

The terms and conditions of the *facility* are set out below.

When you and any *third party security provider* sign an *application form*, they agree to be bound by these terms and conditions. In an *application form*, you and any *third party security provider* also appoint attorneys under a power of attorney, who may execute documents on your behalf in accordance with that power, including these terms and conditions and any amendments to them.

Words printed *like this* are explained in The Glossary of these terms and conditions.

Part I – Lending Provisions

1 How and what we will lend you

1.1 Any *loan* made under the *facility* is at our absolute discretion. Under the *facility*, we may lend you money up to the *borrowing limit* by way of the various loan options that are available from time to time. Subject to our agreement, you may nominate means of drawing and repaying each *loan* under the *facility*.

1.2 The amount you may borrow is determined by your *borrowing limit*, which depends on the *gearing ratio* and the *market value* of *securities* over which *security providers* have granted *security interests* to us. The *gearing ratio* for each *security* is shown in the *acceptable securities list* applicable to the *facility*. We may change the particulars on the *acceptable securities list* at our discretion and without notice to you.

2 Conditions for borrowing

2.1 We lend only if:

- (a) you have given us the following in a form satisfactory to us:
 - (i) the *documents*, appropriately signed; and
 - (ii) any other document or information we reasonably require;
- (b) you have paid any fees we require;
- (c) an *event of default* has not occurred and is not likely to occur;
- (d) we are satisfied that the *amount outstanding* will not exceed the *borrowing limit* immediately after we lend the money;
- (e) we have obtained all the credit and personal information about you that we consider necessary; and

(f) no *security provider* has rejected an *identification notice* we have issued.

We may require any information to be given electronically, orally or in writing. Once you request a *loan* to be made, that request is irrevocable.

2.2 A request to borrow an amount under the *facility* may be made by supplying us with a *confirmation*, which unless you instruct us otherwise before we receive it, we treat as a direction to:

- (a) lend you money under the *facility* to settle the *confirmation*; and
- (b) register the *securities* in the buyer's *participant sponsored holding* or the *nominee's* name, as required by us.

3 Interest

3.1 You must pay us interest on each *loan* at the rate we specify (which may be a fixed rate or a variable rate, depending on your arrangements with us in relation to each *loan*) for the period, and in the manner, that you and we agree to.

3.2 Interest:

- (a) accrues on each *loan* from day to day;
- (b) is calculated on the number of days elapsed and a 365-day year;
- (c) is debited to an *account* at the end of each month and on termination of the *facility* (unless we agree otherwise); and
- (d) is payable on the last day of each month (unless we agree otherwise).

3.3 If you ask, we will arrange to direct debit, on or after the last day of a month, an account nominated by you with the amount of interest for that month and apply it to reduce the *amount outstanding*. You may cancel or vary any direct debit arrangement by 10 *business days'* notice to us.

4 Other amounts we can charge to your account

4.1 We may debit *costs* payable in connection with the *facility* to any *account*.

4.2 Details of current interest rates, fees and charges are available from us on request. We may vary interest rates, fees and charges payable from time to time in our absolute discretion. If we increase existing fees we may notify you by advertisement in the national or local media or in writing no later than the day the increase takes effect. If we introduce a new fee we give you written notice before the fee takes effect.

5 Payments

- 5.1 You and each *security provider* must pay all amounts due under the *documents* in full, in immediately available funds (by cheque, direct payment or another method of payment we notify you of from time to time) without setting off amounts you or the *security provider* believe we owe you or any other *person*, and without counterclaiming amounts from us. All payments must be free of any withholding or deduction for taxes, unless the law prevents this.
- 5.2 Payments must be made by *our* close of business (in the place of receipt) on the day the payment is due. If the due date falls on a *non-business day*, the payment must be made on the previous *business day*.
- 5.3 We may offset any money we owe you against any money you owe us.
- 5.4 If at any time the *amount outstanding* is due, but has not been paid, you authorise us to apply any credit balance in any *account* you have with us, towards satisfaction of the payment that is due. We may do this without giving you any prior notice, but we will tell you promptly afterwards.
- 5.5 We may apply or direct the *nominee* to apply any amount you pay us under the *facility*, any cash received as a result of rights derived from the *mortgaged property*, any proceeds from the takeover, compulsory acquisition, or redemption of, or return of capital on, any of the *mortgaged property*, any proceeds from the sale of any *mortgaged property* and any return of some or all of the subscription moneys for new *securities* we may fund to reduce the *amount outstanding*.
- 5.6 We may use any money received in connection with the *facility* towards paying any part of the *amount outstanding* in the order that we choose. This applies even if that part falls due after an *event of default* has occurred.
- 5.7 We may pay any money remaining after the *amount outstanding* has been paid in full to another *person* entitled to it. In particular, we may pay it to a *person* with a subsequent registered or unregistered *security interest* without incurring any liability to you or a *third party security provider*.
- 5.8 We may assign any date we consider appropriate to a debit or credit to an *account*.
- 5.9 We may adjust debits and credits on your *facility*, so as to accurately reflect your legal obligations. If we do this we may make consequential changes (including adjustments to interest).

6 Repayment of *loans*

- 6.1 You must repay us the *amount outstanding*, if:
- an *event of default* has occurred forthwith on demand (see Part VI); or
 - we elect to terminate the *facility* on the date we specify. (We may elect to terminate the *facility* by giving at least 7 days' notice to you.)
- 6.2 We may charge a termination fee if you elect to terminate the *facility* within 2 months of the date when you first borrow under it.
- 6.3 You may repay all or any part of the *amount outstanding* whenever you wish. However, any *loan* upon which interest is paid or payable at a fixed rate may only be repaid in full (unless we agree otherwise).
- 6.4 If you do repay (including under clause 7), we do not refund any prepaid interest and you may be required to pay a fee.

7 Margin calls

- 7.1 Subject to clause 7.5, if the *amount outstanding* exceeds the sum of:
- the *borrowing limit*; and
 - the *buffer*,
- at any time, you must take the action referred to in clause 7.2 by 2pm (Sydney Time) on the next *business day* after the event occurs.
- 7.2 The action you must take if the *amount outstanding* exceeds the sum of the *borrowing limit* and the *buffer* is to:
- repay some or all of the *amount outstanding*;
 - provide us with additional *security interests* which are acceptable to us;
 - arrange to, or give us irrevocable instructions to, sell, dispose of or redeem some or all of the *mortgaged property* (with the proceeds being used to reduce the *amount outstanding* or being deposited to the credit of the *Cash Management Trust Account*); or
 - take any other steps we consider necessary,
- so that the *amount outstanding* no longer exceeds the *borrowing limit*.

- 7.3 You are responsible for being in a position to receive any communications from *us* in relation to this clause and to act within the time limits specified in this clause.
- 7.4 As further and better security to *us*, you and each other *security provider* irrevocably authorise each attorney appointed in the power of attorney contained in the *application form* to take, in accordance with that power of attorney, any steps *we* consider necessary (including any of those steps listed in clause 7.2) to ensure the *amount outstanding* no longer exceeds the *borrowing limit*. This authority arises whether or not *we* try and advise you that you need to comply with clause 7.1.
- 7.5 If:
- (a) the *amount outstanding* exceeds the sum of:
 - (i) the *borrowing limit*; and
 - (ii) the *buffer*,
 at any time during a *trading day*; and
 - (b) during:
 - (i) the *trading day* in which that event occurs the All Ordinaries Share Price Index on the trading platform operated by ASX or the *market value* of any *security* comprising part or all of the *mortgaged property* falls by more than 5%; or
 - (ii) the three *trading days* preceding that *trading day* the All Ordinaries Share Price Index on the trading platform operated by ASX or the *market value* of any *security* comprising part or all of the *mortgaged property* falls by more than 10%,
 as further and better security, you and each other *security provider* irrevocably authorise each attorney appointed in the power of attorney contained in the *application form* to take, in accordance with that power of attorney, any steps listed in clause 7.2 *we* consider necessary to ensure the *amount outstanding* no longer exceeds the *borrowing limit*.
- 7.6 *We* may vary the *gearing ratio* or the *market value* of a *security*, or the percentage taken into account in the *buffer*, at any time in *our* absolute discretion, even if it makes clause 7.1 or clause 7.5 apply.
- 7.7 You and each other *security provider* acknowledge that:

- (a) you must monitor whether clause 7.1 applies at any time, and *we* have no responsibility to do so;
- (b) if at any time *we* choose not to notify you that you have an obligation under clause 7.1, or exercise *our* rights under clause 7.4 or clause 7.5, despite then being entitled to do so, that is not a waiver of *our* right to do so subsequently.

7.8 *Our* rights under this clause 7 (whether *we* exercise them or not) do not limit any of *our* other rights at law or under these terms and conditions.

8 Authority to operate

You may nominate a person or persons as an *authorised signatory* to operate the *facility* as if they were a *borrower*. In relation to a managed investment scheme, you may also nominate a *nominated adviser* or managed investment scheme to provide *us* with instructions to switch or redeem all or part of the *security* relating to the managed investment scheme. The nomination must be done in a manner acceptable to *us*. You may revoke or change any nomination at any time, in a manner acceptable to *us*.

Part II – The Mortgage

9 Effect of this *Mortgage*

9.1 In this Part II each *security provider* incurs obligations and gives *us* rights over the *mortgaged property*. For example, if the *security provider* does not comply with any of their obligations under any part of this agreement, *we* may redeem, sell or deal with the *mortgaged property* as if *we* owned it. *We* may also sue you for any remaining money you owe *us*.

9.2 The *mortgage* in this Part II operates as a separate mortgage given by each *security provider* in respect of *securities* owned by that *security provider* solely in their own right and a mortgage given jointly by each *security provider* which owns *securities* jointly.

10 *Mortgage*

10.1 Subject to the following paragraph, for the purpose of securing to *us* payment of the *amount outstanding*, the *security provider* mortgages to *us*:

- (a) all the *future security*, when the *security provider* (or a trustee, nominee or agent for the *security provider*) first acquires an interest in it; and

- (b) any *new rights* that arise with respect to the *future security* or other *new rights* when the *security provider* (or a trustee, nominee or agent of the *security provider*) first acquires an interest in those *new rights*,

The mortgage referred to in (a) or (b) takes effect:

- (i) if recording under a *holder record* needs to occur in order for property in (a) or (b) to comprise *future security*, when the *securities* are first recorded in the *holder record*;
- (ii) if we need to indicate that we accept property in (a) or (b) to comprise *future security*, when we indicate *our* acceptance;
- (iii) if *securities* need to be transferred to *us* or a *person we* nominate in order for property in (a) or (b) to comprise *future security*, when the *transfer* takes effect; and
- (iv) if an *identification notice* needs to be given in order for property in (a) or (b) to comprise *future security*, when the *identification notice* becomes effective under clause 10.2.

10.2 If we send a *security provider* an *identification notice* that identifies “future security”, the property so identified is to be *future security* for the purposes of this mortgage if the *security provider* does not reject the *identification notice* in writing to *us* by 2pm (Sydney Time) on the day they are taken to have received it. If an *identification notice* is received after 2pm on any day, it is taken to be received on the next day.

10.3 The *security provider* may require *us* to release the *mortgaged property* from the *mortgage* when there is no longer any *amount outstanding*. Until we actually release the *mortgaged property*, it remains mortgaged to *us*.

10.4 We may arrange to register this *mortgage* at your expense.

11 The Mortgaged Property

11.1 We reserve the right at *our* absolute discretion not to accept as *mortgaged property* any property a *security provider* deposits with *us* with the intention that it operates as *mortgaged property*. We may indicate *our* acceptance of *deposited documents* as *mortgaged property* orally or in writing. If in writing, it may be evidenced by any statement summarising the *facility* and portfolio of *securities* we issue from time to time.

11.2 Each *security provider* agrees to immediately deposit with *us* or a *person we* nominate anything we require in connection with the *mortgage* or *mortgaged property*.

11.3 If we ask, the *security provider* must give a direction (in a form we approve) to anyone we specify to deliver to *us* or *our* nominee anything which that *person* holds in respect of the *mortgaged property*. If we ask, the *security provider* must provide *us* with evidence (for example, a copy of the relevant letter) that they have given such a direction.

12 Your rights in relation to the Mortgaged Property

12.1 Until an *event of default* occurs or the *mortgaged property* is registered in *our* name, the *security provider* may:

- (a) keep all income earned in respect of the *mortgaged property*; and
- (b) exercise any voting power in respect of the *mortgaged property*.

12.2 If an *event of default* occurs or the *mortgaged property* is registered in *our* name, all the *security provider's* rights under clause 12.1 end, and we are entitled to them. The *security provider* must then follow *our* directions about those things. The *security provider* must ensure that any *person* in whose name any *mortgaged property* is registered does likewise. We may exercise those rights in any way we choose, including by doing nothing. We are not responsible for any loss arising from choosing not to act.

13 Your obligations in relation to the Mortgaged Property

13.1 The *security provider* must:

- (a) carry out on time all their obligations, observe any restrictions, and do anything we require in connection with the *mortgaged property*;
- (b) immediately after becoming aware of *new rights*, provide *us* with particulars of them;
- (c) if they become aware of any defect in their ownership of the *mortgaged property*, immediately take steps to rectify it;
- (d) do anything else that is necessary to maintain the *mortgaged property*;
- (e) take up or sell *new rights* in respect of the *mortgaged property* if we ask;
- (f) if we ask, give *us* a copy of all documents they receive in connection with the *mortgaged property*;

- (g) comply with any conditions *we* attach to any approvals or consents *we* give in connection with the *mortgaged property*; and
 - (h) not do or fail to do anything that *we* think would have a material adverse effect on the *market value* of the *mortgaged property* or *our* interest in it.
- 13.2 If the *security provider* does not pay any calls or instalments or any other amounts that become payable in connection with the *mortgaged property*, *we* may pay any of those amounts. Any amount so paid will form part of the *amount outstanding*.

14 Dealing with the *Mortgaged Property*

- 14.1 The *security provider* must obtain *our* written consent before:
- (a) disposing of or parting with possession of the *mortgaged property*;
 - (b) creating another *security interest* in the *mortgaged property* or allowing one to arise;
 - (c) taking steps to change the certificated (or uncertificated) nature of the *mortgaged property*, or applying for a replacement certificate if *we* have the original;
 - (d) waiving any rights or releasing any *person* from obligations in connection with the *mortgaged property*;
 - (e) dealing in any other way with the *mortgaged property* or any interest in it, or allowing any interest in it to be varied; or
 - (f) otherwise doing anything that might impair the effectiveness or validity of the *mortgage*.
- 14.2 If the *security provider* requests in a form acceptable to *us* (and signs any transfer forms required by the *nominee* if it is the registered holder of that part of the *mortgaged property*) *we* or the *nominee* may (and the *security providers* authorise *us* to) do whatever is necessary to release the property to the *security provider*.
- 14.3 *We* need not release any of the *mortgaged property* if you or a *security provider* has not fulfilled their obligations under the *facility*, or if, after the release, the *amount outstanding* would exceed the *borrowing limit*.
- 14.4 *We* may release any *securities* that *we* wish to exclude from the *mortgaged property*.

15 Other *Security Interests*

- 15.1 If *we* consent to another *security interest* in the *mortgaged property* and *we* ask, then the *security provider* must obtain an agreement acceptable to *us* regarding the priority between the *mortgage* and the other *security interest*.
- 15.2 It is an *event of default* if the *security provider* does not obtain *our* consent and any agreement *we* ask for (see Part IV).
- 15.3 The *security provider* must ensure that the amount secured under any other *security interest* in the *mortgaged property* is not increased without *our* written consent.
- 15.4 The *security provider* must comply on time with any obligation in connection with any other *security interest* in the *mortgaged property*.

16 Administrative matters

- 16.1 *We* may arrange for any transfer to *us* of the *security provider's* rights under the *mortgaged property* to be registered at your expense.
- 16.2 For the purpose only of fixing priorities under section 282 of the Corporations Act, the prospective liabilities secured by the *mortgage* include the *amount outstanding* at any time up to A\$20,000,000 or the highest of any amount indicated on any form lodged at ASIC by *us* in relation to the *mortgage*. This clause does not affect any of your or any *security provider's* obligations to *us*.

Part III – Third Party Security Provisions

17 Acknowledgment

Each *third party security provider* acknowledges that they are responsible for making themselves aware of the financial position of the *borrower*.

18 Preservation of rights

- 18.1 Rights given to *us* under the *documents* and liabilities under them are not affected by any act or omission by *us* or the *nominee* or by anything else that might otherwise affect them, including:
- (a) the fact that *we* vary or replace the *borrower's* or a *security provider's* obligations under this agreement, such as by increasing the *borrowing limit* or extending the term;

- (b) the fact that *we* give the *borrower* or a *security provider* a concession, such as more time to pay;
 - (c) the fact that *we* release, lose the benefit of or do not obtain any *security interest*;
 - (d) the fact that any *person* who was intended to guarantee the *borrower's* obligations under the *documents* does not do so or does not do so effectively; and
 - (e) the fact that rights in connection with the *borrower's* and the *security provider's* obligations under the *documents* are assigned.
- 18.2 As long as there is an *amount outstanding* under the *documents*, the *third party security provider* may not, without *our* consent:
- (a) reduce its liability under the *documents* by claiming that it or the *borrower* or any other *person* has a right of set-off or counterclaim against *us*;
 - (b) exercise any legal rights to claim to be entitled to the benefit of a guarantee or *security interest* given to *us* in connection with an amount payable under the *documents*. (For example, the *third party security provider* may not try to enforce any mortgage *we* have taken to secure repayment of amounts payable under the *documents*.);
 - (c) claim an amount from the *borrower* or another *third party security provider* of the *borrower's* obligations under any right of indemnity; or
 - (d) claim an amount in the *insolvency* of the *borrower* or another *third party security provider* of the *borrower's* obligations under the *documents* (including a *person* who has signed this agreement).

Part IV – Appointment of Nominee

19 Appointment

- 19.1 The *security provider* agrees that if *we* ask the *nominee* to hold any of the *mortgaged property* specified by *us* on their behalf, then the *security provider* is to do all that is required to cause that *mortgaged property* to be registered in the *nominee's* name and to deal with that *mortgaged property* only in accordance with this Part IV.

The *nominee* is to be taken to have entered into this agreement on the terms and conditions contained in the *Master Nominee Deed* when it agrees to have *mortgaged property* registered in its name.

- 19.2 The *security provider* acknowledges that the legal title to *securities* may as a result of clause 19.1 be held by or in the name of the *nominee* in accordance with the terms of the *Master Nominee Deed*. The *security provider* accepts those terms.
- 19.3 The *nominee* need not make any payment unless the *security provider* first gives it the money to do so.
- 19.4 The *security provider* agrees not to terminate the *nominee's* appointment until they have paid all of the *amount outstanding* and received *our* written consent. *We* may terminate the *nominee's* appointment at any time. Termination of the *nominee's* appointment does not affect any rights or obligations arising under the *facility* prior to termination.

20 Nominee Instructions

The *nominee* agrees to take action in connection with the *mortgaged property* only in accordance with instructions given by *us*. Instructions may include:

- (a) a direction to take action that *we* could take under this agreement in connection with the *mortgaged property*; or
- (b) a direction to take instructions from the *security provider* in certain circumstances (for example, in connection with voting rights in respect of *mortgaged property* held by the *nominee*).

21 Security Provider's obligations

- 21.1 The *security provider* directs the *nominee* to act only in accordance with instructions received from *us* (not the *security provider*), unless *we* agree otherwise.
- 21.2 If the *security provider* wants to take any action in connection with the *mortgaged property* held by the *nominee*, they must contact *us*, and *we* will give appropriate directions to the *nominee* if the request does not contravene any provision of this agreement. If the *security provider* asks *us* to direct the *nominee* to take action on their behalf, then neither *we* nor the *nominee* are liable for any loss suffered as a result of *us* or the *nominee* carrying out the instructions.

21.3 If the *security provider* asks *us* to direct the *nominee* to apply for *securities* on the basis of material contained in an offer document, then they declare that they have read the document and received any independent investment advice that they consider appropriate prior to asking *us* to direct the *nominee* to act.

21.4 The *security provider* directs the *nominee* to do anything necessary to give effect to the instructions received from *us*. For this purpose the *security provider* authorises the *nominee* (and each of its directors and each employee of the nominee authorised by the *nominee*) to act as their attorney, and agree to formally approve anything the *nominee* does under this power of attorney. This power of attorney terminates only when the *nominee's* appointment terminates in accordance with clause 19.4. A *person* dealing with the *nominee* acting as the *security provider's* attorney need not inquire whether the *nominee* is correctly exercising its powers under this agreement.

22 Costs, Fees and Expenses

22.1 You agree to pay the *nominee's* usual fees for acting as nominee, which may be notified to you from time to time.

22.2 You indemnify the *nominee* against, and therefore must pay it on demand for, all losses or *costs* it suffers or incurs in relation to acting as nominee.

Part V – Warranties, Undertakings and Indemnities

23 Warranties and undertakings that you make

23.1 You and each *security provider* make the following confirmations, acknowledgments, warranties and undertakings at the date of the *facility*, and each time you borrow money under the *facility*:

- (a) all information they have provided *us* in connection with the *mortgaged property* is true and correct (including as to the nature and extent of their interests in it);
- (b) they are able to enter into the *facility* and the other *documents* and give each of them full force and effect;
- (c) they are not aware of any situation which has caused, or might reasonably be expected to cause, an *event of default*;

(d) if they are a company, they have not and will not breach Chapter 2E of the Corporations Act by virtue of the transactions contemplated in the *facility*. (Chapter 2E of the Corporations Act contains provisions which regulate the giving of financial benefits to related parties.);

(e) they have not entered into the *facility* or applied for any *securities* in reliance on, or as a result of, any statement or conduct of any kind by or on *our* behalf or on behalf of the *nominee*; and

(f) any amount that *we* may receive as a result of their or anyone else's bankruptcy or liquidation does not affect *our* rights to enforce the *facility* to recover the *amount outstanding*.

23.2 Each of the confirmations, acknowledgments and warranties made in clause 23.1 continues after the parties agree to these terms and conditions and after any borrowing under the *facility*. You and each *security provider* must tell *us* if anything happens which would prevent them from truthfully repeating any one or more of the declarations in clause 23.1 at any time.

23.3 You and each *security provider* undertakes:

(a) to give *us* promptly any financial and other information when *we* request;

(b) to inform *us* promptly if there is an event of *default*, or if something may be about to become an *event of default*;

(c) to do everything (including obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed) in order to ensure they and their successors are bound by the *facility*;

(d) if you are an individual or an individual acting as a trustee, to apply the money *we* lend you under the *facility* wholly or predominantly for business or investment purposes;

(e) if they are a company, to ensure that any of their new or existing directors promptly joins any of the *documents* comprising the *facility* if *we* request; and

(f) until the *amount outstanding* is paid in full, not:

- (i) directly or indirectly, to claim or receive the benefit of any payment arising out of the bankruptcy or

liquidation of any company or trust that has issued *securities* that are part of the *mortgaged property*; or

- (ii) to exercise any rights to, or claim to be entitled to, any of *our* rights under the *facility* or a *security interest* given by the *security provider*; or
- (iii) to claim an amount from a *borrower* under a right of indemnity relating to the *facility*.

24 Indemnities

- 24.1 You and the *security provider* jointly and severally indemnify *us* and the *nominee* against, and must therefore pay *us* on demand for, loss or *costs* we suffer or incur as a direct or indirect result of:
- (a) an *event of default* occurring;
 - (b) money not being available to meet your request, unless it is *our* fault that money is not available;
 - (c) any money you or another *person* has to pay under the *documents* not being promptly paid;
 - (d) any party to the *documents* breaching the law;
 - (e) *us* or the *nominee* entering into or performing obligations under the *facility*;
 - (f) inaccuracy in, or breach of, any of the representations, warranties or covenants that you or a *third party security provider* gives;
 - (g) any omission made by you or a *third party security provider* in any certificate or declaration delivered or any verbal or written statement, whether prior to entering into the *facility* or under any of the terms of the *facility*;
 - (h) entering into and performing their obligations as a *security provider's sponsoring participant* in connection with any of the *documents*;
 - (i) any action or default by a *security provider* under or in relation to the *sponsorship agreement* in Part VIII;
 - (j) any loan being repaid before its due date; or
 - (k) *our* reliance on any instructions contemplated in this agreement.

- 24.2 Unless stated otherwise, each indemnity in this agreement is a continuing obligation independent of other obligations under this agreement. They continue after those other obligations end.

Part VI – Default

25 When is there an *event of default*?

An event of default occurs if:

- (a) you or a *security provider* does not pay on time any amounts due under any *document* (including if a margin call under clause 7 is not satisfied in accordance with the *facility*);
- (b) you or a *security provider* does something they agree not to do, or don't do something they agree to do, under any *document*; or
- (c) you or a *security provider* gives *us* incorrect or misleading information, or makes a declaration which is untrue, in connection with a *document*; or
- (d) you or a *security provider* become *insolvent*, or steps are taken to make them *insolvent*.

26 What can happen if there is an *event of default*?

- 26.1 If an *event of default* occurs, *we* may do one or more of the following (in addition to anything else the law allows *us* to do):
- (a) give you a notice which states that an *event of default* has occurred, and requiring you to immediately pay *us* any or all of the *amount outstanding*;
 - (b) terminate the *facility* and notify you of the termination in any way *we* see appropriate at the time;
 - (c) sue you for the *amount outstanding*;
 - (d) do anything with the *mortgaged property* that the owner or a *receiver* of it could do, including selling or assigning it (or any part of it) on any terms *we* choose and withdrawing or redeeming any amount standing to the credit of the *Cash Management Trust Account*;
 - (e) exercise and enjoy the benefits of the rights the *security provider* previously held under clause 12;
 - (f) do anything else the law allows *us* to do as a mortgagee; and
 - (g) appoint a *receiver* to do any of the above.

26.2 Your liability under the *facility* (including your obligation to pay *us* the *amount outstanding*) is not limited to the net proceeds realised on the sale of the *mortgaged property*. To the extent *we* do not recover all money owing to *us* through such sale *we* may recover the balance of moneys owing from you personally.

27 Receivers

27.1 If *we* appoint a *receiver*, the *receiver* is the *security provider's* agent, not ours, unless *we* notify the *security provider* otherwise. The *security provider* must pay the *receiver's* costs and remuneration.

27.2 *We* may set a *receiver's* remuneration, remove a *receiver* and appoint a new or additional *receiver* as *we* choose.

27.3 A *receiver* can do anything *we* could do under clause 26.1, and anything else the law allows a *receiver* to do.

27.4 If *we* or the *receiver* takes possession of the *mortgaged property* then neither *we* nor the *receiver* is liable to account to the *security provider* as a mortgagee in possession.

28 Disposal of Mortgaged Property

The *security provider* agrees that if *we* sell or otherwise dispose of the *mortgaged property*:

- (a) it may be in any way *we* think appropriate, and *we* are not required to act in accordance with any instructions the *security provider* purports to give;
- (b) the disposal will not be open to challenge for any reason (including on the ground that *we* were not entitled to dispose of the *mortgaged property* or that the *security provider* did not receive notice of the intended disposal); and
- (c) the *person* who acquires the *mortgaged property* need not check whether *we* have the right to dispose of the *mortgaged property* or whether *we* are exercising that right properly.

The title of the *person* relying on this clause is not affected by any express or constructive notice of the matters referred to in this clause.

Part VII – If you are a Trustee

29 Trustee declarations and undertakings

29.1 If you are a trustee of a trust then:

- (a) before *we* first lend you any money under the *facility*, you must provide *us* with a

copy of the trust deed for the relevant trust fund satisfactory to *us*, certified by you or another person acceptable to *us* to be a true copy and satisfy *us* that you may enter into this *facility* or give a *security interest* or both as trustee; and

(b) you declare that:

- (i) you have the power to sign the *documents*, perform your obligations under them, and allow them to be enforced, and all necessary resolutions, consents, approvals or other procedural matters have been obtained as required by any relevant trust deed; and

- (ii) you have signed the *documents* in your personal capacity and also as trustee for the benefit of the beneficiaries; and

- (iii) you have the right to be indemnified out of the trust fund for all of the obligations you incur under the *documents*, this right has not been limited in any way, and the trust fund is sufficient to cover this right of indemnity; and

(c) you agree to:

- (i) exercise your right of indemnity from the trust fund and beneficiaries if necessary in order to meet your obligations under the *documents*;

- (ii) do everything you have to as trustee of the trust;

- (iii) not do anything which may negatively affect your obligations as trustee of the trust; and

- (iv) if *we* ask, provide *us* with a completed solicitor's certificate (in a form *we* supply) which provides *us* with details of the trust.

29.2 The declarations and undertakings in clause 29.1 are of a continuing nature. You agree to tell *us* immediately if anything you have declared or agreed to becomes untrue or impossible.

29.3 If a *security provider* is a trustee then it makes the same declarations and enters into the same agreements as if it were named in clauses 29.1 and 29.2 instead of you.

Part VIII – Appointment Of Sponsoring Participant

30 Appointment

30.1 The *security provider* and the *nominee* irrevocably appoint the *sponsor*, in its capacity as a *general settlement participant*, to be the *sponsoring participant* until a substitute is appointed.

30.2 Any prior *sponsorship agreement* between the *security provider*, the *nominee*, the *sponsor* and *us* in relation to the *securities* is terminated when this agreement begins without affecting adversely any rights or obligations that arose before its termination.

30.3 The *sponsor* declares that:

- (a) it is a wholly owned subsidiary of an Australian bank and the whole of its business is providing *nominee*, custody and related services or margin lending services; and
- (b) it has fulfilled all the other requirements under the *Settlement Rules* for admission as a *general settlement participant*.

31 What the Sponsoring Participant can do

31.1 The *security provider* and the *nominee* authorise and direct the *sponsor* to provide *transfer* and registration services as their agent in relation to the *securities*.

31.2 Despite clause 31.1, the *sponsor*:

- (a) may not take action in relation to the *securities* (including any *transfer* or conversion into or out of the *participant sponsored holding*) except in accordance with *our* instructions;
- (b) must take action in relation to the *securities* in accordance with *our* instructions; and
- (c) is under no duty to enquire whether *we* may validly give any consent or instruction.

31.3 In accordance with clause 31.1 and these terms and conditions, but subject to clause 31.2 the *sponsor* must:

- (a) do anything necessary to register the *securities* as a *participant sponsored holding* with the *sponsor* as *sponsoring participant* in relation to them;
- (b) on the instructions of the *security provider* or the *nominee*, do everything necessary to

transfer and register the *securities* that the *security provider* or the *nominee* holds;

- (c) do anything necessary or convenient for the purpose of acting as *sponsoring participant* of the *securities*;
- (d) on the instructions of the *security provider* or the *nominee*, initiate a *transfer* or conversion of *securities*, or *withdrawal instructions*, within the time required under the *Settlement Rules* and notify *you* immediately if the *Settlement Rules* require those *securities* to be converted to another mode of *holding* other than a *participant sponsored holding* (for example, because an entity no longer has uncertificated holdings). However, if you have not paid for the *securities* when required by the *sponsor*, the *sponsor* may refuse to comply with your *withdrawal instructions*, but only to the extent necessary to retain *securities* of the minimum value held in your *account* sponsored by the *sponsor* (where the minimum value is equal to 120% of the current *market value* of the amount claimed);
- (e) obtain statements of *holding* balances and other information about the *securities* from the ASX, ACH or ASTC and any *entity* on the request of the *security provider* or the *nominee* and at any times that the *sponsor* thinks necessary;
- (f) within the period prescribed by the *Settlement Rules*, give the ASX, ACH or ASTC or the relevant *entity* notice of any change in information required for registration notified by the *security provider* or the *nominee* under clause 32.4(c); and
- (g) provide *you* or any *security provider* with an executed copy of the *sponsorship agreement* upon request.

31.4 The *sponsor* must:

- (a) comply with the Corporations Act, all other relevant laws and the *Settlement Rules*; and
- (b) exercise all due care in carrying out its duties and obligations; and
- (c) immediately notify *you* if it becomes aware of any fact that might render it unable or ineligible to carry out its duties and obligations as *sponsoring participant*.

- 31.5 The *sponsor* acknowledges that:
- (a) *ASTC* has not approved, and takes no responsibility for, its abilities or qualifications as the *sponsoring participant*; and
 - (b) information on its status as the *sponsoring participant* can be obtained from ASIC; and
 - (c) if it is suspended from the settlement facility provided by *ASTC*:
 - (i) the *security provider* and the *nominee* have the right to request the *ASTC* to remove any *securities* held by the *security provider* or the *nominee* from the *CHESS Subregister* or from the control of the *sponsoring participant* under rule 7.2.3(b) of the *Settlement Rules* within 20 *business days* of the *ASTC* giving notice of the suspension; and
 - (ii) where a request under clause 31.5(c)(i) is not made, *ASTC* may change the *controlling participant* and the *security provider* will be deemed to have entered into a new *sponsorship agreement* with the new *sponsoring participant*, on the same terms as the existing *sponsorship agreement* within 10 *business days* of the change of *controlling participant*; and
 - (d) the *security provider* and the *nominee* may refer a breach by the *sponsor* of the *Settlement Rules* to any regulatory authority including *ASTC*; and
 - (e) the *security provider* and the *nominee* may lodge a complaint against the *sponsor* with ASIC and Financial Ombudsman Service (FOS); and
 - (f) in some circumstances the *security provider* or the *nominee* may make a claim for compensation on the *sponsorship bond* lodged by the *sponsor* with *ASTC*. The *security provider* and the *nominee* are not entitled to make a claim on the National Guarantee Fund for compensation; and
 - (g) it is solely responsible for meeting any claims that the *security provider* or the *nominee* make against the *sponsor* for compensation. If the *security provider* or the *nominee* makes a claim for compensation against the *sponsor*, its ability to satisfy that claim will depend on its financial circumstances.
- 31.6 The *sponsor* may give the *security provider* and the *nominee* notice of its intention to change their *sponsoring participant*. If the *sponsor* decides to do this:
- (a) the consent of the *ASTC* must first be obtained and any conditions stipulated by *ASTC* met; and
 - (b) the proposed changeover date must be not less than 20 *business days* (as defined in the *Settlement Rules*) after the notice is received by the *security provider* (the “*Effective Date*”). During that period, the *security provider* and the *nominee* are entitled to terminate the sponsorship arrangements applying under this agreement. However, if they choose to terminate, then the *amount outstanding* must be repaid in full at the same time.
- 31.7 The sponsorship arrangements made under this agreement are to be taken to be novated to the new *sponsoring participant* on the later of the *Effective Date* and the date the *security provider* and *nominee* receive a notice from the new *sponsoring participant* confirming that they consent to act as their *sponsoring participant* on terms equivalent to these sponsorship arrangements (including clause 31.2).
- 31.8 The *security provider* and the *nominee* are to be taken to have consented to the novation of the sponsorship arrangements if either do any act which is consistent with the novation on or after the *Effective Date*.
- 31.9 The sponsorship arrangements continue for the *sponsor’s* benefit in respect of any rights and obligations occurring before notice is given under clause 31.7.
- 31.10 To the extent that any law or provision of any agreement makes the novation in clause 31.6 not binding or effective, these sponsorship arrangements continue for the *sponsor’s* benefit until such time as the novation is effective.
- 31.11 Nothing in clauses 31.6 to 31.10, prevents the completion of transactions by the *sponsor* where the obligation to complete those transactions arose before notice was given under clause 31.7 and these sponsorship arrangements will continue to apply to the completion of those transactions despite the novation of these sponsorship arrangements.
- 31.12 If any *security provider* consents, the *sponsor* may disclose the *HIN* of a *CHESS Holding* to any *nominated adviser*, *authorised signatory* or any other *security provider*.

32 What the *Security Provider* and the *Nominee* agree to do

32.1 The *security provider* and the *nominee* acknowledge that:

- (a) *ASTC* has not approved, and takes no responsibility for, the *sponsor's* abilities or qualifications as the *sponsoring participant*; and
- (b) *ASX*, its subsidiaries and controlled entities (including *ASTC*) have no responsibility for supervising or regulating the relationship between the *security provider* and the *nominee* and the *sponsoring participant* other than in relation to *sponsorship agreements*; and
- (c) one of the *sponsor's* responsible representatives explained Part VIII of this agreement to the *security provider* and the *nominee*; and
- (d) they understood the intent and effect of Part VIII of this agreement before signing it; and
- (e) if either of them makes a claim for compensation against the *sponsor*, the *sponsor* is solely responsible for meeting the claim and the *sponsor's* ability to satisfy that claim, will depend on the *sponsor's* financial circumstances; and
- (f) in the event of the *security provider's* death or bankruptcy a *holder record lock* will be applied to all *securities* held in a *participant sponsored holding* in the *security provider's* name in accordance with rules 8.15.8 and 8.15.11 of the *Settlement Rules*, unless the *security provider's* legally appointed representative elects to remove those *securities* from the *CHESS Subregister*; and
- (g) in the event of the *security provider's* death this agreement is deemed to remain in operation, in respect of the person legally appointed to administer the *security provider's* estate, for a period of up to three calendar months after the date on which the *holder record lock* is removed pursuant to rule 8.16.3 of the *Settlement Rules*, unless that legally appointed representative elects to remove the *participant sponsored holding* from the *CHESS Subregister*; and
- (h) where there is more than one *security provider holding securities* in a *participant sponsored holding* jointly, and one of them dies:

- (i) those *securities* will be transferred into new *holdings* under a new *holder record* in the name of the other surviving joint holders; and

- (ii) this agreement is to be valid for the new *holdings* under the new *holder record*; and

- (i) where there is more than one *security provider holding securities* in a *participant sponsored holding* jointly, and one of them becomes bankrupt, the *sponsor* will:

- (i) unless the legally appointed representative of that bankrupt elects to remove the bankrupt's *participant sponsored holding* from the *CHESS Subregister*:

- *transfer* the interest of that bankrupt into new *holdings* under a new *holder record* established for that purpose; and

- request *ASTC* to apply a *holder record lock* to those *holdings*; and

- (ii) *transfer* the interest of the other joint holders into new *holdings* under a new *holder record* established for that purpose.

32.2 If the *sponsor* makes a *transfer* from a *holding* of the *security provider* or the *nominee* under section 9 of the *Settlement Rules*, then each acknowledges that none of them:

- (a) may assert or claim against *ASTC* or the relevant *entity* that the *sponsoring participant* either was not authorised to make the *transfer* or did not make it; or

- (b) have a claim arising out of the *transfer* against the National Guarantee Fund under Part 7.5 Division 4 of the Corporations Regulations unless the *transfer* was taken to be effected by a market participant of *ASX* or a clearing participant of *ACH*.

32.3 If the *sponsor* initiates any action in accordance with this agreement which has the effect of creating a *subposition* over the *securities*, then the *security provider*, the *nominee* and we acknowledge that their right to *transfer*, convert or deal in any other way with those *securities* is restricted in accordance with the *Settlement Rules* relating to *subpositions*.

32.4 The *security provider* and the *nominee* must:

- (a) take all necessary steps to enable the *sponsor* to become the *sponsoring participant* of any *securities* that form,

or are proposed to form, part of the *mortgaged property* that are held in a *participant sponsored holding* with a different *sponsoring participant*;

- (b) give the *sponsor* information and supporting documentation reasonably required by the *sponsor* to comply with the registration requirements for *participant sponsored holdings* under the *Settlement Rules*;
- (c) notify the *sponsor* of any change to that information and supply any necessary supporting documentation as soon as possible;
- (d) not take any action that would interfere with the *sponsor* complying with its obligations under the *Settlement Rules*;
- (e) do everything necessary to cause any *securities* that *we* identify to be reserved in a *subposition* on any terms specified by *us* if *we* reasonably determine that the *subposition* may be used to protect *our* interests under the *mortgage*; and
- (f) not reserve or release *securities* into or out of a *subposition* without *our* prior consent.

32.5 The *security provider* must:

- (a) do everything to comply with this agreement that the *sponsor* and *we* consider necessary; and
- (b) pay the *sponsor* the fee the *security provider* and the *sponsor* agree to; and
- (c) reimburse the *sponsor* when it asks for costs and expenses incurred by the *sponsor* on stamp duty, registration and other fees and charges associated with *CHESS* and other expenses incurred on behalf of the *security provider* and the *nominee*.

32.6 The *security provider* indemnifies the *sponsor* against, and therefore must pay the *sponsor* on demand for, loss or costs suffered or incurred by it:

- (a) in properly carrying out its duties or exercising its powers in relation to the *securities*;
- (b) in carrying out any direction given by the *security provider*, the *nominee* or *us*; or
- (c) in disclosing the *HIN* in accordance with clause 31.12 and relying on instructions from anyone in relation to the *HIN*;

but excluding loss or costs suffered or incurred as a result of any acts or omissions that involve the *sponsor's* gross negligence or fraud.

33 Restrictions on *our* rights

If the *sponsor* initiates any action in accordance with this agreement which has the effect of creating a *subposition* over the *securities*, *we*, acknowledge that *our* right to *transfer*, convert or deal in any other way with those *securities* is restricted in accordance with the *Settlement Rules* relating to *subpositions*.

Part IX – Other Provisions

34 Exclusion of time periods

34.1 Neither *we* nor any *receiver* need give you or a *security provider* any notice or demand or allow time to elapse before exercising a right under the *facility* or conferred by law (including a right to sell) unless the notice, demand or lapse of time is required by law and cannot be excluded.

34.2 If a law requires that a period of notice must be given or a lapse of time must occur or be permitted before a right under the *facility* or conferred by law may be exercised, then:

- (a) when a period of notice or lapse of time is mandatory, that period of notice must be given or that lapse of time must occur or be permitted by *us*; or
- (b) when law provides that a period of notice or lapse of time may be stipulated or fixed by the *mortgage*, then one day is stipulated and fixed as that period of notice or lapse of time including, if applicable, as the period of notice or lapse of time during which:
 - (i) an *event of default* must continue before a notice is given or requirement otherwise made for payment of any amount (including the *amount outstanding*) or the observance of other obligations under the *mortgage*; and
 - (ii) a notice or request for payment of any amount (including the *amount outstanding*) or the observance of other obligations under the *mortgage* must remain not complied with before *we* or a *receiver* may exercise rights.

35 Other costs and charges

35.1 You must pay *us*, the *controlling participant* and the *nominee* for:

- (a) any *costs we* or the *nominee* reasonably incur in arranging, registering, administering or terminating the *documents* (including action taken to enforce rights given to *us* or the *receiver* by the *documents*);
- (b) bank account debits tax and all additional stamp and other duties, taxes or fees payable in connection with the *documents* or any transaction contemplated under them including any interest, penalties, fines or expenses which might arise in relation to these payments, and any amounts *we* pay to any independent consultant, agent, *receiver* or lawyer; and
- (c) any increase in *our costs* of supplying the *facility* to you.

35.2 *We* may debit and charge any *account* with any amounts you are required to pay under clause 35.1.

35.3 You must pay for anything which you or a *security provider* do under or in relation to this agreement.

35.4 You must pay *us* an amount equal to any liability, loss or *costs* (including consequential or economic loss) of a kind referred to in clause 24.1 or clause 35.1 suffered or incurred by any *receiver* or attorney appointed under a *document*, any of *our* employees or officers or any purchaser or holder of the *mortgaged property*.

36 Limitation of Liability

36.1 *We* need not do anything (including disclosing anything or giving advice, or doing anything *we* are entitled to do under this *facility*), except as expressly set out in this agreement.

36.2 *We* are not responsible to you for any action of or failure to act by any manager, trustee or administrator of any trust in which you have purchased units or interests or for any breach by any of them of any obligation under any documents relating to that trust.

36.3 Although *we* or the *nominee* may sign and deliver applications by you or your financial adviser for *securities* which consist of an interest in a managed investment scheme, neither the *nominee* nor *we* can ensure that the application

will be accepted by the manager, administrator or trustee of the relevant scheme.

36.4 The fact that *we* include a *security* in the *acceptable securities list* or *we* or the *nominee* classify a *security* as part of the *mortgaged property* is not a recommendation by either *us* or the *nominee* that you or a *security provider* should invest in that *security*.

36.5 Neither the *nominee* nor *we* are responsible for or liable in respect of:

- (a) any change or movement in the *value* of any *security* comprising part of the *mortgaged property*;
- (b) any information, advice or opinion (including any information, advice or opinion relating to any *security*) provided by *us* or any other person on *our* behalf whether or not it is provided at your request or relied on by you or by others;
- (c) any loss, damage, cost, liability or expense that you may suffer as a result of the failure of any services (electronic and/or telephone and/or internet and/or processing and/or otherwise) *we* provide other than to correct any errors and refund any fees or charges arising as a result of the failure; or
- (d) any suspension of *our* services, to allow *us* to perform administrative tasks or maintenance, or, if in *our* opinion, a threat is posed to any system or equipment supporting any service under this *facility*.

37 Commissions

37.1 *We* may pay a commission to any person *we* choose. *We* are not required to tell you about this, or to advise you or obtain your consent to any change in the basis upon which *we* do so.

37.2 If the *Cash Management Trust Account* is opened with an entity related to *us*, then you consent to that entity earning fees and commissions in connection with that account.

38 General matters

How we may exercise *our* rights

38.1 *We* may exercise a right or remedy or give or refuse *our* consent in any way *we* consider appropriate including by imposing conditions.

38.2 If *we* do not exercise a right, power or remedy fully or at a given time, *we* can still exercise it later.

- 38.3 *Our* rights and remedies under the *documents* are in addition to other rights and remedies provided by law independently of them. *We* may enforce *our* rights and remedies in any order *we* choose.
- 38.4 *We* are not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy, whether or not caused by *our* negligence.
- 38.5 *Our* rights and remedies under the *documents* may be exercised by any of *our* directors, or any of *our* employees or other *persons we* authorise, including a *receiver* or attorney.

Reinstatement of rights

- 38.6 Under law, a trustee in bankruptcy or liquidator may ask *us* to refund a payment *we* have received in connection with the *documents*. To the extent *we* are obliged to, or *we* agree to, make a refund *we* may treat the payment as if it had not been made. *We* are then entitled to *our* rights against you and the *security provider* under the *documents* as if the payment had never been made and, if *we* ask, you and the *security provider* must do everything necessary to restore to *us* any *security interest we* held immediately prior to the payment or transfer.

No merger

- 38.7 This agreement does not merge with or adversely affect, and is not adversely affected by:
- (a) any guarantee or indemnity, or any *security interest*, right or remedy, to which *we* are entitled at any time; or
 - (b) a judgement or order which *we* obtain against you or the *security provider* in respect of an amount payable under the *documents*. (*We* can still exercise *our* rights under this agreement as well as under the judgement, order, other guarantee or security.)
- 38.8 If any amount you must pay under this agreement becomes merged in a court order, you must pay interest on that amount as a separate obligation. The interest is payable at the rate in the court order from the date *we* first ask you for it until it is paid in full. The rate is the *default rate* or the rate in the court order, whichever is higher.

Further steps

- 38.9 You and each *security provider* must promptly do anything *we* ask (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed) to bind themselves under this agreement, and to assist *us* and the *nominee* in the enjoyment or enforcement of *our* respective rights under it.

Amendment to this facility and waiver

- 38.10 *We* may vary the provisions of the *documents* from time to time. If the Code of Banking Practice applies to the *facility*, *we* may only do so in accordance with that Code. If *we* do vary the provisions, *we* will notify you in writing of the amendments.
- 38.11 A right granted by this agreement can only be waived or discharged in writing signed by the party or parties to be bound.

Completing this agreement and your obligations under it

- 38.12 You and each *security provider* agree that *we* may fill in any blanks in this agreement or any related documents.
- 38.13 *We* may do anything which you or a *security provider* should have done under this agreement but which they either have not done or in *our* opinion have not done properly. If *we* do so, you must pay *our costs* for so acting when *we* ask.

Assignment

- 38.14 *We* may assign or otherwise deal with *our* rights under the *documents*. You and each *security provider* agree that *we* may disclose any information or documents *we* consider necessary to help *us* exercise this right.
- 38.15 Your and each *security provider's* rights are personal and may not be assigned without *our* prior written consent.

Inconsistent law

- 38.16 To the extent allowed by law the *documents* prevail to the extent they are inconsistent with any law.
- 38.17 A provision of a *document* that is void, illegal or unenforceable is ineffective only to the extent of the voidness, illegality or unenforceability, but the remaining provisions are not affected.

38.18 Any present or future law that varies your or the *security provider's* obligations under the *documents* is excluded to the extent allowed by law if it affects *our* or the nominee's rights or remedies adversely.

Notices and other communications

38.19 Except as specified otherwise in the *facility*, all notices, requests, demands, consents, approvals, agreements or other communications to or by you, a *security provider*, *us*, the *nominee* or the *sponsor*:

- (a) must be in writing or such other means as *we* may specify from time to time;
- (b) (if you are a company) must be signed by an authorised officer of you and you must provide the specimen signature of any authorised officer;
- (c) will be taken to be duly received or made:
 - (i) (in the case of delivery in person or by post or facsimile transmission) when delivered, received or left at the last notified address of the recipient;
 - (ii) (in the case of a delivery by electronic means) when the communication was sent unless the sender's machine received a report that indicates there was a failure in delivering the communication; or
 - (iii) (when allowed by this agreement, if advertised by newspaper) on the date they are first published.

38.20 *We* may, to the extent of your authorisation in an *application form* or otherwise and to the extent allowed by any applicable law or code of conduct:

- (a) give any communication under this *facility* to your *nominated adviser* or *authorised signatory*.
- (b) give you any notice under this agreement by:
 - (i) electronic communication to a device, electronic equipment or electronic address nominated by you; or
 - (ii) displaying information at *our* website – stgeorgemarginlending.com.au (after notifying you by electronic communication that the information is available for retrieval on the website, and the nature of the information).

You may at any time vary the device, electronic means or electronic address you have

nominated, or terminate your agreement that *we* can notify changes to you via the methods of electronic communication referred to above.

38.21 Communications take effect from the time they are received unless a later time is specified in them.

Applicable law and service of documents

38.22 This agreement is governed by the law in force in New South Wales. All parties submit to the non-exclusive jurisdiction of the courts of New South Wales.

38.23 *We* and the *nominee* may serve any document in a court action on you or a *security provider* by delivering it to, or leaving it at, the address given to *us*, or such other address as *we* agree to at any time. This clause does not prevent any other method of service.

Confidentiality

38.24 All information provided to *us* or the *nominee* ("recipient") by you or a *security provider* (each a "provider") in connection with the *documents* is confidential to the recipient, its employees, legal advisers, auditors and other consultants and may not be disclosed to any person except:

- (a) with the consent of the provider (which consent is not to be unreasonably withheld); or
- (b) if allowed or required by law or any *document*, or required by any securities exchange; or
- (c) in connection with legal proceedings relating to the *documents*; or
- (d) if the information is generally and publicly available; or
- (e) to a potential assignee, participant or sub-participant of the recipient's interests under a *document* or to any other person who is considering entering into contractual relations with the recipient in connection with a *document*.

Additional services

38.25 From time to time *we* may choose at *our* discretion to offer additional services in connection with the *facility*. This may include permitting deposits or withdrawals by different methods and allowing access to information about the *facility* by different methods (including electronically).

Disclosure of TFNs and ABNs

38.26 By providing *us* or the *sponsor* with a tax file number, Australian Business Number or Australian Authorised Deposit-taking Institution account details you or any *security provider* authorise *us* or the *sponsor* to disclose this information to the *ASX*, *ACH*, *ASTC*, or any designated share registry, or current or proposed *entity* for any purpose relating to *securities*, dividends or other benefits.

Telephone Conversations

38.27 *We*, *nominee* or *sponsor* may record telephone conversations at any time and may rely on those recordings in the event that a dispute arises.

39 Privacy Statement for personal information about individuals

In this clause 39, “you” means each *borrower* and each *third party security provider* who is an individual.

Your rights

39.1 You need not give *us* any of the personal information requested in the *application form* or any other *document* or communication relating to the *facility* applied for. However, without this information, *we* may not be able to process the *application form* or provide you with an appropriate level of service. During the course of *our* relationship with you, *we* may also gather information about you from other sources, such as from the *ASX*, *ACH* or *ASTC*.

39.2 You may request access at any time to personal information held by *us* about you and ask *us* to correct it if you believe it is incorrect or out of date.

How we may use your personal information

39.3 *We* use your personal information to:

- (a) process your *application form*;
- (b) administer and manage the *facility*; and
- (c) facilitate *our* internal business operations, including fulfilment of any legal requirements and confidential systems maintenance and testing.

Our right to disclose your personal information

39.4 *We* may disclose your personal information if it is necessary to do so in the following circumstances:

- (a) to any referee nominated by you;
- (b) to *our* external service providers that provide services for the purposes only of *our* business, on a confidential basis (such as advisers, debt collection agents and mailing houses);
- (c) to *nominees* and *sponsoring participants* who may provide services in relation to *CHES*S approved securities, and to the investment managers of your *securities*;
- (d) to any *security provider* or proposed *security provider* of your *facility* for the purpose of enabling the *security provider* to decide whether to act as a *security provider* or to keep informed about the *facility*. The personal information that may be disclosed to the *security provider* includes credit information about you, for example, a report about you from a credit reporting agency;
- (e) to any persons acting on your behalf, including your financial adviser, broker, solicitor or accountant, unless you tell *us* not to;
- (f) to any master trust or wrap provider into which you are invested or intend to invest for the purpose of providing you with information concerning your investments, unless you tell *us* not to;
- (g) to other persons who have an interest in any property offered to *us* as an additional *security interest*;
- (h) to any party acquiring an interest in any business or in the *facility* and any related *securities* provided by you or any other *security provider*;
- (i) to government agencies and other registration or regulatory bodies in connection with the *facility* (for example, to stamp or register documents);
- (j) to a mortgage insurer which provides lenders’ mortgage insurance to *us* and which may be located outside Australia; and
- (k) if you request *us* to do so or if you consent (for example, for a direct debit) or where the law requires or permits *us* to do so.

Use by the St.George Group

- 39.5 We may also use your personal information or give access to personal information about you to any member of the St.George Group of companies including to:
- (a) assess your credit and risk profile, and total liability within the St.George Group;
 - (b) analyse products and customer needs and develop new products; and
 - (c) inform you of products and services provided by us, any member of the St.George Group or by preferred providers, which we consider may be of value or interest to you, unless you tell us not to.

Disclosure to a credit reporting agency

- 39.6 We may give information about you to a credit reporting agency so to obtain a credit report about you and/or to allow the credit reporting agency to create or maintain a credit information file containing information about you.

The information we may give to the credit reporting agency is limited to:

- (a) details to identify you – that is, your name, sex, date of birth, current and 2 previous addresses, your current or last known employer, and your driver’s licence number;
- (b) the fact that you have applied for a *facility* and the amount or that we are a current credit provider to you;
- (c) advice that payments previously notified as unpaid are no longer overdue;
- (d) payments overdue for at least 60 days and for which collection action has started;
- (e) in specified circumstances, that in *our* opinion you have committed a serious credit infringement; and
- (f) the fact that credit provided to you by us has been paid or otherwise discharged.

Agreement to obtain credit report

- 39.7 We may obtain from a credit reporting agency or other business that provides information about credit worthiness, credit reports containing personal or commercial credit information about you.

Your authority to us

- 39.8 By signing the *application form* you authorise us to collect, maintain, use and disclose your personal information in the manner set out in this clause 39.
- 39.9 By completing the *application form*, you undertake to provide a copy of this privacy statement to each principal, company officer or partner that you purport to represent.

40 Code of Banking Practice

- 40.1 The relevant provisions of the Code of Banking Practice apply to the *facility* if you or the *security provider* is an individual or a *small business*.
- 40.2 If the Code of Banking Practice applies to the facility and a provision of the *facility* contravenes a requirement of that Code or imposes an obligation or liability which is prohibited by that Code, the *facility* is to be read as if that provision were varied to the extent necessary to comply with that Code, or, if necessary, omitted.
- 40.3 There is a booklet called “Banking Services – Terms and conditions and general information” which is available on request from any of *our* branches. This booklet contains information which you may find helpful about banking services and the Code of Banking Practice, such as account opening procedures, confidentiality and complaint handling procedures, combining accounts, bank cheques, the importance of reading the terms and conditions applying to the banking services you obtain from us, and the advisability of you notifying us promptly if you are in financial difficulty.

41 Joint Facility

- 41.1 If there are more than one of you, then you are jointly and severally bound to comply with these terms, and are liable for all amounts due under the *documents*.
- 41.2 With a joint *facility*, either of you are authorised to operate the *facility*.
- 41.3 Either of you can write to us and terminate your liability for future advances on your joint *facility*. If either of you ask to terminate your liability, we may stop operations on your joint *facility* generally. In any case, each of you remain liable for all transactions either of you make prior to the date you cancel your liability for future advances on your joint *facility*, even if the transactions are debited to the *facility* after the cancellation date.

Part X – Savings Gearing Loan

You will need to complete a *savings gearing application* and return it to *us* to establish a *savings gearing loan*. We will notify you if we agree to lend you money under this *savings gearing loan*.

42 How and what we will lend you

42.1 We will only lend you money under this *savings gearing loan* if:

- (a) you have satisfied all of the requirements necessary for *us* to lend you money under this *facility*;
- (b) your *savings gearing loan balance* does not exceed the *savings gearing loan limit* at any time; and
- (c) subject to clauses 45.1 and 45.4, no later than 4 *business days* prior to the *investment date* of that *nominated investment* you deposit in the *savings gearing account* the *relevant monthly contribution* in respect of that *nominated investment*.

42.2 In respect of a *nominated investment* no later than the day that is one *business day* prior to the *investment date* in respect of that *nominated investment* we will, subject to clause 45.4, make an *advance* equal to the *monthly margin loan advance* for that *nominated investment*.

43 Making a contribution

If 4 *business days* prior to the *investment date* of a *nominated investment* the balance of the *savings gearing account* is not less than the *relevant monthly contribution* for that *nominated investment* and that *investment date*:

- (a) you will be deemed to have satisfied your obligation under clause 42.1(c); and
- (b) you authorise and direct *us* to debit the *savings gearing account* for an amount equal to that *relevant monthly contribution* for the purpose of its application under clause 44.1.

44 Investments

44.1 You irrevocably authorise and direct the *nominee* to apply the *total monthly investment amount* in respect of a *nominated investment* and an *investment date* to purchase, in the *nominee's* name (as *nominee* on your behalf), that *nominated investment* on that *investment date*.

44.2 If you wish to do any or all of the following from time to time:

- (a) cease purchasing a *nominated investment*;
- (b) specify an additional *nominated investment*;
- (c) vary the amount of the *monthly margin loan advance* in respect of a *nominated investment*;
- (d) vary the amount of the *relevant monthly contribution* in respect of a *nominated investment*; or
- (e) vary the frequency with which you make either the *relevant monthly contribution* or we make an *advance*, or both;

you must give *us* written notice no later than 15 *business days* prior to the *relevant investment date* in respect of a *nominated investment* from which a change under this clause is to take effect.

44.3 We may agree to any of the variations referred to in clause 44.2 in *our* absolute discretion.

45 Adjusting advances and contributions

45.1 You may elect not to make a *relevant monthly contribution* under clause 42.1(c) in respect of a *nominated investment* and an *investment date* if you would be entitled on that *investment date* to borrow an amount of the money from *us*, under this *facility*, equal to the aggregate of:

- (a) that *relevant monthly contribution*; and
- (b) the *monthly margin loan advance* in respect of that *nominated investment* and that *investment date*.

45.2 You will be deemed to have made an election under clause 45.1 in respect of a *relevant monthly contribution* if:

- (a) you have not made the *relevant monthly contribution* under clause 42.1(c);
- (b) you have not suspended your obligation in respect of that *relevant monthly contribution* under clause 45.4(a); and
- (c) you would otherwise be entitled to make the election provided for by clause 45.1.

45.3 If you make (or are deemed to make) an election under clause 42.1 in respect of a *relevant monthly contribution* for a *nominated investment*, we will, in addition to the *advance* under clause 42.2, make an *advance* equal to that *relevant monthly contribution* on or about the *investment date* for that *nominated investment* and that *relevant monthly contribution*.

- 45.4 In respect of a *nominated investment*, you may elect to do either or both of the following:
- (a) suspend your obligation under clause 42.1(c) to make the *relevant monthly contribution* for that *nominated investment*; and
 - (b) suspend making an *advance* under clause 42.2 in respect of the *monthly margin loan advance* for that *nominated investment*,
- by giving us written notice no later than 4 *business days* prior to the *investment date*, for that *nominated investment*, from which that election is to take effect. You may only request a suspension in respect of that *nominated investment* for a period of up to 3 consecutive months or for 3 months in any 12-month period (or such other period as we may agree with you).

46 Failure to provide a contribution or *advances*

If:

- (a) you fail to make a *relevant monthly contribution* in accordance with clause 42.1(c); or
- (b) we do not make an *advance* equal to the *monthly margin loan advance* in accordance with clause 42.2 as a result of you having failed to satisfy any of the conditions to us lending you money under this *savings gearing loan*,

we may, in addition to any other rights we may have under the *facility*, deem an *event of default* to have occurred or charge you a default fee (or both).

47 Costs

In addition to any other amounts payable under this *savings gearing loan* and the *facility* you may be required to pay us for any *costs* we reasonably incur in relation to the *savings gearing loan*. We may debit any *account* with any amount payable under this clause 47.

Part XI – Anti-Money Laundering

48 Appropriate use of our services

- 48.1 You warrant that your use of the services we provide will not breach any law of Australia or any other country.

- 48.2 Where we consider it necessary in order for us to meet our regulatory and compliance obligations:

- (a) you must provide us with any information we reasonably request;
- (b) we will disclose information we hold to regulatory and law enforcement agencies, other financial institutions, third parties and members of the St.George Group; and
- (c) we may delay, block or refuse to provide any of our services.

We will not be liable to you or any other person for any loss or damage of any kind that may be suffered as a result of us exercising our rights under this clause.

Part XII – Internet Account Access

In consideration for giving you access over the internet to details concerning your *account*, you agree to the following terms and conditions.

49 How to register for *Internet Account access*

- 49.1 You agree to these *Internet Account Access* terms and conditions when you first use *Internet Account Access*.
- 49.2 You may apply for access to *Internet Account Access* by phoning 1300 304 065 between 8am and 6pm (Sydney Time), on *business days*. Approval is at our discretion. If approved by us, you will have access via *Internet Account Access* to information about your *accounts*.
- 49.3 You may be automatically registered for *Internet Account Access*. If so, we will advise you by letter sent to the address held on our records.
- 49.4 When we register you for *Internet Account Access*:
- (a) we give you an *internet access user ID number*;
 - (b) we will issue a *password* to you; and
 - (c) you will be required to change the *password* the first time you access *Internet Account Access*.
- 49.5 Your *internet access user ID number* and your *password* are the *access methods* for *Internet Account Access*. You can use your *Internet Account Access* to:
- (a) view information on your *account*; and
 - (b) provide us or the *sponsor* with any written instructions we agree to in relation to your *facility*.

49.6 We may cancel your access to *Internet Account Access* at any time without notice.

49.7 It is your responsibility to obtain and maintain any *electronic equipment* (e.g. touch tone telephone or PC) which you may need to have for you to use *Internet Account Access*.

50 Availability

We will make reasonable efforts to:

- (a) ensure that *Internet Account Access* is available during the hours specified by us from time to time; and
- (b) ensure that information we make available to you through *Internet Account Access* is correct, however, some information about your *account* is as at close of business on the previous *business day* and therefore may not be completely accurate.

We recommend you check with your Account Manager before initiating any transactions on your Facility.

51 Password

51.1 Your *password* is very important as it is comparable to your signature. You must make every effort to ensure that your *password*, and any record of it, is not misused, lost or stolen.

51.2 You must:

- (a) not record your *password* on the computer or telephone that you use to access *Internet Account Access*;
- (b) not record your *password* on any item that identifies your *internet access user ID number* or on any article normally carried with any such item and which is liable to loss or theft with that item;
- (c) not permit any other person to use your *password*;
- (d) not disclose your *password* or make it available to any other person (including a financial adviser, a family member, a friend or one of *our* staff); and
- (e) use care to prevent anyone else seeing your *password* being entered into any *electronic equipment*.

51.3 If you require a memory aid to recall your *password* you may make such a record provided the record is reasonably disguised. However, we do not consider that the following examples provide a reasonable disguise, and you agree:

- (a) not to record your disguised *password* on any item that identifies your *internet access user ID number*;
- (b) not to record your disguised *password* on the computer or telephone that you use to access phone or internet banking;
- (c) not to disguise your *password* by reversing the letter sequence;
- (d) not to describe your disguised record as a "*password* record" or similar;
- (e) not to disguise your *password* using alphabetical characters or numbers: A=1, B=2, C=3, etc;
- (f) not to select or disguise your *password* using any of the following combinations (or parts of them):
 - (i) dates of birth;
 - (ii) personal telephone numbers;
 - (iii) car registration numbers;
 - (iv) family members' names;
 - (v) social security numbers; or
 - (vi) licence numbers;
- (g) not to store your *password* in any low security electronic device of any kind, such as (but not limited to):
 - (i) calculators;
 - (ii) personal computers; or
 - (iii) electronic organisers.

51.4 There may be other forms of disguise which may also be unsuitable because of the ease of another person discerning your *password*. You must exercise extreme care if you decide to record a memory aid for your *password*.

51.5 If you suspect that your *password* is known to someone else or your *password* has been used without authorisation:

- (a) you must tell us as soon as possible;
- (b) you may notify us by telephoning us at any time on the phone number on the "contact us" page of *our* website; and
- (c) you will need to give us all relevant information you may have, so that we can suspend your *Internet Account Access* to your *accounts*.

52 Unauthorised Transactions

Please tell *us* about any service fault or difficulty with *Internet Account Access* by calling 1300 304 065 between 8am and 6pm (Sydney Time) on *business days*.

53 Account Aggregation Services and Disclosure of your PIN or Password

53.1 If you want a third party to collect information about your accounts from *us* so that it can be aggregated with information about accounts you have, you may be asked to give details of your *internet access user ID number* or *password* to that third party.

53.2 Before disclosing information under clause 53.1 you must check that the third party is approved by *us*.

53.3 We will not treat the disclosure of your *user ID number* or *password* to a third party we have approved as:

- (a) a breach by you of your obligations to ensure the security of your *internet access user ID number* or *password*.
- (b) a breach by you of your obligations to contact *us* if you lose or forget your *internet access user ID number* or *password*; or
- (c) a breach of these terms and conditions.

54 Your Adviser

If you are an account holder with a *nominated adviser* or *authorised signatory*, you acknowledge that the *nominated adviser* or *authorised signatory* will also have access to information concerning your account by using *Internet Account Access*. If you do not wish your *nominated adviser* to have this access, you must notify *us* by calling 1300 304 065 between 8am and 6pm (Sydney Time) on *business days*.

The Glossary

acceptable securities list means the list or lists we issue from time to time specifying the *securities* we may accept as *mortgaged property* for the *facility*, and indicating the *gearing ratio* for each of those *securities*.

access method means a method we authorise you to use to instruct *us* through *electronic equipment* to access information concerning an *account*. It comprises the use of one or more components including *internet access user ID number* and

password, or other methods as notified to you from time to time. It does not include a method requiring your manual signature.

account means, for any *loan*, an account we establish or have established in your name for recording all transactions in connection with it.

ACH means Australian Clearing House Pty Ltd.

advance means an advance of money by *us* to you under the *savings gearing loan*.

amount outstanding means at any time, all money which one or more of you or a *security provider* owe to *us*, or will or may owe to *us* in the future, including under this agreement. Without limiting this definition, it includes money owing (or which will or may be owing) to *us* in *our* capacity as an assignee because we have taken an assignment of a *document* whether or not:

- (a) you and the *security provider* were aware of the assignment or consented to it; or
- (b) the assigned obligation was secured before the assignment; or
- (c) the assignment takes place before or after the *application form* is signed.

application form means the form that includes details of, and is signed by, the *borrower* or each *third party security provider*.

ASIC means the Australian Securities Investment Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd.

ASX means ASX Limited or Australian Securities Exchange Limited.

authorised signatory means any person nominated as such on the *application form* or other document accepted by *us* from time to time who is authorised to:

- (a) operate the *facility*; or
- (b) to take any step required to ensure you comply with clause 7.

borrower has the meaning in the definition of “you” (see below).

borrowing limit means, at any time, the sum of the *value* at that time of each item comprised in the *mortgaged property*, or such other amount we determine in *our* discretion.

buffer means, at any time, an amount equal to the sum of: the market value of each acceptable *security* comprising part of the *mortgaged property*; multiplied by such percentage (which may be zero) of that *value* as we determine from time to time.

business day means a weekday on which banks and the ASX are open for business in Sydney.

Cash Management Trust Account means a cash management trust account approved by us.

CHESS has the meaning in the *Settlement Rules*. Generally it stands for the Clearing House Electronic Subregister System, which is a system of registration on computer of shareholdings in certain companies.

CHESS Holdings has the meaning in the *Settlement Rules*. Generally it means a holding of securities on the *CHESS Subregister*.

CHESS Subregister has the meaning in the *Settlement Rules*. Generally it means that part of the register of an *entity* that is administered by the *ASTC*.

confirmation means a form of notification of trade in any *security* that is acceptable to us.

controlling participant has the meaning in the *Settlement Rules*. Generally it means the *person* that has the capacity in *CHESS* to transfer or convert *securities*.

costs means any costs, charges and expenses, including costs, charges and expenses in connection with legal and other advisers and includes:

- (a) stamp duty and other government duties, taxes and charges;
- (b) any calls, instalments or other amounts payable in connection with the *mortgaged property* by you or any *security provider*; and
- (c) any fees and charges applicable to, or other amount payable under, the *facility*.

deposited documents means the documents at any time deposited by a *security provider* with us or which are held by us or come into our possession for any reason.

documents means the *application form* or *application forms*, this agreement, each *mortgage* referred to in the second paragraph of the definition of that term, any *sponsorship agreement* relating to any of the *mortgaged property*, and any document connected with them.

electronic equipment may include a terminal, computer, television and telephone.

entity means a body corporate, trust or other *entity securities* in which comprise *mortgaged property* or which has issued *securities* that comprise *mortgaged property*.

event of default has the meaning in clause 25.

facility means the margin lending facility to be provided in accordance with this agreement and the other *documents*.

fund manager means, in respect of a *nominated investment*, the responsible entity of the managed investment scheme to which that *nominated investment* relates.

future security means:

- (a) all *securities* a *security provider* (or a trustee, nominee or agent of a *security provider*) acquires either directly or indirectly and which are wholly or partially funded directly or indirectly by money we lend you under the *facility*;
- (b) all *securities* in respect of which a *security provider* (or the *nominee*) is registered owner under a *holder record* assigned to either of them under the *sponsorship agreement*;
- (c) all *deposited documents* or anything else we agree to accept as *mortgaged property*;
- (d) all *securities* a *security provider* transfers to us or a person we nominate;
- (e) all *securities* a *security provider* owns in or of any *entity* which is not listed for quotation on *ASX*; and
- (f) all *securities* we specify in an *identification notice* that a *security provider* does not reject within the time specified in clause 10.2,

and all the *security provider's* rights and interests in connection with them.

gearing ratio means, with respect to a *security*, the percentage applicable to the *security* which we determine and can change without notice in our absolute discretion at any time. It is the proportion of the *market value* of a *security* we may lend to you under the *facility* at a particular time if that *security* comprises part of the *mortgaged property*.

general settlement participant has the meaning in the *Settlement Rules*. Generally it means the person that is admitted as, and meets the criteria set out in, the *Settlement Rules*.

HIN means Holder Identification Number. It has the meaning in the *Settlement Rules*.

holder record has the meaning in the *Settlement Rules*. Generally it means the details recorded by the *ASTC* in *CHESS* for the purpose of operating one or more *CHESS Holdings*.

holder record lock has the meaning in the *Settlement Rules*. Generally it means the facility in *CHESS* for preventing *securities* from being deducted pursuant to a *transfer* or conversion from a *holding* to which the relevant *holder record* applies.

holding has the meaning in the *Settlement Rules*. Generally it means a holding of *securities* by a *person*.

identification notice means a notice from us setting out details of property nominated by us as *future security*.

A person is **insolvent** or in **insolvency** if they are insolvent or an insolvent under administration or have a controller appointed (each as defined in the Corporations Act), in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from any creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due.

Internet Account Access means any service we offer from time to time through a communication network (including telephone and the internet) to enable you to receive information from us electronically, in relation to a *facility* or other matters we specify.

internet access user ID number means the number used in conjunction with your *password* to access *Internet Account Access*.

investment date means, in respect of a *nominated investment*, the date of each month specified by the *fund manager* in respect of that *nominated investment* as the date on which the *fund manager* will allow you to purchase that *nominated investment* pursuant to the *savings gearing loan*.

lending criteria means our credit criteria, your loan size; Anti-Money Laundering and Counter-Terrorism Financing requirements.

loan means any loan we make to you under this *facility* from time to time and includes all monies payable but not paid by you under this *facility* including but not limited to, interest and *costs* not paid.

market value of a *security* means, at any time, the market value that we ascribe (in our absolute discretion) to that *security*.

Master Nominee Deed means the deed so entitled entered into between us and the *nominee* or, where we appoint another *entity* as *nominee*, the document under which we appoint that other *entity* as *nominee*. (A copy of any Master Nominee Deed may be inspected at our offices during business hours.)

monthly margin loan advance means, in respect of a *nominated investment* and:

- (a) in respect of the first *investment date*, the amount specified by you in the *savings gearing application* as your initial loan advance amount for that *nominated investment*;
- (b) in respect of a subsequent *investment date*, the amount specified by you in the *savings gearing application* as your monthly loan advance amount for that *nominated investment*.

mortgage means:

- (a) the mortgage created in Part II of this agreement; and
- (b) any mortgage created by a *security provider* containing terms similar to Part II of this agreement and which we nominate as a *mortgage* by notice to you.

mortgaged property means the *future security* and the *new rights*.

new rights means:

- (a) a *security provider's* rights in connection with any money, dividends, interest, allotments, offers, benefits, privileges, rights, bonuses, shares, stock units or units in the capital of a corporation, stock, debentures, distributions, or rights to take up *securities*; or
- (b) a *security provider's* rights consequent on any conversion, redemption, cancellation, reclassification, forfeiture, consolidation or subdivision; or
- (c) a *security provider's* rights consequent on a compulsory acquisition, reduction of capital, liquidation or scheme of arrangement,

in connection with the *future security* or other *new rights* and property acquired with the proceeds of *future security* and *new rights*.

nominated adviser means any *person* nominated as such on the *application form* or other document accepted by us from time to time who is authorised to receive or access information in connection with your *facility*, or in relation to a managed investment scheme, provide us with instructions in relation to that managed investment scheme.

nominated investment means each of the securities specified by you in the *savings gearing application* form (which we approve in accordance with the terms of the *facility*) into which the *total initial investment* or the *total monthly investment* is to be invested.

nominee means Value Nominees Pty Limited (ABN 90 001 827 998) (acting in its capacity as nominee under this agreement) or such other nominee as allowed by us at our absolute discretion.

participant sponsored holding has the meaning in the *Settlement Rules*. Generally it means a holding on *CHESS* of a *person* that has a current *sponsorship agreement*.

password means the unique personal *password* used in conjunction with the *internet access user ID number* to access *Internet Account Access*.

person includes an individual, a firm, a body corporate, an unincorporated association and an authority.

receiver means receiver or receiver and manager.

relevant monthly contribution means, for a *nominated investment*:

- (a) in respect of the first *investment date*, the amount specified by you in the *savings gearing application* as your initial contribution for that *nominated investment*; or
- (b) in respect of a subsequent *investment date*, the amount specified by you in the *savings gearing application* as your monthly contribution for that *nominated investment*.

savings gearing account means any account we establish or have established in your name or the *nominee's* name (on your behalf) for the purposes of the *savings gearing loan*, details of which we will notify to you.

savings gearing application means the document signed by you setting out your details and containing (amongst other things) an application by you for the provision of the *savings gearing loan*, which application we have accepted.

savings gearing loan means the loan provided to you by us under Part X of the *facility*, and is subject to all the terms of the *facility* including, without limitation, payment of interest and repayment of principal.

savings gearing loan balance means, at any time, the aggregate of all money which you owe us at that time in connection with the *savings gearing loan*.

savings gearing loan limit means the amount specified by you in the *savings gearing application* and accepted by us as your gearing facility loan limit, or such other amount as we agree with you from time to time, provided that such amount will not be less than any minimum limit we may specify in the *savings gearing application*.

securities means those:

- (a) shares, stock units or units in the capital of a corporation; and
- (b) debentures, debenture stock, bonds, notes, convertible notes, units, warrants or other securities created, issued or granted by any corporation, government, unincorporated body or other *person*; and
- (c) bills of exchange and other negotiable instruments; and
- (d) units in any property trust, equity trust, cash management trust or other trust; and
- (e) options to purchase, sell, subscribe for or acquire any of the foregoing; and

(f) other securities within the meaning of section 92(1) of the Corporations Act; and

(g) futures contracts within the meaning of section 72 of the Corporations Act,

which are included in the *acceptable securities list* applicable to the *facility*, or which are considered by us at any time to form part of the *mortgaged property*.

security interest means any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust or power.

security provider means those of you and each *third party security provider* that provide a *security interest* to us in connection with the *facility*.

Settlement Rules means the settlement rules of ASTC.

small business means a business having:

- (a) less than 100 full-time (or equivalent) people if the business is or includes the manufacture of goods; or
- (b) in any other case, less than 20 full-time (or equivalent) people,

unless the *facility* is provided for use in connection with a business that does not meet the elements in (a) or (b) above.

sponsor means Value Nominees Pty Limited (ABN 90 001 827 998) in its capacity as *sponsoring participant* under the *sponsorship agreement*.

sponsorship bond has the meaning in the *Settlement Rules*.

sponsoring participant has the meaning in the *Settlement Rules*. Generally it means a person that establishes and maintains a *CHESS Holding*. For the avoidance of doubt the *sponsoring participant* is also the *controlling participant*.

sponsorship agreement means the agreement between *security provider* or the *nominee*, the *sponsor* and us in the form required by the *Settlement Rules*, set out in Part VIII.

St. George Group means Westpac Banking Corporation and ABN 33 007 457 141 and its related bodies corporate.

subposition has the meaning in the *Settlement Rules*. Generally it means the facility in *CHESS* for certain activities in relation to *securities* under *CHESS* to be restricted.

third party security provider means the *person* or *persons* who are named as third party security providers in an *application form*. If there is more than one, *third party security provider* means each of them separately, and every two or more of them jointly. *Third party security provider* includes successors and any *person* who joins this agreement in the future as a *third party security provider*.

total monthly investment means, in respect of a *nominated investment* and an *investment date*, an amount equal to the aggregate of:

- (a) the *relevant monthly contribution* for that *nominated investment* and that *investment date* debited by *us* under clause 43(a) (if any);
- (b) the amount of the *advance* (if any) made by *us* under clause 45.3 in respect of that *nominated investment* and that *investment date*; and
- (c) the *monthly margin loan advance* (if any) made by *us* under clause 42.2 in respect of that *nominated investment* and that *investment date*.

trading day means a weekday on which the ASX is open for trading in Sydney.

transfer has the meaning in the *Settlement Rules*. Generally it means a transfer of *securities* from or to a holding on *CHESS*.

value means, with respect to a *security* at any time, the value of the security which *we* determine in the manner *we* consider to be most appropriate, having regard to its *market value* and its *gearing ratio*, which *we* can change without notice in *our* absolute discretion at any time.

we, us or **our** means St. George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141 *our* successors and assigns.

withdrawal instructions has the meaning in the *Settlement Rules*.

you or **borrower** means the person or persons who are named as borrower in an *application form*. If there are more than one, **you** means each of them separately and every two or more jointly of them and includes your successors.

The singular includes the plural and vice versa.

A reference to:

- (a) a document includes any variation or replacement of it;
- (b) law means common law, principles of equity and laws made by parliament (and includes regulations and other instruments under laws made by parliament and consolidations, amendments, re-enactments or replacements of any of them);
- (c) any thing includes the whole and each part of it;
- (d) the words “*including*”, “*for example*” or “*such as*”, when introducing an example, do not limit the meaning of the words to which the example related or examples of a similar kind.

Background on CHESS

Overview

CHESS stands for Clearing House Electronic Subregister System. It is a settlement system for transferring securities designed to eliminate paperwork by operating a paperless system which records shareholdings electronically, rather than using share certificates.

CHESS is operated by the ASX Settlement and Transfer Corporation Pty Ltd (ASTC) which is a wholly owned subsidiary of Australian Securities Exchange Limited (ASX).

Sponsorship on CHESS

CHESS participants are either general settlement participants or account participants. CHESS maintains a part of each issuer’s register of holders as the CHESS subregister. A holder on the CHESS subregister is either a CHESS participant or sponsored by one. As you are not a general settlement participant or account participant, you will need to be sponsored in order to maintain a holding on CHESS. You will be sponsored by entering into a sponsorship agreement with a general settlement participant, the effect of which is to appoint that entity as both the sponsoring participant and the controlling participant for the holdings covered by the sponsorship. Each holding on the CHESS subregister must have a designated controlling participant who alone can initiate transactions on CHESS in relation to that holding.

The terms of Part VIII – Appointment of Sponsoring Participant – in the Terms and Conditions are your sponsorship agreement with Value Nominees Pty Limited as your Sponsoring Participant. The securities which are to be held on the CHESS subregister will be converted to a CHESS holding in your name. Value Nominees Pty Limited will control this CHESS holding on your behalf, acting on your instructions or on confirmations received from your market participant, subject always to its right to refuse to do so as set out in Part VIII of the Terms and Conditions.

Under the Settlement Rules published by the ASTC, which govern the use of CHESS, certain acknowledgments have to be made. These are set out in clause 32 in Part VIII of the Terms and Conditions.

Securities Transfers

Transactions against holdings on the CHESS subregister are effected via electronic computer messages. The sponsorship agreement authorises Value Nominees Pty Limited to carry out instructions provided by you in relation to your holdings by sending the appropriate electronic messages to CHESS and processing messages received from CHESS.

Value Nominees Pty Limited will only undertake securities transfers and operate your CHESS holding according to the terms in Part VIII of the Terms and Conditions. As a general settlement participant, Value Nominees Pty Limited will also have to abide by the Settlement Rules.

Value Nominees Pty Limited will send you monthly statements (unless you have requested that we send your statements less frequently) that, amongst other things, outline securities that are sponsored under Part VIII. When a transaction occurs in your CHESS holding, CHESS will send you a statement detailing the changes to your holding in the first week of the following month.

General

Part VIII of the Terms and Conditions contains provisions designed to better protect St.George Bank as mortgagee of the shares subject to a CHESS holding.

The CHESS holding that you establish with Value Nominees Pty Limited can be in addition to any holding you may have with any other sponsors. However, these other sponsors will not be able to access the securities comprising your Margin Lending loan portfolio with St.George Bank.

If you have any queries relating to the terms of Part VIII of the Terms and Conditions, or do not fully understand any of its terms, please contact your Account Manager on 1300 304 065 prior to signing the application forms.

Statement of Account

Statements are provided monthly (unless you have requested that we send your statements less frequently) to you and can also be obtained on request from your Account Manager. You may also nominate your adviser to receive copies of your statements or view your statements online.

Direct Debit Request Service Agreement

Debit User's name and address:
St.George Margin Lending
PO Box R1467 Royal Exchange NSW 1225
("we" or "us")
User ID: 137244 or User ID: 106209

You have entered or are about to enter into an arrangement under which you make payments to us. You want to make those payments by use of the Direct Debit System.

This agreement sets out the terms on which we accept and act under a Direct Debit Request ("your Direct Debit Request") you give us to debit amounts from your account under the Direct Debit System. It is additional to the arrangement under which you make payments to us.

Please ensure you keep a copy of this agreement as it sets out certain rights you have against us and certain obligations you have to us due to giving us your Direct Debit Request.

When we are bound by this agreement.

1. We agree to be bound by this agreement when we receive your Direct Debit Request complete with the particulars we need to draw an amount under it.

What we agree and what we can do.

2. We only draw money out of your account in accordance with the terms of your Direct Debit Request.
3. We give you a statement of the amounts we draw under your Direct Debit Request every month, unless you have requested that we send your statements less frequently.
4. On giving you at least 14-days notice, we may:
 - (a) change our procedures in this agreement;
 - (b) change the terms of your Direct Debit Request; or
 - (c) cancel your Direct Debit Request.
5. You may ask us to:
 - (a) alter the terms of your Direct Debit Request;
 - (b) defer a payment to be made under your Direct Debit Request;
 - (c) stop a drawing under your Direct Debit Request; or
 - (d) cancel your Direct Debit Request by:
Either sending correspondence to St.George Margin Lending, PO Box R1467, Royal Exchange NSW 1225 or fax us on (02) 9236 3093, stating:
 - (i) your Client Reference Number
 - (ii) details of the action you wish to take
 - (iii) details of any bank account changes
 - (iv) if deferring a payment, the exact duration; and
 - (v) the signatures of all parties on the facility.Please note that should you cancel your Direct Debit Request, interest will be capitalised to your facility.
6. You may dispute any amount we draw under your Direct Debit Request by either sending correspondence to St.George Margin Lending, PO Box R1467, Royal Exchange NSW 1225, faxing us on (02) 9236 3093, or by contacting your Account Manager on 1300 304 065. Please advise the following information:
 - (a) Client Reference Number
 - (b) Date and amount of disputed direct debit
 - (c) Bank account details
 - (d) What is being disputed

Also, you may dispute a drawing with your financial institution.

7. We deal with any dispute under clause 6 of this agreement as follows:

We will attempt to resolve the dispute within 24 hours of it being made. If we cannot resolve the dispute within 24 hours, we will contact you directly or send you a letter telling you what we have done and what other action we intend to take.
8. If the day on which you must make any payment to us is not a business day, we draw on your account under your Direct Debit Request on the following business day.
9. If your financial institution rejects any of our attempts to draw an amount in accordance with your Direct Debit Request, we will add the amount that should have been paid onto your facility. It will be charged interest along with all other debit balances on your facility account. If debiting the unpaid amount results in the current gearing ratio exceeding the maximum gearing ratio on your facility account, we may take further action against you (for example, making a margin call on your facility).
10. We will not disclose to any person any information you give us on your Direct Debit Request, which is not generally available, unless:
 - (a) you dispute any amount we draw under your Direct Debit Request and we need to disclose any information relating to your Direct Debit Request and to any amount we draw under it to the financial institution at which your account is held or the financial institution which sponsors our use of the Direct Debit System or both of them;
 - (b) you authorise that disclosure under this agreement;
 - (c) you otherwise consent to that disclosure; or
 - (d) we are required to disclose that information by law.

What you should consider

11. Not all accounts held with a financial institution are available to be drawn on under the Direct Debit System.
12. Before you complete your Direct Debit Request, it is best to check account details against a recent statement from your financial institution to ensure the details on your Direct Debit Request are completed correctly.
13. Please enquire of your financial institution, if you are uncertain when your financial institution processes an amount we draw under your Direct Debit Request on a day which is not a business day.

14. It is your responsibility to ensure there are sufficient clear funds available in your account, by the due date on which we draw any amount under your Direct Debit Request, to enable us to obtain payment in accordance with your Direct Debit Request.
15. We request you to direct:
 - (a) all requests to stop or cancel your Direct Debit Request to us; and
 - (b) all enquiries relating to any dispute under Clause 6 of this agreement to us or your financial institution.

Risk Disclosure Statement

This statement must be read by each person considering either borrowing from St. George Bank under a margin lending facility or providing security for such a borrowing by somebody else.

In this statement, “you” means the Borrower or Third Party Security Provider (as the case may be).

1 Risks of investment

Using a margin lending product to acquire an investment multiplies the effect of both rising and falling values. Therefore, in a falling market, losses on a portfolio acquired through one of our facilities are greater. Some markets can be very volatile.

Whatever happens to the market value of your securities you are still legally obliged to pay back the full amount you have borrowed from us and to pay all interest charges on the loan.

2 Margin calls

If the value of the overall security held by us drops below a certain proportion of the loan you will receive a margin call. You cannot just “wait out” any downturns in the market.

You will have a limited time to deal with any margin call, by either repaying to us enough of your facility or giving us more securities on the relevant applicable acceptable securities list. If you fail to act within the time periods specified in the terms and conditions, then some of your securities may be sold so as to ensure the amount outstanding no longer exceeds your borrowing limit.

We may at any time remove an investment from the acceptable securities list. This may reduce the borrowing limit. If we do so you may be required to provide other security or repay some of your loan to ensure the amount owing does not exceed the borrowing limit.

3 Investment Portfolio

St.George Bank has not advised and will make no promise to you as to the appropriateness or suitability of any investments you purchase. The identification of investments by us on our acceptable securities list is not a recommendation to purchase them or a representation to you of our views as to the financial stability or projected income level of that investment.

St.George Bank does not guarantee the performance of any investment.

4 Cash flow and timing risks

You should be aware that the timing of interest payments and margin obligations will almost certainly not be the same as the timing of receipt of any income or tax benefits you might receive from your investments. Consequently, you should have the capacity to meet interest and margin payments in full before taking into account any potential income.

If you do not choose to prepay interest, the interest rate may also change over time. Based on current interest rates and estimated dividend yields, a geared investment could well result in a net cash outflow during the investment period prior to the date the investments are finally sold.

5 Early payout

If a facility is paid out prior to normal maturity, there may be additional costs payable to us for the early termination of the funding arrangements. These costs may reduce any profit you make upon sale of any securities.

6 Third Party Security Provider obligations

Where you are a Third Party Security Provider, and there is an event of default, there is the risk of losing any property that has been given as security for the facility.

7 Investment and Financial Advice

St.George Bank does not advise as to the legal, financial and taxation implications of entering into a margin lending facility. These depend on your own individual circumstances.

The investment decisions are up to you, and the risks of those decisions will be borne by you. Only investors who fully understand the risks of negative gearing into investments should apply for a facility. We strongly recommend that you seek independent legal, financial and taxation advice with respect to:

- (a) the complete terms of the product and its suitability for you;

- (b) the desirability and suitability of investing in your chosen investments; and
- (c) your obligations under the legal documentation.

THIS STATEMENT IS NOT AN EXHAUSTIVE LIST OF ALL THE OBLIGATIONS AND RISKS ASSOCIATED WITH USING A MARGIN LENDING PRODUCT TO INVEST.