

The risks involved with investment in International Securities differ significantly from investment in securities quoted on the regulated stock exchanges for Australian shares.

This Risk Disclosure Statement does not disclose all of the risks associated with investment in International Securities. It should not be relied upon as a complete explanation of the risks involved. If you need further explanation regarding investment in international markets, you should seek appropriate independent professional advice. Capitalised terms used in this document have the same meaning as in the International Markets Terms and Conditions.

International Custodian

Your International Securities will be held in the custody of Our International Custodian, appointed by us as set out in the International Markets Terms and Conditions. Securities in the custody of Our International Custodian may be subject to risk arising from changes to the political, legal, regulatory and/or the commercial environment of the country of Our International Custodian or overseas stock exchange(s) that the securities are listed on.

Whilst we will use reasonable care in selecting International Custodians, we shall not be liable for any losses incurred by you by reason of any act, omission, fraud or negligence of Our International Custodian in relation to the holding of or dealing with your International Securities.

Foreign Currency Risk

Your International Securities will be denominated in a currency other than Australian dollars. Foreign currency risk in share trading refers to the potential for losses arising from fluctuations in currency exchange rates when investing in shares listed in a foreign country. If an investor buys shares denominated in a foreign currency, changes in the exchange rate between that currency and their home currency can affect the value of their investment – independently of the share price performance.

Below is an example that seeks to demonstrate the share trading risks when trading in International Securities and how the A\$ value of your investment may change with foreign exchange rate fluctuations. This example is for illustrative purposes only and should not be considered advice or relied upon.

- You buy 100 shares at US\$50 per share for a total value of US\$5,000.
- You purchase US\$5,000 at the rate of A\$/US\$0.60 and your initial investment cost is A\$8,333.33.
- If the A\$/US\$ strengthens to the rate of A\$/US\$0.70, the value of your investment falls to A\$7,142.86 assuming no change in the price of the shares.
- If the A\$/US\$ weakens to the rate of A\$/US\$0.50, the value of your investment rises to A\$10,000 assuming no change in the price of the shares.

You can see from this example that as the A\$ strengthens against US\$, the A\$ value of your US shares will fall. Of course, the reverse applies – as the A\$ weakens against US\$, the A\$ value of your US shares will rise.

Please note that this example is exclusive of brokerage, exchange fees and any other fees and charges that may apply when trading in the above provided circumstances.

Political and Regulatory Risk

Trading conditions and your ability to buy and sell securities in a foreign market may be affected by political risk and regulatory risk in the country in which the overseas market operates. Political risk may include sudden changes in laws and regulations imposed by the government, sometimes on short notice, and sometimes on a temporary basis. Regulatory risk is the risk that standards of conduct in the overseas market may differ from standards of disclosure and conduct that apply to securities quoted on the Australian Securities Exchange and Cboe Australia Pty Ltd. For example, risks will be generally higher where companies are able to list on a foreign market with less initial and ongoing regulatory requirements than on the Australian Exchanges. As a result, securities traded on such a foreign market may be susceptible to high volatility and there are no assurances that there will be a liquid market for your investments.

Australia, as a member state of the United Nations, is obliged to implement United Nations Security Council sanctions. Australia also may be required to implement other international sanctions and sometimes imposes unilateral sanctions. Sanctions can cover various subject matters including financial restrictions. Consequently, Westpac Securities Limited or AUSIEX may be prohibited from dealing with certain persons or entities.

This means that if Westpac Securities Limited or AUSIEX is aware that you are a Proscribed Person or entity, or associates of, then Westpac Securities Limited or AUSIEX may be required to suspend, cancel or refuse you services or close or terminate any account, facility, transaction, arrangement or agreement with you. We may also be required to freeze your assets. You could incur significant costs as a result of these actions.

Taxation

Westpac Securities Limited, and/or AUSIEX do not provide taxation advice, legal, investment or financial advice.

We recommend you obtain professional taxation, legal, investment and/or financial advice to evaluate whether an investment in International Securities is appropriate to your particular financial circumstances and personal objectives.

In Summary

You should read and understand the following:


- a. that investing in International Securities carries risks, including but not limited to:
 - (i) gains from security price movements can be more than off-set by adverse foreign exchange movements;
 - (ii) intra-day price movements on international security and currency exchanges can be relatively volatile;
 - (iii) strong past performances are not necessarily indicative of future performance;
 - (iv) taxation implications can be different from investing in Australian securities and may vary depending on your individual circumstances;
- b. that you accept without limitations all risk associated with investing in International Securities and the holding of your International Securities by Our International Custodian.

- c. that neither Westpac Securities Limited or AUSIEX do not give financial advice, make personal securities recommendations or provide any foreign exchange or taxation advice, and that it is your own responsibility to assess and evaluate proposed transactions in International Securities in the light of your financial situation, investment objectives and particular needs; and
- d. that Westpac Securities Limited and AUSIEX recommend you seek appropriate professional advice before investing in International Securities.

Westpac Securities Limited ABN 39 087 924 221, AFSL 233723 ('Westpac Securities') (trading as 'Westpac Share Trading') provides the opportunity to trade listed financial products through our arrangement with Australian Investment Exchange Limited ABN 71 076 515 930, AFSL 241400 ('AUSIEX'), a wholly owned subsidiary of Nomura Research Institute, Ltd. ('NRI'). AUSIEX is a Market Participant of ASX Limited ('ASX') and Cboe Australia Pty Ltd ('Cboe'), a Clearing Participant of ASX Clear Pty Limited and a Settlement Participant of ASX Settlement Pty Limited. Neither AUSIEX nor Westpac Securities are representatives of each other. Westpac Securities is not a related party of AUSIEX, NRI, ASX or Cboe. Under this arrangement, all trading, clearing, settlement and stock sponsorship arrangements are directly with AUSIEX. AUSIEX is not authorised to carry on business in any jurisdiction other than Australia.

The Westpac Share Trading International Markets service ('International Markets') is an international share trading, nominee and custody service provided by Australian Investment Exchange Limited ('AUSIEX, We, Us, Our') ABN 71 076 515 930, AFSL 241400, a wholly owned subsidiary of Nomura Research Institute, Ltd. ('NRI'). AUSIEX has appointed Saxo Bank A/S Company Reg. No: 15731249 as its International Custodian. For full details, please refer to the International Markets Terms and Conditions. You can either request us to mail one to you, or alternatively, call one of our Trading Representatives on 13 13 31 between 8am and 7pm (Sydney time), Monday to Friday.

We're here to help.

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