Warrant Trading Agreement and Risk Disclosure Statement

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Section 1 Declaration

I/We acknowledge and agree that:

1. I/We have received, read and acknowledged it's my/our responsibility to understand the Explanatory Booklet issued by the Market Operator, as defined in the ASIC Market Integrity Rules.
2. I/We acknowledge that I/we should read the Risk Disclosure Statement for Warrants Trading issued by the Market Operator. By signing this application form, I/ we acknowledge that it's my/our responsibility to understand the risks outlined in Section Three of this agreement.
3. I/We am/are aware that a Warrant has a limited life and can't be traded after its expiry date.
4. I/We am/are aware that Warrants don't have standardised Terms of Issue and acknowledge that it's my/our responsibility to understand the Terms of Issue of any Warrant in which I/we invest.
5. I/We am/are aware that Warrants may be changed after their initial issue. I/We acknowledge that it's my/our responsibility to become aware of any changes which may have been made to any Warrant in which I/we invest.
6. I/We am/are aware that admission to Trading Status by the Market Operator of a Warrant doesn't imply that the Market Operator or the Securities Exchanges Guarantee Corporation Limited gives any guarantee or warranty on the viability of the Warrant Issuer or Guarantor.
7. I/We acknowledge that failure of the Warrant Issuer or the Guarantor (if applicable) to fulfil their obligations doesn't give rise to a claim against the Market Operator, handling Member Organisations or the Securities Exchanges Guarantee Corporations Limited.
8. I/We acknowledge that WealthHub Securities reserves the right to decline on my/our behalf or accept my/our instructions for Warrants from the day the order or instruction was placed, for legitimate, prudential or regulatory reasons.

Section 2 Risk Disclosure Statement

This Risk Disclosure Statement (RDS) must be signed by all clients (other than Wholesale Clients as defined in the Corporations Act 2001 (Cth)) who wish to trade Warrants.

Terms used in this RDS have the same meaning given in Part H of the nabtrade Client Agreement, the ASX Operating Rules, the ASX Settlement Operating Rules or the ASX Clear Operating Rules. If there's any inconsistency Chi-X Australia Pty Ltd ACN 129 584 667 (Chi-X) Operating Rules, between the four, definitions in the nabtrade Client Agreement will prevail.

1. **Understanding risks with trading Warrants**	This RDS hasn't been prepared with your particular financial needs or situation in mind. Before trading Warrants, you should consider your objectives, financial situation and needs and seek professional advice about Warrants. You shouldn't rely solely on the information provided by us when making financial decisions. You should rely on your own judgement, having regard to your own financial situation and any professional advice you receive. The Market Operator provides information explaining Warrants trading on their website. Clients should read the Market Operator 'Understanding trading and investment warrants' booklet before investing in Warrants. You need to consider carefully whether a particular Warrant suits your financial situation, investment objectives and needs. You should find out about comparable products that may be more suitable for you than Warrants.
2. **Disclosure documents**	Warrant Issuers must produce a disclosure document for a Warrant series. Disclosure documents contain information required for investors to assess the risks, rights and obligations associated with the Warrant, as well as the Warrant Issuer's capacity to fulfil its obligations. Generally, the disclosure document will take the form of a product disclosure statement (PDS) or a prospectus. The disclosure document will contain the terms of issue of a Warrant series. The terms are contractual rights and obligations of both the Warrant Issuer and the Warrant Holder. In addition to these terms, the Issuer may have other obligations. It's important that you read and understand the disclosure document before deciding to invest in a particular Warrant. It's possible that the Warrant was issued under conditions that varied from standard market practice. If so, the disclosure document will outline this. You can ask for disclosure documents from us at any time.
3. **Expiry of Warrants**	Warrants have a limited life span. On expiry, Warrants can't be traded or exercised and it's possible your financial expectations may not be met. The value of Warrants erodes as the Warrant nears its expiry. As such, Warrants are a wasting asset and may be worthless when they expire. If so, you may have lost the total amount you paid for the Warrant and any associated transaction costs.
4. **Effect of leveraging**	Most Warrants offer some degree of leverage. This means that small changes in any of the variables influencing a Warrant's value can amount to large changes in the overall value of the Warrant. For example, a 5% rise or fall in the price of a security underpinning a Warrant may result in a 20% increase or decrease in the Warrant's value.
5. **Settlement**	The terms on which settlement of a Warrant must occur will always be outlined in the associated disclosure document. It's important to understand that Warrants can be settled either by cash or by physical delivery of the securities. Warrants are described as 'deliverable' where the obligations of the buyer and the seller are settled by the 'delivery' of the underlying share. Warrants are described as 'cash settled' where the obligations of the buyer and seller are settled by the payment and receipt of a cash amount. If a Warrant holder doesn't exercise a deliverable Warrant that expires more than 5% in the money, then the holder of a deliverable Warrant may be entitled to an assessed value payment for example under provision 10.11.4 of Schedule 10 to the ASX Operating Rules.
6. **Fractional Warrants**	Fractional Warrants usually require more than one Warrant to be exercised in order to buy or sell one unit of the underlying security. Disclosure documents will detail the number of Warrants required to be exercised to be entitled to one unit of the underlying security. A fractional Warrant will have a lower market value than a standard equity Warrant with the same exercise price and maturity, which can be exercised on a one for one basis. For example, a four for one call Warrant (with a conversion ratio of four Warrants for one share) means that the holder has the right to buy one share by exercising four Warrants. If a non standard number of fractional Warrants are exercised, the nearest standard number below that number will be exercised and an assessed value payment will be made for the residual Warrants. The market price of a four for one fractional Warrant could be expected to be approximately 25% of the standard equity Warrant. Values of sensitivity measures such as delta could also be expected to be approximately 25% of a standard equity Warrant.

7. **Issuer risk**	While the Market Operator provides a platform on which Warrants can be traded, a Warrant is a private contract between the Issuer and Holder. Warrant Issuers aren't covered by margins or other forms of security lodged with the Market Operator. This exposes the Warrant Holder to the risk that the Issuer won't perform its obligations. For this reason, you must make your own assessment of the risk associated with Warrants. To help you evaluate the ability of an Issuer to meet its obligations, the disclosure document contains information on the financial situation of the Issuer and Guarantor (if applicable). Some Issuers are listed on the Market Operator and provide this information to the market on a regular basis. Credit rating agencies such as Moody's or Standard & Poor's may also provide useful information. If a deliverable Warrant is exercised and the Issuer fails to fulfil its obligations within 20 business days of exercise, the investor may, by giving notice to the issuer, request an amount of liquidated damages for example calculated under provision 10.12.1 of Schedule 10 to the ASX Operating Rules.
8. **Product risks**	Warrants are issued over underlying securities, baskets of securities, an underlying index or a currency. Clients who purchase Warrants should be familiar with the mechanics of the two different types of Warrants – call and put Warrants – and the nature and extent of the risks associated with each. The value of a Warrant will depend on a range of factors, such as the exercise price, the price of the underlying security or the level of the underlying index, the volatility of the underlying security or the underlying index, the time remaining to the expiry date, interest rates, dividends and other factors and general risks applicable to financial markets.
9. **Other general considerations**	**a. Risk-Reducing Orders or Strategies** The placing of orders that are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions like 'straddle' positions may be riskier than taking simple 'long' positions. Market conditions (for example, illiquidity or actions by the Market Operator or the issuer) may increase the risk of loss by making it difficult or impossible to close out existing positions. **b. Terms and conditions of contracts** Investors should refer to the disclosure documents to understand the terms and conditions of the relevant exchange traded Warrant contract. **c. Suspension or restriction of trading and pricing relationships** The Australian Securities and Investments Commission (ASIC) and the Market Operator have discretionary powers over the market and the clearing facilities. They have the power to suspend market operations or lift a market suspension, while the underlying securities can be placed in a trading halt if the circumstances are appropriate. These bodies can restrict the exercise of securities, terminate an option position or substitute another underlying security (or securities), impose position limits or exercise limits or terminate contracts – all to ensure fair and orderly markets are maintained as far as practicable. These actions can affect an investor's Warrant positions and the value of their investment. **d. Cash and property** You should familiarise yourself with the protections for money or other property you deposit for transactions, particularly in the event of a broker's insolvency or bankruptcy. The extent to which you may recover money or property that you provide to your broker is governed by the Corporations Act 2001 (Cth) and other legislation and rules. In certain circumstances, you may have a claim against the National Guarantee Fund. **e. Commissions and other charges** Before you give instructions to your broker to deal in any Warrants, you should obtain a clear explanation of all commissions, fees and other charges for which you may be liable. **f. Trading facilities** Trading on the Market Operator is conducted through an electronic trading platform. As with all such electronic platforms and systems, they're subject to failure or temporary disruption. If the system fails or is interrupted we may have difficulties in executing your order(s). An investor's ability to recover certain losses in these circumstances will be limited, given the limits of liability imposed by the Market Operator. Any market disruption may mean a client is unable to deal in Warrants and a client may suffer a loss. Common examples of disruption include a fire or other exchange emergency. The Market Operator could declare an undesirable situation has developed in a particular Warrant and suspend trading. Exchanges or participants may also be able to cancel transactions under their operating rules.