

CHES explanation

St. George Bank – A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ('we' and 'us') has a legal responsibility to explain CHES sponsorship to you. When you sign the application form, you are acknowledging that this explanation has been given to you.

Overview

CHES 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 on an account in CHES, rather than using share certificates. CHES is operated by ASX Settlement Pty Limited ABN 49 008 504 532 (ASX Settlement) which is a wholly owned subsidiary of ASX Limited ABN 98 008 624 691. It operates under published rules known as the ASX Settlement Operating rules ('Settlement Rules') that all CHES participants must abide by.

Sponsorship on CHES

CHES participants are either general settlement participants or account participants. CHES maintains a part of each issuer's register of holders on the CHES subregister. A holder on the CHES subregister is either a CHES participant or is sponsored by a CHES participant. As you are not a general settlement participant or an account participant, you will need to be sponsored in order to maintain a holding on CHES. 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 CHES subregister must have a designated controlling participant who alone can initiate transactions on CHES in relation to that holding.

The terms of Part 7 – Appointment of sponsoring participant – in the St. George Margin Lending Facility Agreement ('Facility Agreement') are your sponsorship agreement with us as your sponsoring participant. The securities which are to be held on the CHES subregister will be converted to a CHES holding in your name. We will control this CHES holding on your behalf, acting on your instructions or on confirmations received from your market participant, subject always to the right to refuse to do so as set out in Part 7 of the Facility Agreement.

Under the Settlement Rules, certain acknowledgments have to be made. These are set out in clause 37 in Part 7 of the Facility Agreement.

Securities Transfers

Transactions against holdings on the CHES subregister are effected via electronic computer messages. The sponsorship agreement in Part 7 authorises us to carry out instructions provided by you in relation to your holdings by sending the appropriate electronic messages to CHES and processing messages received from CHES.

We will only undertake securities transfers and operate your CHES holding according to the terms in Part 7 of the Facility Agreement. As a general settlement participant, we will also have to comply with the Settlement Rules.

We will send you regular statements that, amongst other things, outline securities that are sponsored under the sponsorship agreement. When a transaction occurs in your CHES holding, CHES will send you a statement detailing the changes to your holding usually in the first week of the following month.

General

Part 7 of the Facility Agreement contains provisions designed to better protect us as mortgagee of the shares subject to a CHES holding.

The CHES holding that you establish with us 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 us.

If you have any queries relating to the terms of Part 7 of the Facility Agreement, or do not fully understand any of its terms, please contact us on 1300 304 065 prior to signing the application form.

Supplementary risk disclosure statement

This statement must be read by each person considering either borrowing from St. George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ('we', 'us' or 'our') under a margin lending facility or guaranteeing or providing security for such a borrowing by someone else. This disclosure is in addition to the risk disclosure set out in the St. George Margin Lending Margin Loan Product Disclosure Statement.

The following are some risks associated with being a borrower, guarantor, or provider of third party security in relation to the St. George Margin Lending Facility. Any proposed borrower, guarantor or third party security provider should obtain independent professional advice, including from their solicitor and their financial adviser, before applying.

1. If money is borrowed from another source in order to provide the borrower's equity for a St. George Margin Lending Facility, this will increase the borrower's overall gearing level. The higher the overall gearing level, the greater the effect that a fall in the value of the investment will have on the borrower's financial situation.
2. If you appoint an appropriately qualified financial services licensee to receive margin call notices you may not receive notice of a margin call from us.
3. Each of the borrower and the security provider gives us and each of our authorised officers a power of attorney under which they can, among other things, sell some or all of the borrower's and/or the security provider's mortgaged property. The attorneys can exercise their powers at any time regardless of whether the borrower or the security provider is in default. The attorney's are not obliged to exercise their powers; however, if they do, they may use any sale proceeds to pay some or all of the amount owed to us. The attorney's selling some or all of a portfolio may result in a realised profit or loss on the investment and a disruption to any tax planning and investment strategy. For example, if the borrower does not meet a margin call, the attorneys may sell some or all of the security provider's portfolio to repay some or all of the loan (even if the security provider is a third party and they do not know about the margin call).
4. The loan to value ratio that is assigned to each security and any change in that loan to value ratio are not to be taken as recommendations by us. The loan to value ratio is not based on an assessment of the suitability of the security to form part of a portfolio.
5. All dividends, distributions, bonus issues, rights issues and other rights and entitlements defined as 'new rights' in the St. George Margin Lending Facility Agreement (the 'Facility Agreement') will be mortgaged to us and neither the borrower nor the security provider will have access to them unless we agree. In addition, neither the borrower nor the security provider may be able to accept takeover offers or other offers related to their securities, except with our written consent.
6. A fall in the value of the mortgaged property between the time that the borrower places an order with their broker and the time settlement occurs may mean we are unable to settle the purchase for the borrower. We may also be unable to settle a purchase if to do so would exceed the borrowing limit or the credit limit. This may result in settlement fail fees being incurred by the borrower.
7. We do not provide the borrower, the guarantor or any security provider with financial, investment, taxation or legal advice regarding the Facility Agreement, its suitability to the borrower's circumstances or how the borrower should invest the money borrowed under the Facility Agreement. We have not considered whether the guarantor should guarantee the borrower's loan. We have not considered whether the third party security provider should provide third party security for the borrower's loan.
8. The borrower's financial adviser may receive a commission from us during the term of the loan. The payment of that commission by us is not an endorsement of any financial adviser and we do not, in any circumstances, accept any responsibility for any statement, act or omission of any adviser.

Third party security provider additional risk disclosure statement

The following are some additional risks associated with providing a third party security for the St. George Margin Lending Facility. As a third party security provider, you will have no control over the loan, the mortgaged property or any arrangements relating to the loan. You should obtain independent professional advice before providing that security.

1. The borrower may operate the loan without reference to you and can therefore increase or decrease the loan amount and/or your risks as a third party security provider without your knowledge or agreement.
2. The terms of the St. George Margin Lending Facility between us, the nominee and the borrower can be changed at any time.
3. You cannot cancel the security which you provide without our written agreement. We will normally not agree to release the security unless the borrower has repaid all money owing to us or there is sufficient security available after your investments have been removed from the mortgaged property.

By signing the power of attorney in the application form you acknowledge that you have read and accept these risks.

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

St. George Margin Lending Facility Agreement

Important

The terms and conditions of *your facility* are set out below and, if *you provide security* for the *facility*, the terms of *your mortgage*. Please read and retain it in a safe place for future reference.

Words printed *like this* are explained in clause 59 of these terms and conditions.

When *you* and any *third party security provider* sign an *application form*, *you* and they are confirming that they have read and accepted these terms and conditions.

This agreement is between each of *you*, any *third party security provider*, *us* and the *nominee*.

This agreement incorporates four distinct legal concepts:

1. the lending provisions;
2. a mortgage given by *you* to *us*;
3. the nominee arrangements with the *nominee* and the appointment of *us* as *your* attorney; and
4. the appointment of *us* or someone approved by *us* as *your* CHESSE sponsor.

If *you* are applying to be a *third party security provider*, this agreement incorporates three distinct legal concepts:

- a mortgage given by *you* to *us* to secure the obligations of the *borrower*;
- the nominee arrangements with the *nominee* and the appointment of *us* as *your* attorney; and
- the appointment of *us* or someone approved by *us* as *your* CHESSE sponsor.

In the *application form*, *you* and any *third party security provider* also appoint attorneys under a power of attorney. The attorney may execute documents on *your* behalf in accordance with that power, including these terms and conditions and any amendments to them. This agreement will be executed by *us* as *your* attorney. Once we sign this agreement, it is binding on *you*, any *third party security provider*, *us* and the *nominee*. The date we sign is the commencement date of this agreement.

Part 1 – Lending provisions

1 Conditions for borrowing

- 1.1 We lend in our discretion, but only if:
- (a) you have given us any document or information we reasonable require; and
 - (b) we are satisfied that an event of default has not occurred and is not likely to occur as a result of the loan; and;
 - (c) the security provider has not terminated the relationship between the nominee and the security provider under clause 24, or if such relationship has been terminated, the security provider has appointed another nominee to hold the mortgaged property on their behalf on terms that are acceptable to us.
- 1.2 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 How much we will lend to you

- 2.1 Any loan made under the facility is at our discretion and we are not required to lend for any reason. We are not liable for any amount incurred by you as a result of us not lending to you.
- 2.2 Unless we agree otherwise, the maximum amount you may borrow from time to time is the lesser of your borrowing limit and your credit limit.
- 2.3 Your borrowing limit depends on the loan to value ratio, the market value of securities over which security providers have granted security interests to us and whether your facility is diversified. During any period while your facility is diversified, the borrowing limit that would otherwise apply is increased by the amount of any bonus acceptable securities limit. The loan to value 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 prior notice to you.
- 2.4 Your credit limit is determined by us at the time of your application for the facility and may be reviewed by us from time to time (including where we are required by law to do so). You may also request us to review your credit limit. You must provide us with such information as we require at the time of any review. As a consequence of a review we may decrease your credit limit if we consider it appropriate having regard to our lending criteria (and even if it would result in a margin call or event of default). We will give you notice of any decrease in your credit limit and you must ensure that, within 5 business days (or such later date as we specify) of the date of the notice, that the amount outstanding is less than the credit limit and the borrowing limit. If you do not comply with this clause then, without limiting our rights under the

mortgage, you and each guarantor and/or third party security provider will be taken to have requested each attorney appointed in the power of attorney contained in the application form to take all steps we deem necessary to ensure that the amount outstanding is less than the credit limit and the borrowing limit.

- 2.5 We may lend you money 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.
- 2.6 Unless we agree otherwise, the maximum amount you may borrow from time to time is the lesser of your borrowing limit and your credit limit.

3 Borrowing money

- 3.1 A request for a loan 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) settle the confirmation; and
 - (b) register the securities in your participant sponsored holding or the nominee's name, as required by us.

We may decline your request to borrow for any reason. Unless we agree otherwise in writing, a request is irrevocable. Any amount advanced to you under this agreement will be debited to your loan account.

- 3.2 If settling a confirmation would cause the amount outstanding to exceed the credit limit we may decline to settle that confirmation. If we choose to settle such a confirmation you acknowledge that:
- (a) your credit limit is increased to the amount outstanding after we have settled the confirmation; and
 - (b) we will review your credit limit in accordance with clause 2.4 and as a consequence of such review we may decrease your credit limit which would require you take steps to ensure that the amount outstanding is less than the decreased credit limit and the borrowing limit.
- 3.3 If we receive a confirmation under clause 3.1 in relation to unlisted securities, new rights or new issues, you are taken to declare that you have read the relevant prospectus or other offer document and agree to be bound by the conditions of the offer.
- 3.4 We may in our discretion decide whether the unlisted securities, new rights or new issues are to be applied for in your or the nominee's name.
- 3.5 If the application is unsuccessful for any reason, any application money (other than company or trust processing fees) will be refunded to you.

- 3A. Diversified Feature
- 3A.1 *Your facility* will be considered *diversified* during any period in which:
- (a) the *mortgaged property* contains at least three *qualifying securities* or such other number as we determine at our discretion from time to time; and
 - (b) the *market value* of any one such *qualifying security* does not exceed 50% of the *market value* of all such *qualifying securities*.
- 3A.2 During any period when *your facility* is *diversified* you may request a loan under the *facility* to purchase *bonus acceptable securities*.
- 3A.3 We will generally decline a request to borrow to purchase *bonus acceptable securities* unless your *facility* is *diversified*.

4 Interest

- 4.1 You must pay us interest on each *loan* at the rate we specify (which may be a fixed rate and/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. Details of current interest rates are available from us on request and are available on our website at www.stgeorgemarginlending.com.au
- 4.2 Interest:
- (a) accrues on each *loan* from day to day commencing on the first day on which each *loan* was lent;
 - (b) is calculated on the number of days elapsed and a 365-day year; and
 - (c) is payable by *you* on the last day of each month (unless we agree otherwise).
- 4.3 Notwithstanding our other rights in accordance with clauses 32, 33 and 34, if *you* do not pay us any interest on the due date we may capitalise that interest to form part of the *amount outstanding*.
- 4.4 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 payable for that month and apply it to reduce the *amount outstanding*. *You* may cancel or vary any direct debit arrangement by 14 days' notice in writing to us.
- 4.5 We do not pay *you* interest on any credit balance in *your loan account*. It is *your* responsibility to transfer any credit balance to an interest bearing account as we may not automatically do so.
- 4.6 If *you* ask and we agree, *you* may pay interest in advance on any agreed date. Any interest prepaid is not refundable, even if *you* repay the *loan* early.
- 4.7 If *you* ask and we agree, *you* may pay interest on any other basis, terms and conditions which may include a fixed interest rate.

4A. Fixed interest rate loans

- 4A.1 If, before the end of a fixed rate period, *you*:
- (a) prepay all or part of the fixed rate *loan* (that is repay it ahead of the due date), or
 - (b) switch all or part of the fixed rate *loan* from the existing fixed interest rate to a new fixed interest rate or to a variable interest rate, then *you* may need to pay an amount to us known as a *prepayment cost*.
- 4A.2 *You* may also need to pay us a *prepayment cost* if, before the start of the fixed rate period, *you*:
- (a) choose to, or are required to, prepay all or part of the *amount outstanding*, or
 - (b) decide that *you* don't want the fixed rate loan or want a different fixed rate period.
- 4A.3 The *prepayment cost* is determined by us and depends on the amount of the prepayment, interest rate movements since the interest rate was fixed and the remainder of the fixed rate period left to run.
- 4A.4 If a *prepayment cost* is payable *you* will also need to pay a prepayment administration fee.
- 4A.5 The *prepayment cost* will apply regardless of the reason for the prepayment or switch, and whether or not the prepayment or switch is carried out at *your* request. We may debit any *prepayment cost* or prepayment administration fee to *your loan*.
- 4A.6 When we agree to lend *you* money at a fixed interest rate, we do so on the undertaking that *you* will make certain fixed rate payments for the whole of the fixed rate period. If *you* make a prepayment (that is, repay ahead of the due date) or switch to another interest rate, we may make a *loss* that reflects the difference between the fixed rate of interest which *you* agreed to pay under the fixed rate *loan* and the market rate of interest at the time of the prepayment.

5 Other amounts we can charge to your loan account

- 5.1 We may debit costs payable in connection with the *facility* to any *loan account*.
- 5.2 Details of current interest rates, fees and charges are available from us on request and are available on our website at stgeorgemarginlending.com.au We may vary interest rates, fees and charges payable from time to time.

6 Payments

- 6.1 *You* and each *security provider* must pay to us all amounts due under the *documents* in full, in clear, immediately available funds (by cheque, direct payment or another method of payment that we notify to *you* from time to time). To the maximum extent allowed by law, *you* give up any right to deduct or set-off any amount we owe *you* against amounts *you* owe us under the *documents*.

- 6.2 All payments must be free of any withholding or deduction for taxes, unless the law prevents this. If you have to make a deduction, the amount you must pay is increased so we receive the same amount we would have received had no deduction been made.
- 6.3 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.
- 6.4 If any cheque given in payment of any amount payable by you under this agreement is not honoured on first presentation then we will treat the payment as if it had never been made.
- 6.5 We may without prior notice offset any money we owe you under the *facility* against any money you owe us under the *facility*. We will promptly notify you if we do this.
- 6.6 If at any time the *amount outstanding* is due, but has not been paid, you authorise us to apply any credit balance in any *loan account* you have with us, towards satisfaction of the payment that is due. We may do this without giving you any prior notice. Your account statement will reflect any such transaction.
- 6.7 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 any *corporate action* (including the takeover, compulsory acquisition, or redemption of, or return of capital) on, any of the *mortgaged property*;
 - any proceeds from the sale or redemption of any *mortgaged property*; and
 - any return of some or all of the subscription or application moneys for new *securities* we may fund;
- to reduce the *amount outstanding*.
- 6.8 We may use any money received in connection with the *facility* towards paying any part of the *amount outstanding* in the following order (even if that part falls due after an *event of default* has occurred):
- First: any unpaid government charges payable in connection with the *facility*;
 - Second: any unpaid *enforcement expenses*;
 - Third: any unpaid interest;
 - Fourth: any other costs payable in connection with the *facility*; and
 - Fifth: the principal outstanding under the *facility*.
- 6.9 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*.
- 6.10 We may assign any date we reasonably believe to be appropriate to a debit or credit to a *loan account*.
- 6.11 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).
- ## 7 Repayment of loans
- 7.1 You must repay us the *amount outstanding*:
- if an *event of default* has occurred, forthwith on demand by us (see Part 6); or
 - if we elect to terminate the *facility*, on the date we specify. We may elect to terminate the *facility* by giving at least 10 *business days'* notice to you.
- 7.2 You must repay us all or part of the *amount outstanding* (forthwith on demand, as directed by us) if we are required by law to reduce the maximum amount that you may borrow.
- 7.3 Subject to clause 7.1 above, you may repay all or any part of the *amount outstanding* whenever you wish by giving two *business days'* prior written notice. However, any *loan* upon which interest is paid or payable at a fixed rate may only be repaid in full (unless we agree otherwise).
- 7.4 If you do repay us (including under clause 7), we will not normally refund any prepaid interest and you may be required to pay a administration fee to cover our reasonable costs to terminate the *facility*.
- 7.5 If you repay more than the *amount outstanding* we are not required to pay interest on the excess.
- ## 8 Margin calls
- 8.1 A *margin call* occurs if the *amount outstanding* exceeds the sum of:
- the *borrowing limit*; and
 - the *buffer*,
- at any time.
- 8.2 If a *margin call* occurs we will take reasonable steps to notify you or your *margin call* contact.
- 8.3 You acknowledge that if you nominate a *margin call* contact to receive a notice under clause 8.2 you may not receive notice from us.
- 8.4 A *margin call* must be satisfied by taking the action referred to in clause 8.5 by 2pm (Sydney time) on the next *business day* after the day the notice is issued by us, or such later date as we may advise.

- 8.5 The action you must take if your *loan account* goes into *margin call* is to:
- (a) repay some or all of the *amount outstanding*; and/or
 - (b) provide us with additional *security interests* which are acceptable to us; and/or
 - (c) 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 *loan account*); and/or
 - (d) take any other steps we consider necessary, so that the *amount outstanding* no longer exceeds the *borrowing limit*.
- 8.6 You should ensure that you or your *margin call contact* are 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.
- 8.7 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 necessary (including any of those steps listed in clause 8.5) to ensure the *amount outstanding* no longer exceeds the *borrowing limit*.
- 8.8 We may vary the *loan to value ratio* of a *security*, the quantity of a *security* we will assign a *loan to value ratio* to, the number of *qualifying securities* that must be held for a *facility* to be *diversified* or the percentage taken into account in the *borrowing limit*, the *bonus acceptable securities cap* or the *buffer*, at any time in our discretion, even if it results in a *margin call*.
- 8.9 You and each other *security provider* agree that:
- (a) you will manage the *facility* to avoid a *margin call*; and
 - (b) if at any time a *margin call* does occur:
 - (i) it is not a waiver that we do not exercise our rights in respect of an unsatisfied *margin call* despite then being entitled to do so, nor is it a waiver of our right to do so at any time in the future; and
 - (ii) we are not obliged to take any action to stop or limit your *loss* by exercising our rights under this agreement.
- 8.10 Our rights under this clause 8 (whether we exercise them or not) do not limit any of our other rights at law, under these terms and conditions or under the *documents*.

9 Authority to operate

- 9.1 You may nominate another person or persons as an *authorised representative* to operate the *facility* as if they were a *borrower*, other than to receive *margin calls*. In relation to a managed investment scheme, you may also nominate a *nominated financial adviser* or managed investment scheme to provide us with instructions to deal with, 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 (which may include the person providing such *documents* and other information as requested by us) and we require the person to confirm their acceptance of the nomination.
- 9.2 This arrangement will continue until we receive written notice from you in a manner acceptable to us that you have revoked any such authority.
- 9.3 You (and any *person* claiming through you) release us from and indemnify us against all losses and liabilities arising in connection with all actions, claims, proceedings, costs and demands arising directly or indirectly in connection with us acting on the instructions of your *authorised representative* or *nominated financial adviser* or the acts or omissions of your *authorised representative* or *nominated financial adviser*.
- 9.4 If you appoint an *authorised representative* or *nominated financial adviser*, (unless such appointment is revoked in accordance with clause 9.2) you cannot later claim that your *authorised representative* or *nominated financial adviser* was not acting on your behalf.

Part 2 - The mortgage

10 Effect of this mortgage

- 10.1 In this Part 2 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 own it. We may also sue you for any remaining money you owe us.
- 10.2 The mortgage in this Part 2 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.

11 Mortgage

- 11.1 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 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 11.2.

- 11.2 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.

- 11.3 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.

- 11.4 We may, at your expense, apply for any registration, or give any notification, in connection with this mortgage and for whatever class of collateral we think fit. You consent to any registration or notification by us, and agree not to make an amendment demand.

12. The mortgaged property

- 12.1 We reserve the right at our 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.

- 12.2 Each security provider agrees to deposit with us or a person we nominate anything we require in connection with the mortgage or mortgaged property within 5 business days of our request or such longer period as we may agree.

- 12.3 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.

13. Your rights in relation to the mortgaged property

- 13.1 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*.

- 13.2 If an event of default occurs or the *mortgaged property* is registered in our or the nominee's name, all the security provider's rights under clause 13.1 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.

14. Your obligations in relation to the mortgaged property

14.1 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) if we ask, do anything we reasonably request to further assure our interest in the *mortgaged property*.

14.2 If the *security provider* does not pay any calls or instalments or any other amounts that are or become payable in connection with the *mortgaged property*, we may pay any of those amounts on behalf of the *security provider*. Any amount so paid will form part of the *amount outstanding*.

15 Dealing with the mortgaged property

15.1 The *security provider* must obtain our written consent before:

- (a) disposing of, redeeming or parting with possession of all or part 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*.

15.2 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 in our discretion (and the *security providers* authorise us to) do whatever is necessary to release the property.

15.3 We need not release any of the *mortgaged property* if you or a *security provider* has not fulfilled their obligations under the *facility*; if we are not satisfied that the *amount outstanding* has been or will be paid; or if, after the release, your *borrowing limit* would be breached.

15.4 We may release any *securities* that we wish to exclude from the *mortgaged property*.

15.5 We will assume that a sell contract note received from any *broker* which indicates that a *security provider* is the seller is evidence of the *security provider's* request to sell the relevant *securities*.

15.6 On receiving your request, we and the *nominee* may redeem or otherwise deal with the *security provider's mortgaged property*, and apply the proceeds to pay or repay part or all of the *amount outstanding*.

16 Other security interests

16.1 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*.

16.2 It is an *event of default* if the *security provider* does not obtain our prior written consent and any agreement we ask for.

16.3 The *security provider* must ensure that the amount secured under any other *security interest* in the *mortgaged property* is not increased without our prior written consent.

16.4 The *security provider* must comply on time with any obligation in connection with any other *security interest* in the *mortgaged property*.

17 Administrative matters

17.1 We may arrange for any transfer to us of the *security provider's* rights under the *mortgaged property* to be registered.

17.2 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\$100,000,000 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.

18 **Securities of a third party**

We and the *nominee* may deal with the *future security* or *new rights* of a person that form part of the *mortgaged property* and:

- (a) we do not need to obtain the consent of any other person;
- (b) we may apply the proceeds of any dealing to repay part or all of the *amount outstanding*; and
- (c) this may affect the *borrowing limit*.

19 **Takeovers**

If a *security provider* wants to accept a takeover offer in respect of *securities* in their *mortgaged property* they must obtain our prior written consent.

20 **Corporate action**

In the event of a *corporate action* in respect of an issuer of *securities* forming any part of the *mortgaged property*, the *security provider* directs us, if we require, to transfer the legal title in those *securities* to the *nominee* at the *security provider's* cost before the *corporate action* takes effect.

21 **Options**

- 21.1 If a *security provider* wishes to sell options in relation to any *securities* which are or will be included in the *mortgaged property*, the *security provider* must obtain our prior written consent.
- 21.2 The *security provider* authorises us to:
 - (a) give instructions to any *broker* in relation to their options to the same extent that they are able to do so, including:
 - (i) to close out an open position;
 - (ii) to transfer an open position to an account with another *broker* or to a different account with the same *broker*;
 - (iii) to accept a transfer of an open position from an account (which may not be in your name) with another *broker* in order to close out (wholly or partly) an open position;
 - (iv) as to payment of any amounts by a *broker* or clearing house in relation to options; and
 - (v) to reject their directions;
 - (b) lodge *securities* forming part of the *mortgaged property* with ASX Clear if required by either the *security provider's broker* or ASX Clear;
 - (c) make any payment which is required or which we consider necessary or desirable in relation to any options;
 - (d) take any action in relation to the *loan account* or the *mortgaged property* to satisfy any obligation or liability in relation to options; and
 - (e) provide any information in relation to the *loan account* to any *broker* in relation to options, and to obtain from any *broker* any information we require in relation to the *security provider's* account with the *broker* or any options.

Part 3 – Third party security provider provisions

22 **Acknowledgment**

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

23 **Preservation of rights**

- 23.1 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 the *credit 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.
- 23.2 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) claim, or exercise any right to claim, to be entitled to the benefit of a guarantee, indemnity (or similar assurance against loss) or *security interest*:
 - (i) 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*); or
 - (ii) in favour of a person other than us in connection with any obligations of, or any other amounts payable, by the *borrower* to, or for the account of, that other person;
 - (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* for the *borrower's* obligations under the *documents* (including a person who has signed this agreement).

Part 4 – Appointment of *nominee*

24 Appointment

- 24.1 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 4.
- 24.2 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.
- 24.3 The *security provider* acknowledges that the legal title to *securities* may, as a result of clause 24.2, 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.
- 24.4 The *nominee* need not make any payment unless the *security provider* first gives it the funds to do so.
- 24.5 The *security provider* agrees with us not to terminate the *nominee's* appointment until they have paid all of the *amount outstanding* and received our written consent. The *nominee* acknowledges that it has notice of the agreement between the *security provider* and us under this clause 24.5, and agrees to act in accordance with, and on the basis of, that agreement. 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.
- 24.6 Notwithstanding any other provision in this agreement:
- (a) the *security provider* shall be entitled to terminate the relationship between the *nominee* and the *security provider* when there is no *amount outstanding* by giving notice to us and directing the *nominee* to transfer the *securities* to the *security provider*; and
 - (b) for the removal of doubt, the *security provider* shall be absolutely entitled (within the meaning of that term as used in Parts 3-1 and 3-3 of the Income Tax Assessment Act 1997 (Cth)) to the *securities*.

25 Nominee Instructions

- 25.1 The *security provider* directs the *nominee* to act in accordance with instructions received from us in accordance with our rights under these terms and conditions, unless we agree otherwise.
- 25.2 Instructions may include:
- (a) a direction to take any 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* (for example, in connection with voting rights in respect of *mortgaged property* held by the *nominee*).

26 Security provider's obligations

- 26.1 The *security provider* directs the *nominee* to act in accordance with instructions received from us in accordance with our rights under these terms and conditions, unless we agree otherwise.
- 26.2 If the *security provider* wants to take any action in connection with the *mortgaged property* held by the *nominee*, they must contact us. We will then 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.
- 26.3 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.
- 26.4 The *security provider* directs the *nominee* to do anything necessary to give effect to the instructions received from us.

27 Costs, Fees and Expenses

- 27.1 You agree to pay the *nominee's* usual fees for acting as *nominee*, which may be notified to you from time to time.
- 27.2 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* except to the extent that any such loss or cost arises as a result of the *nominee's* wilful misconduct, negligence or breach of this agreement.

Part 5 – Warranties, undertakings and indemnities

28 Warranties and undertakings that you make

- 28.1 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 provided to us in connection with the *mortgaged property* is true and correct (including as to the nature and extent of your and the *security provider's* interests in it);
 - (b) you and the *security provider* are able to enter into the *facility* and the other *documents* and give each of them full force and effect;
 - (c) you and the *security provider* are not aware of any situation which has caused, or might reasonably be expected to cause, an *event of default*;
 - (d) if you or the *security provider* 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) you or the *security provider* 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*;
 - (f) any amount that we may receive as a result of your, the *security provider's* or anyone else's bankruptcy or liquidation does not affect our rights to enforce the *facility* to recover the *amount outstanding*;
 - (g) any *securities* or *new rights* which are, or which are to be, *mortgaged* to us are and will be free of any other *security interest*;
 - (h) neither we nor the *nominee* has provided taxation advice to you or any *security provider* and each of you should seek and rely on your own professional taxation advice prior to making any decisions in respect of your *mortgaged property*;
 - (i) unless we agree otherwise in writing, you and the *security provider* are each an Australian resident for taxation purposes;
 - (j) you and the *security provider* are not entering into or acting in respect of rights or obligations under this deed or carrying on a business at or through a permanent establishment outside of Australia within the meaning of section 6(1) of the *Income Tax Assessment Act 1936*;
 - (k) if you are an individual, the proceeds of any *loan* have not been, and will not be used wholly or predominantly for a *National Credit Code* purpose. This warranty and undertaking is deemed repeated by you on each *loan* drawing; and
- (l) to the extent permitted by law:
- (i) we need not give any notice under the *PPSA* (including a notice of a verification statement);
 - (ii) we need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) and 132(4) of the *PPSA*, or any other provision of the *PPSA* notified to you by us after the date of this agreement; and
 - (iii) you may not exercise any rights under sections 142 and 143 (reinstatement of *security*) of the *PPSA*.
- 28.2 Each of the warranties and undertakings made in clause 28.1 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 you or the *security provider* from truthfully repeating any one or more of the declarations in clause 28.1 at any time.
- 28.3 You and each *security provider* undertakes:
- (a) to give us promptly any financial and other information we reasonably 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 that you, each *security provider* and any successors are bound by the *facility*;
 - (d) if any of you or the *security provider* are an individual or an individual acting as a trustee, not to apply the money we lend you under the *facility* wholly or predominantly for *National Credit Code* purposes;
 - (e) if you or the *security provider* are a company, to ensure that any new or existing directors promptly enter into any of the *documents* comprising the *facility* and if we request provide a guarantee of the *borrower's* obligations in a form acceptable to us;
 - (f) until the *amount outstanding* is paid in full, to:
 - (i) neither directly nor indirectly 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*;

- (ii) neither exercise any rights to, nor claim to be entitled to, any of *our* rights under the *facility* or a *security interest* given by the *security provider*; or
 - (iii) not claim an amount from a *borrower* under a right of indemnity relating to the *facility*; and
- (g) if we determine that a *document* (or a transaction in connection with it) is or contains a *security interest* for the purposes of the *PPSA*, to do anything (such as obtaining consents, signing and producing documents, getting documents completed and signing and supplying information) which we ask and consider necessary for the purposes of:
- (i) ensuring that the *security interest* is enforceable, perfected and otherwise effective;
 - (ii) enabling *us* to apply for any registration, or give any notification, in connection with the *security interest* so that the *security interest* has the priority required by *us*; or
 - (iii) enabling *us* to exercise rights in connection with the *security interest*; and
- (h) to pay or reimburse *our* reasonable costs in connection with anything the *security provider* is required to do under (g) above.
- (v) any *securities* and *new rights* which are to be *mortgaged* under this agreement are the property of the trust; and
 - (vi) *you* are not aware of any threatened or pending action or claim which may affect *your* indemnity out of the trust assets; 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 to perform *your* obligations under this *facility*;
 - (iii) not retire as trustee of the trust without *our* prior written consent which will not be unreasonably withheld or delayed;
 - (iv) advise *us* of any material change to the trust deed;
 - (v) act in accordance with the provisions of the trust deed at all times;
 - (vi) not terminate the trust;
 - (vii) not do anything which may negatively affect *your* obligations as trustee of the trust or *your* right to be indemnified out of the trust assets; and
 - (viii) 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 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 in *your* capacity as trustee; and
- (b) *you* declare that *you* have:
 - (i) the power and authority to sign the *documents*, perform *your* obligations under them and allow them to be enforced;
 - (ii) obtained all necessary resolutions, consents, approvals or other procedural matters as required by any relevant trust deed;
 - (iii) signed the *documents* in *your* personal capacity and also as trustee for the benefit of the beneficiaries;
 - (iv) the right to be indemnified out of the trust fund for all of the obligations *you* incur under the *documents*, that this right has not been limited in any way, and that the trust fund is sufficient to cover this right of indemnity;

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 *you* enter into the same agreements as if it were named in clauses 29.1 and 29.2 instead of *you*.

30 Indemnities

- 30.1 *You* and each *security provider* jointly and severally indemnify *us* and the *nominee* against, and must therefore pay *us* on demand for, any loss or costs we suffer or incur as a result of:
- (a) an event of *default* occurring;
 - (b) funds not being available to meet any request from *you*, unless it is *our* fault that those funds are not available;
 - (c) any money *you* or another person has to pay under the *documents* not being promptly paid including, but not limited to, any withholding tax or similar costs we incur or which may be payable by *you* or *us* in the future;
 - (d) *you*, a *guarantor* or a *third party security provider* 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, declarations, undertakings or covenants that *you*, a *guarantor* or a *third party security provider* gives;
- (g) any omission made by *you*, a *guarantor* 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 any 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 7;
- (j) any *loan* being repaid before its due date; or
- (k) *our* reliance on any instructions from *you* or *your representative* contemplated in this agreement.

30.2 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 6 – Default

31 When is there an event of default?

31.1 An event of default occurs if:

- (a) *you* or a *security provider* does not pay on time any amounts due under any *document*;
- (b) *you* fail to satisfy a *margin call* in accordance with the terms of this agreement;
- (c) *you*, a *guarantor* or a *security provider* does something they agree not to do, or do not do something they agree to do, under any *document*; or
- (d) *you*, a *guarantor* or a *security provider*, or someone acting on behalf of any of *you*, gives *us*, in *our* reasonable opinion, incorrect or misleading information, or makes a declaration which is untrue, in connection with a *document*; or
- (e) a judgment of any court or any order of an authority is executed against any of the *mortgaged property*; or
- (f) *you*, a *guarantor* or a *security provider* become *insolvent*, or steps are taken to make *you*, a *guarantor* or a *security provider* *insolvent*, or, if any of *you* are a natural person, any of *you* die or we consider that *you* are not capable of managing *your* affairs; or
- (g) if any *security* forming part of the *mortgaged property* consists of an interest in a *trust account*:
 - (i) any breach or default occurs of the duties and obligations of the administrator or trustee under the relevant trust deed, rules and anything else that applies to the trust (together, the *plan*);
 - (ii) any event occurs which results in the termination of the *plan* or the vesting of trust assets held under the *plan*;
 - (iii) the administrator or trustee under the *plan* is removed from office; or
 - (iv) any *event of default* occurs under the relevant *management agreement*;
- (h) any of the *mortgaged property* that was quoted on any official list of the ASX ceases to be so quoted;
- (i) in *our* reasonable opinion an adverse circumstance has occurred in relation to the *sponsor* or *sponsorship* of any of *your* holdings (if the *sponsor* is someone other than *us*), including the *insolvency* of the *sponsor*, or any steps being taken which may lead to the *insolvency* of the *sponsor*, or the breach or termination by the *sponsor* of any agreement with the *sponsor*;

(j) we reasonably believe that there has been a material adverse change in the ability of any of you, a guarantor or a third party security provider to comply with their obligations in connection with any document; or

(k) you fail to provide any financial information reasonably required by us.

31.2 No event of default under paragraphs (i), (j) or (k) will occur if:

(a) the failure to comply is capable of remedy; and

(b) is remedied within 5 business days of us giving notice to you of the failure to comply.

32 What can happen if there is an event of default?

32.1 If an event of default occurs, you and each security provider authorises us to do one or more of the following:

(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;

(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;

(e) exercise and enjoy the benefits of the rights the security provider previously held under clause 13;

(f) do anything else the law allows us to do as a mortgagee;

(g) appoint a receiver to do anything the law allows a receiver to do, including any of the above; and

(h) bring or defend any action or legal proceedings in your name or otherwise, for all or any of the above purposes.

32.2 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.

33 Receivers

33.1 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.

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

33.3 A receiver can do anything we could do under clause 32.1, and anything else the law allows a receiver to do.

33.4 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.

34 Disposal of mortgaged property

34.1 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; and

(b) 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.

34.2 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 7 – Appointment of sponsoring participant

35 Appointment

35.1 The *security provider* irrevocably appoints the sponsor, in its capacity as a *general settlement participant*, to be the *sponsoring participant* until a substitute is appointed. The initial *participant sponsored holdings* will be identified by the *HINs* notified by the *security provider*.

35.2 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.

35.3 The *sponsor* declares that:

- (a) it is a wholly owned subsidiary of an Australian bank; and
- (b) it has fulfilled all the other requirements under the *Settlement Rules* for admission as a *general settlement participant*.

36 What the sponsoring participant can do

36.1 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*.

36.2 Despite clause 36.1, 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.

36.3 Subject to this Part 7, the *sponsor* will initiate any action necessary to give effect to a *transfer* or conversion or request by *you* to withdraw *your securities* from *your participant sponsored holding* within the time required by the *Settlement Rules*. Where the *sponsor* claims that an amount lawfully owed to it has not been paid by the *security provider* or *nominee*, the *sponsor* has the right to refuse to comply with the request to effect a withdrawal, but only to the extent necessary to retain *securities* of the minimum value held in the *security provider's* or *nominee's participant sponsored holding* (where the minimum value is equal to 120% of the current value of the amount claimed).

36.4 In accordance with clause 36.1 and these terms and conditions, but subject to clause 36.2 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) do anything necessary or convenient for the purpose of acting as *sponsoring participant* of the *securities*;
- (c) obtain statements of *holding* balances and other information about the *securities* from the ASX, ASX Clear or ASX Settlement and any entity on the request of the *security provider* or the *nominee* and at any times that the *sponsor* thinks necessary;
- (d) within the period prescribed by the *Settlement Rules*, give the ASX, ASX Clear or ASX Settlement or the relevant entity notice of any change in information required for registration notified by the *security provider* or the *nominee* under clause 37.4(c); and
- (e) provide *you* or any *security provider* with an executed copy of the *sponsorship agreement* upon request.

36.5 The *sponsor* must:

- (a) comply with the *Corporations Act*, all other relevant laws and the *Settlement Rules*;
- (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*.

36.6 The *sponsor* acknowledges that:

- (a) ASX Settlement has not approved and takes no responsibility for, *our* abilities or qualifications as the *sponsoring participant*;
- (b) information on the *sponsor's* status as the *sponsoring participant* can be obtained from ASIC;
- (c) if the *sponsor* is suspended from the settlement facility provided by ASX Settlement, subject to the *sponsor's* liquidator, receiver, administrator or trustee asserting an interest in the *securities*:
 - (i) the *security provider* has the right to request the ASX Settlement to remove any *securities* held by the *security provider* or the *nominee* from the CHES Subregister or from the control of the *sponsoring participant* under rule 7.2.3(b) of the *Settlement Rules* within 20 *business days* of ASX Settlement giving notice of the suspension; and

- (ii) where a request under clause 36.6(c)(i) is not made, ASX Settlement 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*;
 - (d) the *security provider* and the *nominee* may refer a breach by the *sponsor* of the *Settlement Rules* to any regulatory authority including ASX Settlement and ASIC;
 - (e) the *security provider* and the *nominee* may lodge a complaint against the *sponsor* with ASX Settlement and the Financial Ombudsman Service (FOS);
 - (f) if a breach by the *sponsor* falls within the circumstances specified in the compensation arrangements applicable to the *approved market operator* or the clearing participant of ASX Clear under the *Corporations Act* and *Corporations Regulations* the *security provider* or the *nominee* may make a claim for compensation arrangements applicable to the *approved market operator*; 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.
- 36.7 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 ASX Settlement must first be obtained and any conditions stipulated by ASX Settlement met;
 - (b) both the *sponsor* and the new *sponsoring participant* will give the *security provider* and the *nominee* notice of the change in accordance with the *Settlement Rules*; and
 - (c) 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* from the *sponsor* (the "Effective Date"). The *security provider* and the *nominee* are entitled to terminate the sponsorship arrangements applying under this agreement and give *withdrawal instructions* to the *sponsor* on receipt of the notice from the *sponsor*. However, if they choose to terminate, the *amount outstanding* must be repaid in full at the same time.
- 36.8 The sponsorship arrangements made under this agreement are to be taken to be novated to the new *sponsoring participant* on receipt of the 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 36.2).
- 36.9 The *security provider* and the *nominee* are to be taken to have consented to the novation of the sponsorship arrangements, and to have authorised the *sponsor* to execute on their behalf all documents necessary to effect the novation, if either do any act which is consistent with the novation on or after the Effective Date.
- 36.10 The sponsorship arrangements continue for the *sponsor's* benefit in respect of any rights and obligations occurring before notice is given under clause 36.8.
- 36.11 To the extent that any law or provision of any agreement makes the novation in clause 36.8 not binding or effective, these sponsorship arrangements continue for the *sponsor's* benefit until such time as the novation is effective.
- 36.12 Nothing in clauses 36.7 to 36.11 prevents the completion of transactions by the *sponsor* where the obligation to complete those transactions arose before notice was given under clause 36.8 and these sponsorship arrangements will continue to apply to the completion of those transactions despite the novation of these sponsorship arrangements.
- 36.13 If any *security provider* consents, the *sponsor* may disclose the *HIN* of a *CHESS Holding* to any *nominated financial adviser*, *authorised representative* or any other *security provider*.
- 36.14 This *sponsorship agreement* terminates immediately:
- (a) by notice in writing from either the *security provider* or the *sponsor* to the other;
 - (b) if the *sponsor* becomes *insolvent*;
 - (c) if the *sponsor* is suspended from the settlement facility or its rights under the settlement facility are terminated; or
 - (d) if the *sponsor* gives the *security provider* or the *nominee* notice under clause 36.7, by the *security provider* or the *nominee* instructing the *sponsor* to *transfer* the *securities* sponsored by the *sponsor* from the *participant sponsored holding*.
- 36.15 If this sponsorship agreement terminates under clause 36.14 the *security provider* must, at our request, immediately enter into a *sponsorship agreement* in relation to the *securities* on terms and with a *controlling participant* acceptable to us or repay the *amount outstanding* in full.

36.16 For so long as there is an *amount outstanding*, the *security provider* undertakes not to give a notice under clause 36.14(a).

37 What the *security provider* and the *nominee* agree to do

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

- (a) ASX Settlement has not approved and takes no responsibility for, the *sponsor's* abilities or qualifications as the *sponsoring participant*;
- (b) ASX, its subsidiaries and controlled entities (including ASX Settlement) 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*;
- (c) before you signed the application an explanation of the effect of the *sponsorship agreement* was provided to you by us (this explanation is contained in the 'CHESS explanation');
- (d) they understood the intent and effect of Part 7 of this agreement before signing it;
- (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;
- (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;
- (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*;

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

- (i) establish a new *holder record* in the name of the bankrupt *holder*, transfer the interest of the bankrupt *holder* into new *holdings* under the new *holder record* and request that ASX Settlement apply a *holder record lock* to all *holdings* under that *holder record*, unless the legally appointed representative of the bankrupt *holder* elects to remove those from the CHESS Subregister; and

- (ii) establish a new *holder record* in the name(s) of the remaining *holder(s)* and transfer the interest(s) of the remaining *holder(s)* into new *holdings* under the new *holder record*;

- (j) in the event of an even number of *securities*, for taxation purposes each *holder* will beneficially hold an equal number of *securities*;

- (k) in the event of an odd number of *securities*, *holder 1* on the *application form* is nominated as the default beneficiary for taxation purposes of the additional *security*;

- (l) you may advise us in writing at any time of an alternate holding portion of *securities* to that outlined in paragraph (j) or (k); and

- (m) the *sponsor* is not obliged to effect a transfer into the *security provider's* or *nominees' participant sponsored holding*, where payment for the *securities* has not been received, until payment is received.

37.2 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 ASX Settlement or the relevant issuer of *securities* 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 compensation arrangements applicable to the approved market operator or the clearing participant of ASX Clear under the Corporations Act and the Corporations Regulations.

37.3 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 the right to transfer, convert or deal in any other way with those *securities* is restricted in accordance with the *Settlement Rules* relating to *subpositions*.

37.4 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.

37.5 The *security provider* must:

- (a) do everything to comply with this agreement that the *sponsor* and we consider necessary;
- (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 any duties, taxes, registration and other fees and charges associated with *CHESS* and other expenses incurred on behalf of the *security provider* and the *nominee*.

37.6 The *security provider* indemnifies the *sponsor* against and therefore must pay the *sponsor* on demand for, any *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 36.13 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.

Part 8 – Other Provisions

38 Exclusion of time periods

- 38.1 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.
- 38.2 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.

39 Other costs and charges

39.1 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*); and
- (b) any 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.

39.2 We may debit and charge any *loan account* with any amounts you are required to pay under clause 39.1.

39.3 You must pay us an amount equal to any liability, loss or costs of a kind referred to in clause 30.1 or clause 39.1 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*.

40 Limitation of liability

40.1 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.

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

40.3 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 *managed investment scheme*.

40.4 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*.

40.5 Neither we nor the *nominee* 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;
- (d) any suspension of our services, including for the purpose of allowing 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*;

(e) any *loss* that you, any *security provider* or *guarantor* may suffer as a result of any missed market opportunity or any change in the value, status or availability of any *security* during the period we are processing any of the *documents*, any *confirmation*, any request to increase your *credit limit* or your instructions;

(f) any *loss, damage, cost, liability* or expense that you may suffer as a result of us declining your request to borrow under the *facility*, a change in the *borrowing limit* or *credit limit* or a direction to repay all or part of a *loan*; or

(g) any *loss, damage, cost, liability* or expense that you may suffer as a result of any *margin call* contact appointed by you to receive notice of a *margin call* failing to provide you with notice of that *margin call*.

41. Payments

41.1 To the extent permitted by law, we may pay amounts or give other benefits to any person we choose including any entity related to us. We may not be 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. Payment of any such amounts or the giving of benefits is not an endorsement of that person by us.

41.2 If a *cash management* account is opened with an entity related to us, then you consent to that entity earning fees and receiving payments in connection with that account.

41A. Adviser service fee facility

41A.1 If you agree to pay your adviser an *adviser service fee*, you appoint us and the *nominee* as your agents to pay to your adviser on your behalf your specified adviser service fee amount. You must provide us an *adviser service fee instruction* specifying your adviser's payment details and details of the amount of the *adviser service fee* which must be specified as either:

- (a) an amount in dollars; or
- (b) a percentage of the *equity component value* of your *securities*, at the relevant time.

You must also advise us whether the *adviser service fee* is to be paid out of a *loan* or out of your *cash management account* and, for *periodic payments* the dates and amounts for each *periodic payment*.

41A.2 You may request that an *adviser service fee* be paid as:

- (a) an *upfront payment* which will (subject to clause 41A.3) be paid to your adviser as a single payment; and
- (b) as a *periodic payment*, which will (subject to clause 41A.3) be paid periodically as specified in your *adviser service fee instruction*.

41A.3 We may refuse any request to use the *adviser service fee facility*, or to make a payment under it, for any reason (or for no reason) including if:

- (a) where you request the payment to be made out of your *cash management account* and you have an insufficient balance in your *cash management account* to pay the *adviser service fee* amount; or
- (b) we consider that payment of the *adviser service fee* amount out of your *cash management account* would reduce your *credit limit* or your *borrowing limit* so that the *amount outstanding* would exceed your *reduced credit limit* or *borrowing limit*; or
- (c) where you request the payment to be made out of your *loan* and this would cause the *amount outstanding* to exceed your *borrowing limit* or *credit limit*.

42 How we may exercise our rights

- 42.1 We may exercise a right or remedy or give or refuse our consent in any way we consider appropriate including by imposing conditions.
- 42.2 If we do not exercise a right, power or remedy fully or at a given time, we can still exercise it later.
- 42.3 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.

- 42.4 Neither we nor the *nominee* is required to do any act or thing unless expressly required under this agreement and we are not liable for any *loss* caused by doing or attempting to do, failure to do, or delay in doing any act or thing, whether or not caused by our negligence.
- 42.5 Our rights and remedies under the *documents* may be exercised by any of our directors, employees or other persons we authorise, including a *receiver* or attorney.

Reinstatement of rights

- 42.6 Under law, a trustee in bankruptcy, an administrator or a liquidator may ask us to refund a payment we have received in connection with the *documents*. To the extent we are obliged or 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

- 42.7 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 a *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).
- 42.8 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 our default rate (if any) or the rate in the court order, whichever is higher.

Further steps

- 42.9 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 be bound 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

- 42.10 (a) At any time without your consent or acknowledgement we may on 30 days' prior notice:
 - (i) impose any new fee or vary the amount of any fee;
 - (ii) vary the interest and fee charging cycles; and/or
 - (iii) vary the basis of calculating and charging of interest; and, on such notice required by law,
 - (iv) vary any interest rate or default interest rate margin.

We will notify you of such amendment in writing or by newspaper advertisement or on our website no later than the day the amendment takes effect, however the amendment is effective on its terms even if we do not.

- (b) From time to time and at any time, we may increase, decrease, add to, delete or otherwise vary our *loan to value ratios* on any of the *mortgaged property* without providing you with prior notice. Any change will be notified on our website at www.stgeorgemarginlending.com.au

- (c) We may from time to time change any of the terms of the *documents* to:
- (i) add, change or remove any rights, concessions or benefits;
 - (ii) adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman service or regulator;
 - (iii) accommodate changes in the needs or requirements of any of *our* new product features or services;
 - (iv) cure any ambiguity or typographical error, or correct or supplement any defective or inconsistent provision, so as to make its intended effect clearer;
 - (v) conform with industry or market practice or best practice in Australia or overseas; or
 - (vi) reflect changes in technology or *our* processes including *our* computer systems.

Without limiting *our* rights under sub-paragraphs (i) to (vi), we may from time to time change any of the *documents* for reasons other than the ones mentioned above.

- (d) We may vary or amend the provisions of the *documents* under clause 42.10(c) from time to time by:
- (i) giving you prior notice in writing of the proposed amendments and giving you a reasonable time to consider the proposal (*notice period*); and
 - (ii) unless you notify us of any objection to the proposed amendment by the end of the notice period, executing amending documentation on *your* behalf under the power of attorney you executed with *your application form* (and for the avoidance of doubt, you agree that *your* attorneys under that power of attorney have the power and authority to execute that amending documentation).
- (e) The amending documentation will be effective even if for any reason you do not actually receive the prior notification sent to you.
- (f) To the extent that the amendment enhances *your* rights or benefits in any way and/or does not adversely affect *your* rights and obligations in a material way, we may amend the provisions of the *documents* without *your* consent or acknowledgement.
- (g) This clause does not apply in respect of changes to direct debit arrangements.
- (h) A right granted by this agreement can only be waived or discharged in writing signed by the party or parties to be bound.

42.11 In all other cases, we may vary or amend the provisions of the *documents* from time to time by:

- (a) giving you prior notice in writing of the proposed amendments and giving you at least 30 days to consider the proposal (*consideration period*); and
- (b) unless you notify us of any objection to the proposed amendment by the end of the *consideration period*, executing amending documentation on *your* behalf under the power of attorney you executed with *your application form* (and for the avoidance of doubt, you agree that *your* attorneys under that power of attorney have the power and authority to execute that amending documentation).

The amending documentation will be effective even if for any reason you do not actually receive the prior notification sent to you.

This clause does not apply in respect of changes to direct debit arrangements.

If the Code of Banking Practice applies to the *facility*, we may only do so in accordance with that Code.

42.12 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

42.13 You and each *security provider* agree that we may fill in any blanks in this agreement or any related documents.

42.14 You, each *guarantor* and each *security provider* agree that we may do anything which you, a *guarantor* or a *security provider* should have done under any document but which you, the *guarantor* or the *security provider* either have not done or in *our* opinion have not done properly. If we do so, you must pay *our* reasonable costs for so acting when we ask.

Assignment

42.15 We may assign, novate, transfer or otherwise deal with *our* rights and/or obligations under the *documents*. However, we may not assign, novate or transfer *our* rights and/or obligations to the *nominee*. Any person to whom *our* rights and/or obligations are assigned, novated or otherwise transferred will have the same rights and/or obligations that we do under the *documents* including without limitation the right to determine the value of the *mortgaged property*. You, each *guarantor* and each *security provider* agree that we may disclose any information or *documents* we consider necessary to help us exercise this right.

42.16 While there is an *amount outstanding*, you and, each *guarantor* and each *security provider*, irrevocably authorise each attorney appointed in the power of attorney contained in the *application form*, to execute on *your* or the *security provider's* behalf any *document* necessary to give effect to an assignment, novation, transfer or other dealing with our rights and/or obligations in accordance with clause 42.15 if the party to whom our rights and/or obligations are assigned, novated, transferred or otherwise dealt with is a related body corporate of us, a bank or other financial institution or a securitisation vehicle.

42.17 We will give you notice of any exercise of our rights under clauses 42.15 or 42.16 as soon as is practicable.

Inconsistent law

42.18 To the extent allowed by law the *documents* prevail to the extent they are inconsistent with any law.

42.19 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.

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

Notices and other communications

42.21 Except as specified otherwise in the *facility*, all notices, requests, demands, consents, approvals, agreements or other communications to or by you, a *guarantor*, a *security provider*, 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, a *guarantor* or a *security provider* are a company) must be signed by an *authorised officer* of you and we must be provided with the specimen signature of such *authorised officer* on request;
- (c) will be taken to be duly received or made:
 - (i) (in the case of delivery in person) when delivered, received or left at the last notified address of the recipient;
 - (ii) (in the case of delivery by prepaid, certified or registered post) three *business days* after they are posted to the address last notified;
 - (iii) (in the case of a delivery by fax) when the fax was sent to the fax number last notified, unless the sender's machine received a report that indicates there was a failure in delivering the fax;

(iv) (in the case of a delivery by other means (including email, sms or other electronic means)) instantaneously unless the sender's machine received a report that indicates there was a failure in delivering the communication;

(v) (when allowed by this agreement, if advertised by newspaper) on the date they are first published; and

(vi) (when allowed by this agreement, if placed on *our website*) on the date they are first published on *our website*.

42.22 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 you or your representative, *nominated financial adviser* or *authorised representative* (except for any communication under clause 8 which may only be given to you or your *margin call* contact), or

(b) give you any notice under this agreement or required by law (including any notice that must be 'in writing') by:

(i) electronic communication to a device, *electronic equipment* or electronic address nominated by you; or

(ii) displaying information at *our website* - www.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.

42.23 Communications take effect from the time they are taken to be duly received in accordance with clause 42.21(c) unless a later time is specified in them.

42.24 (a) You are responsible for keeping your contact details up to date. If your contact or personal details change in any way (for example, your name, address, contact number or e-mail address) you must notify us in writing of those changes as soon as possible and in any event within 14 days.

(b) Only you (or any joint account holder, if applicable) or your *authorised representative* have the authority to change your contact or personal details.

42.25 A requirement for us to give you a notice or any other information in writing may be done by means of:

- (i) electronic communication to a device, *electronic equipment* or electronic address advised by you; or
- (ii) displaying information at our website – www.stgeorgemarginlending.com.au. We may notify you by electronic communication that the information is available for retrieval on the website and the nature of the information.

Applicable law and service of documents

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

42.27 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

- 42.28 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);
 - (b) if allowed or required by law or any *document*, or required by any *securities* exchange;
 - (c) in connection with legal proceedings relating to the *documents*;
 - (d) if the information is generally and publicly available;
 - (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*; or
 - (f) in connection with any stamping or registration of the *documents*.

Additional services

42.29 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

42.30 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, ASX Clear, ASX Settlement, or any designated share registry, or current or proposed *entity* for any purpose relating to *securities*, dividends or other benefits.

Telephone conversations

42.31 We, the *nominee* or the sponsor may record telephone conversations with you or your *authorised representative* at any time with or without an audible tone warning and may rely on those recordings in the event that a dispute arises.

42.32 Statements of account

- 42.32 (a) We will send you a statement of account for your *loan* on a monthly basis (or such other period as we may advise you from time to time). You should check the entries on your statement carefully and promptly report any errors or unauthorised transactions to us. Copies of statements of account are also available on request. We may charge you a fee for a copy of a statement provided on request.
- 42.32 (b) We may send your statement of account to you either by posting it to the address last notified by you or by loading it onto a secure link where it can be downloaded electronically to a device, electronic equipment or *electronic address* nominated by you.

Dispute resolution

- 42.33 We aim to resolve your complaint at your first point of contact with us. If we haven’t been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to:
- (a) Our external dispute resolution provider is the Financial Ombudsman Service, our membership number is 10028 and the contact details are:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001
Phone 1300 780 808
Fax: (03) 9613 6399
Internet: www.fos.org.au
Email: info@fos.org.au;
 - (b) ASIC also has a free call Infoline on 1300 300 630, which you may use to make a complaint and obtain further information about your rights.

43 Code of Banking Practice

- 43.1 The relevant provisions of the Code of Banking Practice may apply to the *facility* if you or the *security provider* is an individual or a *small business*.
- 43.2 If the Code of Banking Practice (the Code) 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.

44 Joint facility

- 44.1 If there are more than one of you, you are jointly and severally bound to comply with these terms and are jointly and severally liable for all amounts due under the *documents*.
- 44.2 With a joint *facility*, either of you are authorised to operate the *facility*.
- 44.3 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 9 – 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*.

45 How and what we will lend you

- 45.1 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 48.1 and 48.4, 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*.
- 45.2 In respect of a *nominated investment*, subject to clause 48.4, no later than the day that is one *business day* prior to the *investment date* in respect of that *nominated investment*, we will make an *advance* equal to the *monthly margin loan advance* for that *nominated investment*.

46 Making a contribution

If 4 *business days* prior to the *investment date* of a *nominated investment* the balance of the *savings gearing account* is greater than or equal to the *relevant monthly contribution* for that *nominated investment* and that *investment date*:

- (a) you will be deemed to have satisfied your obligation under clause 45.1(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 47.1.

47 Investments

- 47.1 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*.
- 47.2 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.

47.3 We may agree or decline any of the variations referred to in clause 47.2 in our discretion.

48 Adjusting advances and contributions

48.1 You may elect not to make a *relevant monthly contribution* under clause 45.1(c) in respect of a *nominated investment* and an *investment date* if you would be entitled on that *investment date* to borrow funds 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*.

48.2 You will be deemed to have made an election under clause 48.1 in respect of a *relevant monthly contribution* if:

- (a) you have not made the *relevant monthly contribution* under clause 45.1(c);
- (b) you have not suspended your obligation in respect of that *relevant monthly contribution* under clause 48.4(a); and
- (c) you would otherwise be entitled to make the election provided for by clause 48.1.

48.3 If you make (or are deemed to make) an election under clause 45.1 in respect of a *relevant monthly contribution* for a *nominated investment*, we will, in addition to the *advance* under clause 45.2, make an *advance* equal to that *relevant monthly contribution* on or about the *investment date* for that *nominated investment* and that *relevant monthly contribution*.

48.4 In respect of a *nominated investment*, you may elect to do either or both of the following:

- (a) suspend your obligation under clause 45.1(c) to make the *relevant monthly contribution* for that *nominated investment*; and
- (b) suspend making an *advance* under clause 45.2 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).

49 Failure to provide a contribution or advances

If:

- (a) you fail to make a *relevant monthly contribution* in accordance with clause 45.1(c); or
- (b) we do not make an *advance* equal to the *monthly margin loan advance* in accordance with clause 45.2 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).

50 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 *loan account* with any amount payable under this clause 50.

Part 10 – AML and other reporting obligations

- 51 (a) We are bound by laws relating to the prevention of money laundering and the financing of terrorism, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the Anti-Money Laundering and Counter-Terrorism Financing Rules Instruments (the AML/CTF laws) and have adopted an AML/CTF program in accordance with the requirements of the AML/CTF laws and the various guidelines and publications produced by the Australian Transaction Reports and Analysis Centre (the AML/CTF Program).
- (b) You cannot open a St. George Margin Loan account unless you have provided us with sufficient identification and that identification has been verified in accordance with the AML/CTF Program and AML/CTF laws.
- (c) By opening and using a St. George Margin Loan account, you agree that:
- (i) you do not acquire our products or services under an assumed name;
 - (ii) any products or services we provide will not be used in relation to any criminal activities or any activities which breach laws or sanctions;
 - (iii) if we ask, you will provide us with additional information we reasonably require for the purposes of AML/CTF laws;
 - (iv) we may obtain information about you from third parties if we believe this is necessary to comply with AML/CTF laws; and
 - (v) we may disclose information which we hold about you or your conduct to our related bodies corporate.
- (d) In order to comply with AML/CTF laws we may be required to take action, including:
- (i) delaying or refusing a request for products or services;
 - (ii) monitoring your conduct in relation to the provision of the product or services; or
 - (iii) disclosing information that we hold about you or your conduct to our service providers, relevant regulators of AML/CTF laws, or other parties (whether in or outside of Australia) and if we do so we may be obliged not to inform you of this, and

(e) We are not liable for any loss, claim, liability or expense you suffer or incur (including consequential loss) as a result of us taking any action referred to above and you indemnify us for any loss, claim, liability or expense we may suffer or incur (including consequential loss) from exercising any right under this clause or from any breach by you of your agreement in this clause.

(f) We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are an entity) any office bearer* of the entity and/or any individual who holds an interest in the entity of more than 25% (a Controlling Person) are a US citizen or US tax resident, you must telephone 1300 663 738 at the time of entering into this agreement. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application for this facility.

Unless you notify us that you and/or any Controlling Person are a US citizen or US tax resident as specified above, accepting the terms of this agreement constitutes certification that you and/or each Controlling Person are not a US citizen or US tax resident.

If at any time after entering into this agreement, information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, we may request you to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may result in us imposing additional reporting requirements on the facility.

* Director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative.

Part 11 – Internet Account Access

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

52 How to register for internet account access

52.1 You agree to these internet account access terms and conditions when you first use internet account access.

52.2 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 loan accounts.

52.3 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.

52.4 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.

52.5 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 loan account; and
- (b) provide us or the sponsor with any written instructions we agree to in relation to your facility.

52.6 We may cancel your access to internet account access at any time without notice.

52.7 It is your responsibility to obtain and maintain any electronic equipment which you may need to have for you to use internet account access.

53 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 loan account is as at close of business on the previous business day and therefore may not be completely accurate.

We recommend you check with us before initiating any transactions on your facility.

54 Password

54.1 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.

54.2 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.

54.3 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.

54.4 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*.

54.5 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 at www.stgeorgemarginlending.com.au; 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 *loan accounts*.

55 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*.

56 Account Aggregation Services and Disclosure of your PIN or Password

56.1 If you want a third party to collect information about your *loan 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.

56.2 Before disclosing information under clause 56.1 you must check that the third party is approved by us.

56.3 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.

57 Your Adviser

If you are an account holder with a *nominated adviser* or *authorised representative*, you acknowledge that the *nominated adviser* or *authorised representative* will also have access to information concerning your *loan 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*.

58. Computer facilities

58.1 You acknowledge that the *internet account access* may malfunction or become temporarily unavailable due to computer malfunction or network congestion. We will have in place reasonable procedures to avoid unintended interruption of the service.

58.2 We will have the right to suspend the *internet account access* at any time to perform certain administrative tasks and scheduled maintenance and if, in our opinion, some serious threat is posed to any part of the system supporting the service.

58.3 We will have the right, in our sole discretion, to immediately suspend or terminate your access to and use of the service if you:

- (a) use or in our reasonable opinion appear to use the *internet account access* in a manner reasonably deemed inappropriate or unreasonable by us;
- (b) deliberately or recklessly disrupt the *internet account access*, cause congestion or impede others from using the *internet account access*, or attempt to do so;
- (c) use your *internet access* to menace, create a nuisance or harass others or attempt to do so;
- (d) make any denial-of-service attacks on us or any other users or networks relating to us or attempt to do so;
- (e) use your *Internet access* to unlawfully obtain access to networks used or operated by us or attempt to do so; or
- (f) provide us with personal details, including (without limitation) name, address, bank account, email address and phone number, which we consider, in our reasonable opinion, not to be bona fide.

59 Meaning of words and interpretation

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 *loan to value 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 a *loan 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.

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

adviser service fee means the fee (if any) you agree to pay your adviser and specify in an *adviser service fee instruction*.

adviser service fee facility a facility under which you appoint us and the nominee as your agent to pay to your adviser on your behalf your specified *adviser service fee* amount.

adviser service fee instruction a written request to us and/or the nominee to pay an *adviser service fee* either as an *upfront payment* or a *periodic payment* in accordance with clause 41A.1.

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, under any of the *documents*. 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.

It includes money by way of principal, interest, fees, costs, indemnity, charges, duties and expenses, and payment of liquidated or unliquidated damages under or in connection with the *facility*. It also includes money that the *borrower* would have been liable to pay but for its *insolvency*.

application form means the *application form* that is signed by the *borrower* and/or each *guarantor* and/or each *third party security provider* in respect of this *facility*.

approved market operator means a market operator approved by ASX Settlement as an Approved Market Operator and specified in the *procedures*;

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited ABN 98 008 624 691.

ASX Clear means ASX Clear Pty Limited ABN 48 001 314 503.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

authorised officer means, in relation to the power of attorney that you or the *security provider* grant us in the *application form*, our employees or delegates, but does not include the *nominee*.

authorised representative 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) take any step required to ensure you comply with clause 8 other than receiving *margin calls*.

bonus acceptable securities cap means the *market value* of all *qualifying securities* in the *mortgaged property*, multiplied by a percentage determined by us from time to time at our discretion.

bonus acceptable securities limit means, at any time while a *facility* is *diversified*:

- (i) the *market value* of each *bonus acceptable security* in the *mortgaged property*; multiplied by
- (ii) the *loan to value ratio* we have assigned to that *bonus acceptable security*,

up to a maximum of the *bonus acceptable securities cap* at that time.

bonus acceptable securities means those *securities* identified as such in the *acceptable securities list*.

borrower has the meaning in the definition of "you".

borrowing limit means, at any time, the aggregate of:

- (i) the *standard limit* at that time; and
- (ii) the *bonus acceptable securities limit* if any, at that time.

broker means a person admitted as a Market Participant under the ASX Operating Rules and, where the context requires, a person admitted as a Clearing Participant under the ASX Clear Operating Rules.

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 a percentage (which may be zero) determined by us from time to time at our discretion.

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

CHESS has the meaning in the *Settlement Rules*. Generally it stands for the Clearing House Electronic Subregister System, which is an electronic settlement system for the registration and *transfer* 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 ASX Settlement.

confirmation means a form of notification of trade in any *securities* that is acceptable to us including, without limitation, a *contract note* from a broker.

contract note means a notification of trade or a request for trade 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.

corporate action in relation to any issuer of securities means any act, matter or thing (whether voluntary or not) which affects or might affect the ownership of, the rights in, or distributions under, the securities, including any compulsory acquisition of those securities (including following a takeover of the relevant corporation) or a return of capital on those securities or any event that we determine to be similar in effect to any of these events

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

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.

credit limit means the maximum amount we are prepared to lend to the borrower under the facility, as varied from time to time.

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 St. George Margin Lending Product Disclosure Statement, the application form or application forms, this agreement, each mortgage, each guarantee, any sponsorship agreement relating to any of the mortgaged property and any document connected with them.

diversified means a facility satisfying the requirements set out in clause 3A.

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

enforcement expenses means any amount we reasonably spend or incur in relation to:

- the enforcement of our security or exercise of our powers under the facility or any mortgage or any guarantee of the facility; and
- any property over which that security operates, including amounts claimed against us or our officers/ representatives relating to that property.

This includes, but is not limited to, costs of collection activity and legal costs.

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

event of default has the meaning in clause 31.

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; and
- (e) all securities we specify in an identification notice that a security provider does not reject within the time specified in clause 11.2, and all the security provider's rights and interests in connection with them.

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

guarantee means a guarantee given by a guarantor of the borrower's obligations under the facility.

guarantor means any person who has given a guarantee of the facility.

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

Holder means the relevant holder of a HIN.

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

holder record lock has the same meaning as 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 same meaning as 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*), bankrupt, 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 access user ID number means the number used in conjunction with your password to access internet account access.

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.

investment date means, in respect of a *nominated investment*, the date 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 and any requirements of the *Corporations Act*, Anti-Money Laundering and Counter-Terrorism Financing requirements and any other applicable law from time to time.

listed means listed by ASX unless otherwise agreed by us.

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.

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

loan to value ratio means, with respect to a *security*, the percentage applicable to the *security* which we determine and can change without notice in our 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*.

loss includes any expense, costs, increased costs, liability, claims, damages, fees, taxes, duties, penalties, interest, legal costs (on a full indemnity basis), judgment, consequential, punitive, special or indirect loss (including loss of profits and revenue).

managed investment scheme has the meaning given to it in the *Corporations Act*.

management agreement means any agreement between us and any administrator or trustee of any trust in connection with which you or the *nominee* hold a trust account.

margin call has the meaning as set out in clause 8.1.

margin call contact means a financial services licensee appointed to receive *margin calls* on behalf of the borrower.

market value of a security means, at any time, the market value that we ascribe (in our 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 the *master nominee deed* is available on request by phoning 1300 304 065 between 8am and 6pm (Sydney time) on business days.)

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

- (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*; or
- (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 2 of this agreement; and
- (b) any mortgage created by a *security provider* containing terms similar to Part 2 of this agreement and which we nominate as a mortgage by notice to you.

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

National Credit Code means Schedule 1 to the National Consumer Credit Protection Act 2009 (Cth).

National Credit Code purpose means: (i) personal, domestic or household purposes, or (ii) to purchase, renovate or improve residential property for investment purposes, or (iii) to refinance credit that has been provided wholly or predominantly to purchase, renovate or improve residential property for investment purposes, or (iv) any other purpose that is regulated under the *National Credit Code*.

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;

- (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 financial 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 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, partnership, a body corporate, an unincorporated association and an authority.

PPSA means the Personal Property Security Act 2009

procedures has the meaning given that term in the operating rules of the ASX or an approved stock exchange.

qualifying securities means those *securities* identified as such in the *acceptable securities list*.

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*.

savings gearing loan means the loan provided to you by us under Part 10 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:

- (a) the amount specified by you in the *savings gearing application* and accepted by us as your *gearing facility loan limit*; or
- (b) 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* and may not be more than your *credit limit*.

representative means a *nominated financial adviser*, *authorised representative*, government authority or other person we reasonably believe has authority to represent a person.

securities means those:

- (a) shares, stocks, investment contracts, or other interests in the capital of a corporation or collective securities investment vehicle, including depositary shares or receipts, or any warrant, option (exchange-traded or otherwise) or other derivative in relation to part or all of such an interest;
- (b) debentures, debenture stock, bonds, notes, convertible notes, units, warrants or other financial products created, issued or granted by any corporation, government, unincorporated body or other person;
- (c) units in any trust;
- (d) options to purchase, sell, subscribe for or acquire any of the foregoing;
- (e) other *securities* within the meaning of section 92(1) of the *Corporations Act*;
- (f) futures contracts within the meaning of section 72 of the *Corporations Act*; and
- (g) any other property, including money on deposit; which are included in the *acceptable securities list* applicable to the *facility*, or which are considered by us in our discretion at any time to form part of the *mortgaged property*. In the case of jointly owned assets, *securities* includes the particular interest held in the asset by any one joint owner.

security interest means any security or encumbrance of any kind for the payment of money or performance of obligations (including a security interest under the PPSA, mortgage, charge, lien, pledge, hypothecation, trust arrangement, title retention arrangement or other security interest or encumbrance) or any guarantee or indemnity.

security provider means those of you and each third party security provider that provide a security interest to us in connection with the facility and in the case of joint ownership refers to either joint owner as the case may be.

Settlement Rules means the settlement rules of ASX Settlement.

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.

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

sponsorship agreement means the agreement between the security provider or the nominee, the sponsor and us in the form required by the Settlement Rules, set out in Part 7.

sponsorship bond has the meaning in the Settlement Rules.

standard limit means, at any time:

- (i) the market value of each qualifying security in the mortgaged property; multiplied by
- (ii) the loan to value ratio we have assigned to that qualifying security.

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

third party means a person who provides a security interest for the borrower's obligations under the facility.

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 46(b) (if any);
- (b) the amount of the advance (if any) made by us under clause 42.3 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 or Melbourne.

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

trust account, in connection with an interest you have in a trust, means an account established and maintained by the trustee or administrator of the trust in your name or in the name of the nominee on your behalf which evidences the value and nature of your interest in that trust.

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 loan to value ratio, which we can change without prior notice in our discretion at any time.

we, us or our means St. George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714, our successors and assigns.

withdrawal instructions has the meaning in the Settlement Rules.

you or your means the applicant for the facility or any third party security provider, as the context requires.

Meaning of words

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) anything includes the whole and each part of it;
- (d) the words "including", "for example" or "such as" or similar, when introducing an example, do not limit the meaning of the words to which the example related or examples of a similar kind;
- (e) a person includes an individual, a body corporate, an unincorporated association and an authority, and their respective successors and assigns. It includes a person's executors and administrators; or
- (f) a requirement for us to give you a notice or any other information in writing may be done in accordance with clause 42.22.

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 or User ID:
432933 or User: ID 432934

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 subject to the terms of the 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.