450,000)	-	(450,000)	
28-Feb-11	JPMSAL	Borrow	-	-	500,000	27,251,727	219,668,970	12.41%	500,000	-	500,000	
1-Mar-11	JPMSAL	Borrow	-	-	235,138	27,486,865	219,668,970	12.51%	235,138	-	235,138	
1-Mar-11	JPMSAL	Loan	-	-	(247,023)	27,239,842	219,668,970	12.40%	(247,023)	-	(247,023)	
1-Mar-11	JPMSAL	Purchase	AUD	5.63	104,836	27,344,678	219,668,970	12.45%	104,836	-	104,836	
1-Mar-11	JPMSAL	Sell	AUD	5.60	(105,061)	27,239,617	219,668,970	12.40%	(105,061)	-	(105,061)	
2-Mar-11	JPMSAL	Purchase	AUD	5.59	513,834	27,753,451	219,668,970	12.63%	513,834	-	513,834	
2-Mar-11	JPMSAL	Sell	AUD	5.59	(532,578)	27,220,873	219,668,970	12.39%	(532,578)	-	(532,578)	
3-Mar-11	JPMSAL	Purchase	AUD	5.39	402,192	27,623,065	219,668,970	12.57%	402,192	-	402,192	
3-Mar-11	JPMSAL	Sell	AUD	5.40	(392,000)	27,231,065	219,668,970	12.40%	(392,000)	-	(392,000)	
4-Mar-11	JPMSAL	Purchase	AUD	5.39	7,427	27,238,492	219,668,970	12.40%	7,427	-	7,427	
7-Mar-11	JPMSAL	Loan-Return	-	-	450,000	27,688,492	219,668,970	12.60%	450,000	-	450,000	
8-Mar-11	JPMSAL	Borrow-Return	-	-	(450,000)	27,238,492	219,668,970	12.40%	(450,000)	-	(450,000)	
8-Mar-11	JPMSAL	Purchase	AUD	5.18	30,000	27,268,492	219,668,970	12.41%	30,000	-	30,000	
8-Mar-11	JPMSAL	Sell	AUD	5.25	(30,000)	27,238,492	219,668,970	12.40%	(30,000)	-	(30,000)	
16-Mar-11	JPMSAL	Purchase	AUD	5.13	1,601	27,240,093	219,668,970	12.40%	1,601	-	1,601	
16-Mar-11	JPMSAL	Sell	AUD	5.13	(3,202)	27,236,891	219,668,970	12.40%	(3,202)	-	(3,202)	
17-Mar-11	JPMSAL	Borrow-Return	-	-	(500,000)	26,736,891	219,668,970	12.17%	(500,000)	-	(500,000)	
17-Mar-11	JPMSAL	Purchase	AUD	5.18	958	26,737,849	219,668,970	12.17%	958	-	958	
18-Mar-11	JPMSAL	Purchase	AUD	5.17	5	26,737,854	219,668,970	12.17%	5	-	5	
21-Mar-11	JPMSAL	Purchase	AUD	5.23	550,330	27,288,184	219,668,970	12.42%	550,330	-	550,330	
22-Mar-11	JPMSAL	Purchase	AUD	5.23	12,634	27,300,818	219,668,970	12.43%	12,634	-	12,634	
22-Mar-11	JPMSAL	Sell	AUD	5.24	(33,568)	27,267,250	219,668,970	12.41%	(33,568)	-	(33,568)	
23-Mar-11	JPMSAL	Purchase	AUD	5.25	22,402	27,289,652	219,668,970	12.42%	22,402	-	22,402	
23-Mar-11	JPMSAL	Sell	AUD	5.26	(22,402)	27,267,250	219,668,970	12.41%	(22,402)	-	(22,402)	
25-Mar-11	JPMSAL	Borrow	-	-	1,500,000	28,767,250	219,668,970	13.10%	1,500,000	-	1,500,000	
25-Mar-11	JPMSAL	Loan	-	-	(750,000)	28,017,250	219,668,970	12.75%	(750,000)	-	(750,000)	
25-Mar-11	JPMSAL	Sell	AUD	5.27	(705)	28,016,545	219,668,970	12.75%	(705)	-	(705)	
28-Mar-11	JPMSAL	Borrow	-	-	300,000	28,316,545	219,668,970	12.89%	300,000	-	300,000	
28-Mar-11	JPMSAL	Loan	-	-	(200,000)	28,116,545	219,668,970	12.80%	(200,000)	-	(200,000)	
30-Mar-11	JPMSAL	Borrow	-	-	1,747,136	29,863,681	219,668,970	13.59%	1,747,136	-	1,747,136	
30-Mar-11	JPMSAL	Loan	-	-	(873,568)	28,990,113	219,668,970	13.20%	(873,568)	-	(873,568)	
30-Mar-11	JPMSAL	Purchase	AUD	5.25	48,884	29,038,997	219,668,970	13.22%	48,884	-	48,884	
30-Mar-11	JPMSAL	Sell	AUD	5.27	(600,027)	28,438,970	219,668,970	12.95%	(600,027)	-	(600,027)	
31-Mar-11	JPMSAL	Purchase	AUD	5.27	17,664	28,456,634	219,668,970	12.95%	17,664	-	17,664	
31-Mar-11	JPMSAL	Sell	AUD	5.29	(53,489)	28,403,145	219,668,970	12.93%	(53,489)	-	(53,489)	
1-Apr-11	JPMSAL	Borrow-Return	-	-	(40,800)	28,362,345	219,668,970	12.91%	(40,800)	-	(40,800)	
1-Apr-11	JPMSAL	Loan-Return	-	-	40,800	28,403,145	219,668,970	12.93%	40,800	-	40,800	
4-Apr-11	JPMSAL	Borrow-Return	-	-	(3,387,936)	25,015,209	219,668,970	11.39%	(3,387,936)	-	(3,387,936)	
4-Apr-11	JPMSAL	Loan-Return	-	-	1,764,368	26,779,577	219,668,970	12.19%	1,764,368	-	1,764,368	
4-Apr-11	JPMSAL	Purchase	AUD	5.36	35,470	26,815,047	219,668,970	12.21%	35,470	-	35,470	
4-Apr-11	JPMSAL	Sell	AUD	5.29	(1,986)	26,813,061	219,668,970	12.21%	(1,986)	-	(1,986)	
6-Apr-11	JPMSAL	Borrow	-	-	200,000	27,013,061	219,668,970	12.30%	200,000	-	200,000	
6-Apr-11	JPMSAL	Borrow-Return	-	-	(365,000)	26,648,061	219,668,970	12.13%	(365,000)	-	(365,000)	
6-Apr-11	JPMSAL	Loan-Return	-	-	165,000	26,813,061	219,668,970	12.21%	165,000	-	165,000	
7-Apr-11	JPMSAL	Purchase	AUD	5.32	8,840	26,821,901	219,668,970	12.21%	8,840	-	8,840	
7-Apr-11	JPMSAL	Sell	AUD	5.34	(126)	26,821,775	219,668,970	12.21%	(126)	-	(126)	
11-Apr-11	JPMSAL	Borrow	-	-	2,560,000	29,381,775	219,668,970	13.38%	2,560,000	-	2,560,000	
11-Apr-11	JPMSAL	Loan	-	-	(1,280,000)	28,101,775	219,668,970	12.79%	(1,280,000)	-	(1,280,000)	
11-Apr-11	JPMSAL	Purchase	AUD	5.36	17,690	28,119,465	219,668,970	12.80%	17,690	-	17,690	
11-Apr-11	JPMSAL	Sell	AUD	5.37	(12,845)	28,106,620	219,668,970	12.79%	(12,845)	-	(12,845)	
12-Apr-11	JPMSAL	Purchase	AUD	5.29	17,688	28,124,308	460,136,416	6.11%	17,688	-	17,688	
12-Apr-11	JPMSAL	Sell	AUD	5.29	(17,688)	28,106,620	460,136,416	6.11%	(17,688)	-	(17,688)	
Balance as at 12 Apr 2011						28,106,620	460,136,416	6.11%	1,394,486	26,712,134	28,106,620	
JPMSAL = J.P.Morgan Securities Australia Limited												



Australian Securities Lending Association Limited

(ACN 054 944 482)
Level 18, 20 Bond Street
Sydney NSW 2000
Tel: (02) 9220 1413
Fax: (02) 9220 1379

AUSTRALIAN MASTER SECURITIES LENDING AGREEMENT *

(Version: November 2003)

dated as of:

Between: (1) (Name of Company) **J.P. Morgan Securities Australia Limited**

(ACN or ARBN (as applicable)) (ABN 61 003 245 234)

(AFSL 238 066)

a company incorporated under the laws of the United States

of (Business address) Level 32, Grosvenor Place,

225 George Street,

Sydney NSW 2000

And: (2) (Name of Company) []

(ACN or ARBN (as applicable)) (ABN)

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 and November 2003 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: November 2003) "User's Guide" relating to this agreement.

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Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Telephone (02) 9296 2000
Fax (02) 9296 3999
DX 113 Sydney
Ref: JCK

AGREEMENT

Recitals:

- A. The Parties hereto are desirous of agreeing to a procedure whereby either one of them (the “**Lender**”) will make available to the other of them (the “**Borrower**”) from time to time Securities (as hereinafter defined).
- B. All transactions carried out under this Agreement will be effected in accordance with the Rules (as hereinafter defined), if applicable, **together with** current market practices, customs and conventions, in so far as they are not inconsistent with the terms of this Agreement.

Operative provisions:

1 Interpretation

- 1.1 **[Definitions]** The terms defined in clause 26 and in Schedule 1 have the meanings therein specified for the purposes of this Agreement.
- 1.2 **[Inconsistency]** In the event of any inconsistency between the provisions of Schedule 1 and the other provisions of this Agreement, Schedule 1 will prevail. In the event of any inconsistency between the provisions (if any) of Schedule 3 and the other provisions of this Agreement (including Schedule 1), Schedule 3 will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Agreement (including Schedules 1 and 3), such Confirmation will prevail for the purpose of the relevant transaction.
- 1.3 **[Single agreement]** All transactions are entered into in reliance on the fact that this Agreement and all Confirmations form a single agreement between the Parties (collectively referred to as this “**Agreement**”), and the Parties would not otherwise enter into any transactions.
- 1.4 **[Interpretation]** In this Agreement:
 - (a) Unless the context otherwise requires:
 - (i) The **singular** includes the plural and vice versa.
 - (ii) A **person** includes a corporation.
 - (iii) A **corporation** includes any body corporate and any statutory authority.
 - (iv) A reference to a statute, ordinance, code or other law or the Rules includes regulations or other instruments under it or them and consolidations, amendments, re-enactments or replacements of any of them.
 - (b) Notwithstanding the use of expressions such as “borrow”, “lend”, “Collateral”, “Margin”, “redeliver” etc., which are used to reflect terminology used in the market for transactions of the kind provided for in

this Agreement, all right, title and interest in and to Securities “borrowed” or “lent” and “Collateral” which one Party Transfers to the other in accordance with this Agreement (“**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) **[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, subdivision, 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 sections 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 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 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.

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, sections 216-10 and 216-30 of the 1997 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.

7A Suspended Securities

- 7A.1 This clause 7A applies if:
- (a) dealings in any borrowed Securities or Collateral Securities are suspended from trading by the stock exchange on which the Securities were listed at the time of delivery under this Agreement, whether by reason of the adverse position of the issuer or otherwise; or
 - (b) for any other reason concerning the issuer of those Securities (such as the liquidation, provisional liquidation, administration or receivership of the issuer, or the Securities ceasing to be listed for trading on the stock exchange on which they were listed at the time of delivery under this Agreement), or concerning the exchange or clearing house through which they are traded, one Party is unable to transfer title to those Securities or Equivalent Securities to the Other Party.
- 7A.2 At any time while a situation described in clause 7A.1 prevails in relation to particular borrowed or Collateral Securities (the “**Suspended Securities**”), either the Lender or the Borrower may give notice (a “**Suspension Notice**”) to the other, in which event clauses 7A.3 and 7A.4 shall apply.
- 7A.3 If a Suspension Notice is given, the Borrower and the Lender shall promptly enter into negotiations in good faith with a view to promptly agreeing the market value of the Suspended Securities for the purposes of this clause 7A. Neither the Borrower nor the Lender may unreasonably withhold or delay its agreement to a market value reasonably proposed by the other Party.
- 7A.4 Any market value agreed under clause 7A.3 applies to the Suspended Securities notwithstanding the definition of Value in clause 26.