

Morgans Financial Limited (Morgans) Warrant Client Agreement

I/We

of

Account Number

Account Name

hereby declare that:

- 1 I/We have received and read, a copy of the relevant Understanding Trading and Investment Warrant booklet ('ASX Warrant Booklet') issued by the Australian Securities Exchange Limited ('ASX') and/or the Chi-X Australia Pty Ltd ('Chi-X') Investing in Warrants Booklet ('Chi-X Warrant Booklet'). Refer to the ASX/Chi-X websites, for the most up to date version of these explanatory booklets.
- 2 I/We are aware that a Warrant may only be issued and traded on either the ASX or Chi-X market.
- 3 I/We am/are aware that a Warrant has a limited life and cannot be traded after its expiry date.
- 4 I/We am/are aware that Warrants do not have standardised Terms of Issue and acknowledge that it is my/our responsibility to become aware of the Terms of Issue of any Warrant in which I/we choose to invest.
- 5 I/We am/are aware that admission to Trading Status of a Warrant does not imply that either the ASX or the Securities Exchanges Guarantee Corporation Limited (as trustee of National Guarantee Fund), Chi-X or Chi-X fidelity fund, gives any guarantee or warranty as to the viability of the Warrant-Issuer or Guarantor.
- 6 I/We acknowledge that failure of the Warrant-Issuer or the Guarantor (if applicable) to fulfil their obligations does not give rise to a claim against the ASX, handling Member Organisations or the Securities Exchanges Guarantee Corporation Limited, Chi-X or Chi-X fidelity fund.
- 7 I/We am/are aware that Warrants are a form of gearing and understand and accept the increased risk/return profile.
- 8 I/We acknowledge that the increased risk/return of a Warrant may mean that the value of any holding could change dramatically in a short space of time.
- 9 I/We understand that certain types of Warrants contain barriers/stop loss mechanisms (or similar) that can effectively mean that any such Warrant can become worthless (depending on type of barrier) and cease to exist due to a relatively small percentage change in the price of the underlying instrument.
- 10 I/We understand that Warrant prices are based on the underlying instrument and also various other factors, including (not fully inclusive):
 - Instalment value
 - Time to expiry
 - Interest rate charged by the Issuer
 - Delta – the rate at which the warrant price changes in relation to the underlying instrument price/level
 - Volatility.

11 I/We understand that Warrants are broadly split between investment and trading Warrants which generally reflect the risk/reward matrix demonstrated in either the ASX or Chi-X Warrant booklets, but acknowledge that certain features more commonly found in Exotic Warrants (e.g. barriers) can exist in Warrants which traditionally may have been viewed as being lower down the risk/reward matrix (e.g. Stop Loss Self Funding Instalments). This serves to highlight the importance of each Warrant's Terms of Issue.

12 I/We understand that MINIs are considered Trading Warrants and are open ended contracts with no expiry date. They have an in-built stop loss feature which is set above the exercise price for MINI longs and below the exercise price for MINI shorts. If the stop loss is triggered this can render the MINI worthless.

13 I/We understand that some Warrants (MINIs) may be exposed to/impacted by trading on overnight markets i.e. outside normal ASX/Chi-X trading hours.

14 I/We understand Chi-X and ASX operate different compensation funds that provide protection for retail investors in the circumstances defined in the Corporations Act and Regulations. The Chi-X compensation fund covers losses resulting from defalcation or fraudulent misuse of your money, property or authority by a Chi-X participant, subject to certain exceptions. In circumstances where your stockbroker is also an ASX participant, the following applies in relation to such a loss. If you do not expressly or impliedly instruct your stockbroker, who is a Chi-X participant, to execute your trading instructions on the Chi-X market, and it is not reasonably apparent from the usual business practice of your stock broker which of the ASX or Chi-X market the participant would use when acting for you, the Chi-X fund will not apply. In this case, the National Guarantee Fund (NGF) may apply, provided the loss is connected to the ASX market and is covered by the NGF claims provisions. The NGF claims provisions are set out in Division 4 of Part 7.5 of the Corporations Act and Regulations (for further information see the legislation and the NGF Information Booklet available at www.secg.com.au)

In conjunction with the ASX and/ or Chi-X Warrant booklets you have received, please refer to the Warrants page of our website for educational material on warrants. Alternatively you can access either the ASX or Chi-X websites for relevant information. www.morgans.com.au/private-clients/Stockbroking/Warrants

Client 1 Name

Client 1 Signature

Client 2 Name

Client 2 Signature

Adviser Signature

Authorised Representative Adviser Number Morgans Financial Limited

Date