

IMPORTANT INFORMATION ABOUT RURAL BANK



This notice dated 31 May 2019 varies and should be read together with the Rural Bank Equipment Finance Specific Security Agreement Terms and Conditions for Asset Purchase and Finance Lease dated 27 November 2017.

31 May 2019

To the Account holder,

Rural Bank Limited ABN 74 083 938 416 AFSL/Australian Credit Licence 238042 (**RBL**) is a wholly-owned subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879 (**BEN**).

With effect from 31 May 2019 RBL transfers its assets, liabilities, business and undertakings to BEN in accordance with the Financial Sector (Business Transfer and Group Restructure) Act 1999 (Cth) including RBL's rights and obligations under the Terms and Conditions of the Product.

The effect of the legal transfer is that RBL ceases to operate as a stand-alone Authorised Deposit-Taking Institution. Rural Bank will be a division of BEN and all products and services previously provided by RBL are now products and services of BEN.

Unless stated otherwise, terms used in this notice have the same meaning given to them in the Terms and Conditions.

Changes to the Terms and Conditions (effective 31 May 2019) are outlined below:

- All references to RBL should be construed as a reference to Rural Bank - A Division of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879.
- As a result of the above change, all references to 'the Bank' will mean Bendigo and Adelaide Bank Limited.
- Any reference to a 'Rural Bank branch' or 'branch of Rural Bank' is a reference to a BEN branch using the Rural Bank name, logo and system of operations.

Please note the transfer will not affect fees and costs or the way in which your banking business is provided. You can continue to utilise Rural Bank branches, the Rural Bank website and telephone service.

EQUIPMENT FINANCE SPECIFIC SECURITY

Effective date: 27 November 2017

Rural Bank Limited

Level 6, 80 Grenfell Street
Adelaide SA 5000
Telephone 1300 660 115
ABN 74 083 938 416
AFSL No 238042

Rural Bank Equipment Finance
Specific Security Agreement
Terms and Conditions.

The Rural Finance brand has changed to Rural Bank.
All Rural Finance customers continue to be customers
of Bendigo and Adelaide Bank Limited ABN 11 068 049 178
AFSL/Australian Credit Licence 237879 (which owns Rural Bank)
including in relation to products issued after the brand change date
unless otherwise stated.

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What you undertake in this security agreement

The meaning of the words printed *like this* and of some other common key words is in clause 37.

1 WHAT YOU UNDERTAKE IN THIS SECURITY AGREEMENT

1.1 By signing the *Details* you grant this *security agreement* in favour of *us* and *you* undertake certain obligations. *You* also give *us* rights concerning *you* and the *collateral* - for example, if *you* do not comply with your obligations, *we* may take possession of the *collateral*, sell or otherwise deal with it, and sue *you* for any remaining money *you* owe to *us*.

1.2 *You* are liable for all of the obligations under this *security agreement* both individually and collectively with any one or more other *persons* named in this *security agreement* as grantor.

1.3 *You* must ensure that *you* are not in default under this *security agreement*. *You* also agree to carry out on time all your obligations to *us* under this *security agreement* and each *transaction document*, including the obligation to pay any of the *amount owing*.

1.4 *You* agree to give *us* prompt notice of any default and the steps taken to remedy it.

1.5 *You* agree to pay *us* on demand that part of the *amount owing* specified by *us* in the demand. These obligations and your other obligations under this *security agreement* (such as under clauses 10 and 11) continue even if *we* release the *collateral* from this *security agreement*.

1.6 *You* represent and warrant that:

- (a) *you* have the power to enter into and observe your obligations under this *security agreement*;
- (b) *you* have in full force and effect the authorisations necessary to enter into and observe obligations under this *security agreement*;
- (c) your obligations under this *security agreement* are valid, binding and enforceable according to its terms;
- (d) *you* own the *collateral* and will own all *proceeds* free from *encumbrances* other than those approved by *us*;
- (e) *you* have told *us* about all rights that affect, or are proposed or likely to affect, the *collateral* (such as *security interests* or the rights of a beneficiary under a trust);
- (f) *you* do not breach any law or any obligation to any other *person* by signing this *security agreement*;
- (g) all the information *you* have given *us* is correct and not misleading;
- (h) *you* have not withheld any information that might have caused *us* not to enter into this *security agreement* or any *transaction document*;
- (i) *you* are not in default (see clause 13);
- (j) *you* benefit by entering into this *security agreement*;
- (k) if *you* enter into this *security agreement* as a partner in a *partnership* with one or more *persons*, the *persons* named in the *Details* are all the partners in the *partnership*; and

- (l) unless *you* have told *us* otherwise in writing, all of the *collateral* is *commercial* property.

1.7 *You* agree to notify *us* of anything that happens that prevents *you* from repeating all the representations and warranties in clause 1.6 by reference to the then current circumstances. A notification under this clause 1.7 does not limit *our* rights under clause 14.

2 CREATION OF SECURITY INTEREST

2.1 For the purpose of securing payment of the *amount owing*, you grant a *security interest* in the *collateral* to us. You do this as beneficial owner unless you have told us that you enter this *security agreement* as trustee of a trust. If you have told us that you enter this *security agreement* as trustee of that trust, you do this as sole trustee of the trust for all the *collateral* comprising the trust fund of the trust and you do this as beneficial owner for all the other *collateral*. If and to the extent the *collateral* includes any property or rights that is not personal property (as defined in the *PPSA* and to which the *PPSA* applies) the *security interest* granted by you in this *security agreement* takes effect as a mortgage in respect of that *collateral*.

2.2 You may require us to release the *collateral* from this *security agreement* if there is no *amount owing*. However, even if the *amount owing* is repaid, the *collateral* remains secured to us until we actually release it from this *security agreement*.

2.3 Where you hold the *collateral* jointly with one or more others, whether or not named in the *Details*, and whether in *partnership*, joint venture or otherwise, and we hold a *security interest* from all such other *persons*, whether under this *security agreement* or under any other security instruments, you acknowledge that such *security interests*, constitute a *security interest* over all the *collateral* held by the firm, *partnership* or joint venture.

3 ATTACHMENT

The *security interests* granted by this *security agreement* attach to the *collateral* to which the *PPSA* applies in accordance with the *PPSA* and the parties confirm that they have not agreed that any *security interest* granted by this *security agreement* attaches at any later time.

4 TAXES AND FEES

You agree to pay on time all amounts payable to any authority in connection with the *collateral*, including taxes, maintenance fees, registration fees, renewal registration fees and licence fees.

5 YOUR OBLIGATIONS

You agree:

- (a) to obtain, renew on time and comply with the terms of each authorisation necessary to enter into this *security agreement*, observe obligations under it and allow it to be enforced;
- (b) if we ask, use your best efforts to obtain permission to use the *collateral* for any purpose we reasonably specify;
- (c) not to do anything that might lower the value of the *collateral*;
- (d) comply with all laws and directions, requests and requirements of authorities and your other obligations in connection with the *collateral*;
- (e) give to us a copy of any order or notice from an authority concerning the use or condition of the *collateral* as soon as you become aware of it;
- (f) not to change your corporate or individual name as shown in the *Details* without first notifying us of the new name not less than 15 business days before the change takes effect;
- (g) to perfect and continuously maintain perfection of any *security interest* that itself forms part of the *collateral* (including perfecting as a *purchase money security interest* if applicable);
- (h) to do everything necessary to ensure that a third person cannot acquire an interest in any *collateral* free of, or having priority over, our *security interest*;
- (i) to take steps to rectify any defect in your holding of the *collateral* as soon as you become aware of such defect;
- (j) to take or defend all legal proceedings that is advisable for the protection or recovery of the *collateral*;
- (k) to accept and act on any direction given in relation to the *collateral* by us;
- (l) if we ask, to give us a copy of all documents you receive as holder of, or in connection with the *collateral*; and
- (m) to comply with any conditions we attach to any approvals or consents we give you in connection with the *collateral*.

6 PARTNERSHIP

You must obtain *our* consent before:

- (a) allowing any partner to leave any *partnership* that you are a partner of; or
- (b) any new partner is added to any *partnership* that you are a partner of,

whether or not any such *partnership* is named in the *Details*, and you must procure any partner added to any such *partnership* to assume the liability in respect of all amounts owing before that partner became a partner, by executing a *security agreement* in substantially the same form as this *security agreement*.

7 DEALING WITH THE COLLATERAL

7.1 You may not, without *our* prior written consent, do, or agree to do, any of the following:

- (a) create another *encumbrance* in connection with the *collateral* or *proceeds* or allow one to arise; or
- (b) create a trust, power or lien in connection with the *collateral* or *proceeds* or allow one to arise; or
- (c) deal in any way with this *security agreement*, or allow any *interest* in it to arise or be varied.

7.2 You may not, without *our* prior written consent, do, or agree to do, any of the following in respect of the *collateral*:

- (a) sell, assign or otherwise dispose of the *collateral*; or
- (b) lease, hire or license the *collateral*, or allow a surrender or variation of any lease, hire or licence; or
- (c) give *control* of the *collateral* to another *person* other than *us*; or
- (d) part with possession of the *collateral* other than by giving possession to *us*; or
- (e) allow a set-off or combination of *accounts*; or
- (f) change the nature of the *collateral*; or
- (g) abandon, settle, compromise, or discontinue or become nonsuited in respect of any proceedings against any *person* (other than *us*) in respect of any of your rights in connection with the *collateral*; or
- (h) exercise or waive any of your rights or release any *person* from its obligations in connection with the *collateral*; or
- (i) move any *collateral* or *proceeds* outside Australia; or
- (j) deal in any other way with the *collateral* or any interest in it, or allow any interest in it to arise or be varied.

7.3 If the *collateral* includes *chattel paper* (including any *specific chattel paper*), you will:

- (a) if the *chattel paper* is evidenced by a written instrument:
 - (i) if requested by *us*, deposit with *us* the written instrument for the *chattel paper*; or

(ii) if not deposited with *us*:

- ensure that the *chattel paper* includes a prominent and permanent notice of the *security interest* constituted by this *security agreement*. The notice on the *chattel paper* does not need to specify *us* as the secured party;
- keep the *chattel paper* in good condition to the extent that failure to do so may have a material adverse effect;
- protect the *chattel paper* from theft, loss or damage; and
- promptly rectify defects in the condition of the *chattel paper*.

(b) if the *chattel paper* is evidenced by an electronic record you must ensure that:

- (i) a single authoritative copy of the record exists which is unique, identifiable and unalterable;
- (ii) the authoritative copy identifies *us* as the transferee of the record;
- (iii) the authoritative copy is communicated to and maintained by *us* or *our* agent;
- (iv) copies or revisions of the record that change the transferee of the authoritative copy can be made only with *our* consent;
- (v) each copy of the authoritative copy (or any copy of such copy) is readily identifiable as a copy that is not the authoritative copy; and
- (vi) any revision of the authoritative copy is readily identifiable as an authorised or unauthorised copy; and

(c) maintain insurance over the *chattel paper*, including for loss or destruction of the *chattel paper* and insurance in respect of any other risk *we* reasonably ask.

7.4 If you lease or hire *collateral* to other *persons* in accordance with clause 7.2 (because you obtain *our* prior written consent), you must:

- (a) ensure any lease or hiring arrangement with those other *persons* is not a PPS lease or if it is you must comply with clause 5(g) at all times;
- (b) have the terms on which you lease or hire the *collateral* approved by *us* before you enter into the lease or hiring arrangement; and
- (c) require the other *person* to acknowledge *our security interest* in the *collateral* and that its interest in the *collateral* is subject to or subordinate to *our security interest*.

8 OTHER SECURITY INTERESTS

8.1 If we consent to another *security interest* in the *collateral* and if we ask, then you agree to get an agreement acceptable to *us* regarding the priority between this *security agreement* and the other *security interest*.

8.2 If you do not get our consent and any agreement or deed we ask for, we:

- (a) need not make funds available under any *transaction document*; and
- (b) may exercise any other rights that arise because you do not do so, *such as* the right to take possession of the *collateral*, to sell it or to otherwise deal with it.

8.3 You agree to ensure that the amount secured under any other *security interest* in the *collateral* is not increased without our consent.

8.4 You agree to comply with any obligation in connection with any other *security interest* in the *collateral*.

9 ADMINISTRATIVE MATTERS

9.1 You agree to deposit with us any documents evidencing title to any *collateral* (including documents of title), *chattel paper* or other documents we request relating to the *collateral*. But you need not deposit them with us if another person is holding them under a *security interest* in the *collateral* to which we have consented and which has priority over this *security agreement*.

9.2 You agree to do anything we ask you to do to perfect the *security interest* granted under this *security agreement*.

9.3 We may register this *security agreement* or a notification in respect of it or a *security interest* related to or constituted by this *security agreement* at your expense.

9.4 You agree to do anything we ask you to do (*such as* obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed):

- (a) to provide more effective security over the *collateral* for payment of the *amount owing* or performance of an obligation; or
- (b) to enable us to register this *security agreement* or a notice in respect of it or the *security interests* constituted by it with the agreed priority; or
- (c) to enable us to exercise our rights in connection with the *collateral*; or
- (d) to enable us to register the power of *attorney* in clause 30 or a similar power; or
- (e) to show whether you are complying with this *security agreement*.

9.5 If requested by us you agree to promptly supply us with the correct serial numbers for the *collateral* in respect of *security interests* in that *collateral* that may be registered on the *PPSR* by serial number.

9.6 You agree that we may fill in any blanks in this *security agreement* or any document relating to this *security agreement* (*such as transfers* for the *collateral*).

9.7 If we ask, you agree to supply us with any information about or documents affecting:

- (a) the *collateral*; or
- (b) this *security agreement*.

10 WHAT YOU AGREE TO PAY

10.1 You agree to pay or reimburse us on demand for:

- (a) our reasonable costs in connection with:
 - (i) the negotiation, preparation, execution, stamping and registration of this *security agreement* or any other *transaction document* or any *security interest* related to any of them; and
 - (ii) the general on-going administration of this *security agreement* (including giving and considering consents, waivers and releases); and
- (b) our and any receiver's costs in otherwise acting in connection with this *security agreement* or any other *transaction document*, *such as* enforcing or preserving rights (or considering enforcing or preserving them) or doing anything in connection with any enquiry by an authority involving you or any of your related entities; and
- (c) taxes and fees (including registration fees) and fines and penalties in respect of fees paid or that we reasonably believe are payable in connection with this *security agreement* or any *transaction document* or a payment or receipt or any other transaction or *security interest* contemplated by any *transaction document*. However, you need not pay a fine or penalty in connection with taxes or fees to the extent that you have placed us in sufficient cleared funds for us to be able to pay the taxes or fees by the due date.

We may debit any of these amounts to your account before we ask you to pay us.

10.2 You indemnify us against any liability or loss arising from, and any costs in connection with:

- (a) you being in default; or
- (b) any person exercising or attempting to exercise rights in connection with this *security agreement* or any other *transaction document* if you are in default; or
- (c) *collateral* and this *security agreement*; or
- (d) any indemnity we give your controller or administrator:
 - (i) in respect of you; or
 - (ii) over any of the *collateral*.

10.3 You agree that:

- (a) the costs referred to in clause 10.1 and the liability, loss or costs in clause 10.2 include legal costs in accordance with any written agreement as to legal costs or, if no agreement, on whichever is the higher of a full indemnity basis or solicitor and own client basis; and
- (b) the costs referred to in clauses 10.1(a) and (b) include those paid, or that we reasonably believe are payable, to persons engaged by us in connection with this *security agreement* or any other *transaction document* (*such as* consultants).

10.4 You agree to pay us an amount equal to any liability, loss or costs (including consequential or economic loss) of a kind referred to in clauses 10.2(a) to (c) inclusive suffered or incurred by:

Things we may do at any time

- (a) any receiver or attorney appointed under this security agreement; or
- (b) any of our employees, offices, agents or contractors; or
- (c) any lessee, purchaser or occupier of the collateral.

10.5 You agree to pay for anything that you must do under this security agreement.

10.6 If GST has any application to any supply made under or in connection with this security agreement, we may, in addition to any other consideration expressed as payable elsewhere in this security agreement, recover from you an additional amount on account of GST, such amount to be calculated by multiplying the amount or consideration payable by you for the relevant supply by the prevailing GST rate. Any additional amount on account of GST recoverable from you under this clause will be calculated without deduction or set off of any other amount and is payable by you upon demand by us whether such demand is by means of an invoice or otherwise.

10.7 If we are unable to obtain a full input tax credit for an amount paid on account of GST by us to another person in respect of a supply made by another person to us in respect of this security agreement, then you shall be liable to pay us an amount equal to the input tax credit to which we are not entitled under the GST legislation.

10.8 Each of us agrees to do all things, including providing tax invoices or other documentation in such form and detail that may be necessary, to enable or assist the other party to claim or verify any GST input tax credit, set off, rebate or refund in relation to the amount attributed to any GST included in any amount payable under this security agreement.

11 INTEREST

11.1 You agree to pay interest calculated daily on daily balances on any part of the amount owing which is due for payment (or which is debited to your account with us) but which is not otherwise incurring interest.

11.2 The interest accrues daily from the date the amount becomes due or when it is debited to your account with us (whichever is earlier) until you pay it.

11.3 The rate of interest applying to each daily balance is the rate specified by us from time to time or (if no rate is specified) 3% above the highest interest rate applying to the amount owing on that day as reasonably determined by us.

11.4 You agree to pay interest owing under this clause 11 when we specify.

11.5 Each month (or any other periods we choose), we may add to the amount you owe us any interest under this clause 11 which has not been paid. You will then be liable for interest under this clause 11 on the total amount.

11.6 If a liability becomes merged in a judgment, then you agree to pay us on demand interest on the amount of that liability as an independent obligation. This interest:

- (a) accrues from the date the liability becomes due for payment both before and after the judgment until the liability is paid; and
- (b) is calculated at the rate that is the higher of the judgment rate and the rate in clause 11.3.

12 THINGS WE MAY DO AT ANY TIME

12.1 We may assign or otherwise deal with our rights under this security agreement in any way we see fit and without the consent of any other person, including you. If we do this, you may not claim against any assignee (or any other person who has an interest in this security agreement) any right of set-off or other rights you have against us. You also agree that we may disclose any information or documents at any time to a person to whom we assign our rights under this security agreement.

12.2 Except to the extent that we are not permitted to do so by law, without first seeking your consent or court authority, we may enter land and buildings owned or occupied by you, any place where the collateral is located, your places of business and your registered office to:

- (a) inspect the collateral; or
- (b) find out whether you are complying with this security agreement; or
- (c) carry out our rights under this security agreement; or
- (d) inspect and copy records relating to you or the collateral; or
- (e) investigate your financial affairs or business.

12.3 Unless there is an emergency, we agree to give you reasonable notice before entering under clause 12.2. You agree to help us to enter, such as by getting any consent necessary.

12.4 We may do anything which you should have done under this security agreement but which you have either not done or in our opinion have not done properly. If we do so, you agree to pay our costs when we ask.

12.5 We do not become a mortgagee in possession because we enter the land and buildings under clause 12.2 or exercise our rights under clause 12.4.

12.6 If we ask, you agree to ensure that rent and other income from the collateral are paid to us. If however, you continue to receive them, you must pay them to us.

12.7 If we reasonably believe you are or may be in default, we may appoint a person to investigate whether this belief is accurate. You must co-operate with and comply with every reasonable request made by this person. If you are or were in default at any time during the investigation, you must pay to us all costs in connection with the investigation.

13 WHEN ARE YOU IN DEFAULT?

You are in default if:

- (a) an event of default (however described) under any *transaction document* occurs or *you* are in breach of any other agreement or document *you* have with *us*;
- (b) *you* do not pay the *amount owing* on time;
- (c) *you* become *insolvent*;
- (d) *you* are an individual and *you* die or become incapable of managing your affairs;
- (e) *you* are an individual and a bankruptcy notice is filed in relation to *you*;
- (f) *you* do something *you* agree not to do under this *security agreement*, or *you* fail to do something *you* agree to do under this *security agreement*, or a representation and warranty or declaration made by *you* in this *security agreement* is incorrect or misleading when made;
- (g) this *security agreement* is, becomes or is claimed to be void or unenforceable or this *security agreement* does not have or loses the priority it is intended to have;
- (h) *you* stop payment, stop carrying on business or a material part of it or threaten to do so;
- (i) a change occurs in your financial circumstances which, in *our* opinion, may have a material adverse effect on your ability to observe your obligations under this *security agreement*;
- (j) *we* believe on reasonable grounds that urgent action is necessary to protect any *collateral*; or
- (k) the value of the *collateral* materially decreases.

14 WHAT CAN HAPPEN IF YOU ARE IN DEFAULT?

14.1 If *you* are in default, then *we* may elect at *our* option that the *amount owing* is either:

- (a) *payable* on demand; or
- (b) immediately due for payment.

14.2 After a default has occurred, *we* may do one or more of the following in addition to anything else the law allows *us* to do as a secured party:

- (a) sue *you* for the *amount owing*;
- (b) take or give up possession of the *collateral* as often as *we* choose;
- (c) if applicable, remove personal possessions from the *collateral* and either abandon them or store them (at your cost) without being liable to *you*. (If *we* store them and *you* do not reclaim the possessions within one month after *we* notify *you* that *we* intend to sell them, *we* may dispose of them and use the *proceeds* towards paying the *amount owing*);
- (d) do anything an owner of the *collateral* could do, including selling it or conducting your business;
- (e) enter any place *we* believe any of the *collateral* is held in order to do any of the above;

- (f) appoint one or more *receivers* to do anything the law allows a *receiver* to do and any of the things in clauses 14.2(a) to (e) inclusive; or
- (g) do anything that the *receiver* may do under clause 14.2(f).

Paragraphs (f) and (g) apply as though *you* are a company even if *you* are not.

15 RECEIVERS

15.1 In exercising *our* power to appoint a *receiver* *we* may:

- (a) appoint any *receiver* to all or any part of the *collateral* or its income; and
- (b) acting reasonably, set a *receiver's* pay at any figure *we* determine as appropriate, remove a *receiver* and appoint a new or additional *receiver*.

15.2 If *we* appoint more than one *receiver*, *we* may specify whether they may act individually or must act collectively.

15.3 The *receiver* is your agent unless *we* notify *you* that the *receiver* is to act as *our* agent. *You* are solely responsible for anything done, or not done, by a *receiver* and for the *receiver's* remuneration and costs.

15.4 Unless the terms of appointment restrict a *receiver's* powers, the *receiver* may do anything the law allows a *receiver* to do and any of the things *we* may do under clause 14.2(a) to (e) inclusive. This clause applies as though *you* are a company even if *you* are not.

15.5 *We* may enforce this *security agreement* before *we* enforce other rights and remedies *we* have against any other *person* or under any other document or *encumbrance*.

16 EXCLUSION OF TIME PERIODS

16.1 Neither *we* nor any *receiver* need give *you* any notice or demand or allow time to elapse before exercising a right under this *security agreement* 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.

16.2 If law requires that a period of notice must be given or a lapse of time must occur or be permitted before a right under this *security agreement* 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 this *security agreement*, 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) a default must continue before a notice is given or requirement otherwise made for payment of the *amount owing* or the observance of other obligations under this *security agreement*; and
 - (ii) a notice or request for payment of the *amount owing* or the observance of other obligations under this *security agreement* must remain not complied with before *we* or a *receiver* may exercise its rights.

What happens to money we receive?

17 DISPOSAL OF THE COLLATERAL IS FINAL

You agree that if we or a receiver sell or sells, or otherwise dispose or disposes of the collateral:

- (a) you will not challenge the acquirer's right to acquire the collateral (including on the ground that we or the receiver were or was, not entitled to dispose of the collateral or that you did not receive notice of the intended disposal) and you will not seek to reclaim that property; and
- (b) the person who acquires the collateral need not check whether we or the receiver had the right to dispose of the collateral or whether we or the receiver exercised that right properly.

18 WHAT HAPPENS TO MONEY WE RECEIVE?

18.1 Money received under this security agreement is to be used towards paying the amount owing unless we are obliged to pay the money to anyone with a prior claim. However, if money received represents proceeds of an insurance claim, we may use it to reinstate the collateral or carry out work on it.

18.2 If, at the time we receive the money, any part of the amount owing is not then due for payment, we may retain an amount equal to that part. We may hold it in an interest bearing account. We may use it (and any net interest after tax - including income tax) to pay the amount owing when it becomes due for payment.

18.3 We may use any money received under this security agreement towards paying any part of the amount owing we choose, including by paying a later instalment before an earlier instalment or a non-purchase money security interest obligation before a purchase money security interest obligation. This applies even if that part falls due after we give a notice of demand.

18.4 We agree to pay any money remaining after the amount owing is paid either to you (which we may do by paying it into an account in your name) or to another person entitled to it (such as another person with a security interest in the collateral). We do not pay you interest on any money remaining after the amount owing is paid.

18.5 You are only credited with money from the date we actually receive it (including, where we have appointed a receiver, the date the receiver pays money to us).

19 PPSA

19.1 If the *collateral* is not intended to be used predominantly for personal, domestic or household purposes, *you* agree that:

- (a) to the extent that section 115(1) of the *PPSA* allows this, the following provisions of the *PPSA* will not apply to the enforcement of this *security agreement* over the *collateral*:
 - (i) section 95 (notice of removal of *accession*), to the extent that it requires *us* to give a notice to *you*;
 - (ii) section 96 (when a *person* with an interest in the whole may retain an *accession*);
 - (iii) subsection 121(4) (enforcement of liquid assets – notice to grantor);
 - (iv) section 125 (obligation to dispose of or retain *collateral*);
 - (v) section 130 (notice of disposal), to the extent that it requires *us* to give a notice to *you*;
 - (vi) paragraph 132(3)(d) (contents of statement of account after disposal);
 - (vii) subsection 132(4) (statement of account if no disposal);
 - (viii) section 142 (redemption of *collateral*);
 - (ix) section 143 (reinstatement of *security agreement*); and
- (b) to the extent that section 115(7) of the *PPSA* allows this, the following provisions of the *PPSA* will not apply to the enforcement of this *security agreement* over the *collateral*:
 - (i) section 127 (seizure by higher priority parties – notice);
 - (ii) section 129(2) and (3) (disposal by purchase);
 - (iii) section 132 (secured party to give statement of account);
 - (iv) section 134(2) (proposal of secured party to retain *collateral*);
 - (v) section 135 (notice of retention of *collateral*);
 - (vi) section 136(3), (4) and (5) (retaining *collateral* free of interest); and
 - (vii) section 137 (*persons* entitled to notice may object to proposal).

19.2 Despite clause 20, notices or documents required or permitted to be given to *us* for the purposes of the *PPSA* must be given in accordance with the *PPSA*.

19.3 Without limiting clause 9.3 *you* consent to *us* effecting a registration on the *PPSR* (in any manner *we* consider appropriate) in relation to any *security interest* arising under or in connection with or contemplated by this *security agreement* and *you* agree to provide all assistance reasonably required to facilitate this.

19.4 *You* waive the right to receive any notice under the *PPSA* (including notice of a verification statement) unless the notice is required by the *PPSA* and cannot be excluded.

20 NOTICES AND OTHER COMMUNICATIONS

20.1 All notices, certificates, consents, approvals, waivers and other communications ('*notices*') in connection with this *security agreement* must be in writing, signed by an *authorised officer* of the sender.

20.2 Subject to clause 19.2, *notices* must be:

- (a) left at the address set out in the *Details*; or
- (b) sent by prepaid post (airmail, if appropriate) to the address set out in the *Details*; or
- (c) sent by fax to the fax number set out in the *Details*; or
- (d) sent by email to the email address set out in the *Details*; or
- (e) given in any way permitted by law.

But if the intended recipient has notified a changed postal address, changed fax number or changed email address, then the *notice* must be to that address, number or email address.

20.3 *Notices* take effect from the time they are received unless a later time is specified in them. If sent by post, *notices* are taken to be received three business days after posting. If sent by fax, *notices* are taken to be received at the time shown in the transmission report as the time that the whole fax was sent. If sent by email, *notices* are taken to be received when the relevant email enters the information system of the recipient's internet service provider.

21 PAYMENT IN FULL AND SET OFF

Except to the extent *you* have a right of set off granted by law which *we* cannot exclude by agreement (*such as* under *consumer credit legislation*), *you* agree to pay *us* the amount owing in full without set off, counterclaim or deduction in respect of *taxes* unless prohibited by law. However, *we* may set off any amount due for payment by *us* to *you* against any amount due for payment by *you* to *us* under this *security agreement*, any other agreement or otherwise.

22 CERTIFICATES

We may rely on a *certificate* provided by any other *person* with a *security interest* as to any amount that is owed to them. *We* may give *you* a *certificate* about an amount payable or other matter in connection with this *security agreement*. The certificate is sufficient evidence of the amount or matter, unless it is proved to be incorrect.

23 PROMPT PERFORMANCE

If this *security agreement* specifies when *you* must perform an obligation, *you* agree to perform it by the time specified. *You* agree to perform all other obligations promptly.

24 HOW WE MAY EXERCISE OUR RIGHTS

24.1 *We* or a *receiver* may exercise a right or remedy or give or refuse *our* consent in any way *we* or a *receiver* considers reasonably appropriate, including by imposing conditions. *You* agree to comply with all conditions in any consent *we* or a *receiver* give in connection with this *security agreement*.

24.2 We may enforce this *security agreement* before we enforce other rights or remedies:

- (a) against any other *person*; or
- (b) under another document, *such as* another *security interest*.

If we have more than one *security interest*, we may enforce them in any order we choose.

24.3 If we or a *receiver* do or does not exercise a right or remedy fully or at a given time, then we or the *receiver* can still exercise it later.

24.4 Neither we or a *receiver* are or is liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by our or the *receiver's* negligence.

24.5 Our and any *receiver's* rights and remedies under this *security agreement*:

- (a) are in addition to other rights and remedies given by law independently of this *security agreement*; and
- (b) may be exercised even if this involves a conflict of duty or we, or the *receiver* have a personal interest in their exercise.

24.6 Our rights and remedies under this *security agreement* may be exercised by any of our *authorised officers*.

25 YOUR OBLIGATIONS AND OUR RIGHTS ARE UNAFFECTED

25.1 Subject to clause 36, rights given to us or any *receiver* under this *security agreement* and your liabilities under it are not affected by any law that might otherwise affect them. They are in addition to other rights and remedies given by law independently of this *security agreement*.

25.2 This *security agreement* does not merge with or adversely affect, and is not adversely affected by, any of the following:

- (a) another *security interest* or right or remedy to which we are entitled; or
- (b) a judgment or order which we obtain against you in respect of any of the *amount owing*.

We can still exercise our rights under this *security agreement* as well as under the judgment, order, other *security interest*, right or remedy.

25.3 This *security agreement* binds each *person* who signs as grantor even if another *person* who was intended to sign does not sign it or is not bound by it.

26 REINSTATEMENT OF RIGHTS

Under law, a trustee in bankruptcy, liquidator or *controller* may ask us to refund a payment we have received in connection with the *amount owing* (including an amount that was at any time part of the *amount owing*). To the extent we are obliged to, or we agree to, make a refund we may treat the payment as if it had not been made. We are then entitled to our rights against you (including under this *security agreement*) as if the payment had never been made. If we ask, you agree to do everything necessary to restore to us any *security interest* we held from you

immediately before the payment. This applies despite anything in this *security agreement*.

27 INDEMNITIES

The indemnities in this *security agreement* are continuing obligations, independent of your other obligations under this *security agreement* and continue after this *security agreement* ends. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this *security agreement*.

28 VARIATION AND WAIVER

Unless this *security agreement* expressly states otherwise, a provision of this *security agreement*, or right created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

29 TIME OF THE ESSENCE

Time is of the essence in this *security agreement* in respect of an obligation of you to pay money.

30 POWER OF ATTORNEY

30.1 You appoint us, each of our *authorised officers* and each *receiver* under this *security agreement* as your *attorney*. Each *attorney* may act individually or collectively. If we ask, you agree to formally approve anything an *attorney* does under clause 30.2. You may not revoke these appointments.

30.2 If you are, or we reasonably believe that you might be, in default, an *attorney* may:

- (a) do anything which you can lawfully authorise an *attorney* to do in connection with this *security agreement* or the *collateral* or which the *attorney* believes is expedient to give effect to any of our rights or a *receiver's* rights (including executing documents, selling or leasing the *collateral*, otherwise dealing with the *collateral* and starting, conducting and defending legal proceedings); and
- (b) delegate their powers (including this power) and revoke a delegation; and
- (c) exercise their powers even if this involves a conflict of duty or they have a personal interest in doing so.

31 TRUSTEE PROVISIONS

31.1 If you are the trustee of any trust or settlement including any trust specified in the *Details*, you:

- (a) enter into this *security agreement* in your personal capacity and in your capacity as trustee, and are liable in each of those capacities;
- (b) represent and warrant that:
 - (i) this *security agreement* is for the benefit of the trust; and
 - (ii) you have the power as trustee of the trust to unconditionally enter into this *security agreement* and perform your obligations under it; and

- (iii) *you* are authorised to enter into this *security agreement* as trustee; and
- (iv) *you* are validly appointed as trustee and *you* are the only trustee of the trust; and
- (v) *you* are not in breach of your obligations as trustee of the trust; and
- (vi) the trust is duly constituted and no action has been taken to terminate the trust or revoke a power of the trustee; and
- (vii) *you* have the right to be fully indemnified out of the trust assets for obligations incurred under this *security agreement*; and
- (viii) even though *you* enter into this *security agreement* in your capacity as trustee, *you* are personally liable to *us* to the full extent of your obligations under this *security agreement*. Your liability is not limited to the assets of the trust; and
- (ix) the trust has been validly created and is in existence at the date *you* sign this *security agreement*; and
- (x) a date has not been declared as the date on which the trust will be vested or come to an end.

You agree to ensure that nothing happens that would prevent *you* truthfully repeating all these representations and warranties (unless *we* consent to that thing happening).

31.2 If *you* are the trustee of any trust or settlement including any trust specified in the *Details*, unless *we* have agreed in writing to the contrary, *you* agree that *you* may not permit (insofar as *you* are able to do so):

- (a) any re-settlement or distribution of capital of the trust;
- (b) any retirement or replacement of the trustee or any appointment of a new trustee of the trust deed establishing the trust;
- (c) any amendment of the trust deed establishing the trust;
- (d) any termination of the trust or allow it to vest or cease to exist;
- (e) any further *encumbrance* or charging of any nature of any of the assets of the trust; or
- (f) any breach of the provisions of the trust.

If any of these events occurs, *you* must immediately inform *us* in writing.

32 INCONSISTENT LAW

32.1 To the extent permitted by law, this *security agreement* prevails to the extent it is inconsistent with any law.

32.2 This *security agreement* does not create a *security interest* in respect of any particular *collateral*, if the creation of that *security interest* by this *security agreement* would cause this *security agreement* to be void. If prior acts would prevent the *security interest* being void, then this *security agreement* will not create a *security interest* in respect of that particular *collateral* until those prior acts have been carried out.

33 COUNTERPARTS

This *security agreement* may consist of a number of copies, each signed by one or more of *you*. When taken together, the signed copies are treated as making up the one document.

34 APPLICABLE LAW AND SERVING DOCUMENTS

34.1 This *security agreement* is governed by the laws of the *state* and the laws of the Commonwealth of Australia. *You* and *we* submit to the non-exclusive jurisdiction of the courts of that place.

34.2 *We* may serve any document in a court action on *you* by delivering it to, or leaving it at, your address set out in the *Details* or such other address as *you* and *we* agree at any time. This clause does not prevent any other method of service.

34.3 By your execution of this *security agreement*, *you* invite, request and authorise *us* and *our* related entities, to provide to *you* from time to time, information and material as to the range of financial and other services provided by *us* or them.

35 DISCLOSURE OF INFORMATION

Information *you* provide to *us* may be disclosed:

- (a) in connection with any *person* exercising rights under this *security agreement* (such as selling the *collateral* or assigning or otherwise dealing with *our* rights under this *security agreement*);
- (b) to *our* related entities, its and *our* officers and employees, to *receivers* and to legal advisers, auditors and other advisers;
- (c) to organisations that referred the transaction to *us* for which this *security agreement* was granted;
- (d) if the information is generally and publicly available;
- (e) if *you* consent (*you* may not unreasonably withhold your consent);
- (f) if required by any stock exchange or if allowed or required by law; or
- (g) to any *person* who gives a guarantee or grants a *security interest* in connection with the payment of the *amount owing*.

36 CONSUMER CREDIT LEGISLATION

36.1 To the extent that the *consumer credit legislation* applies to this *security agreement*, if:

- (a) that *consumer credit legislation* would otherwise make a provision of this *security agreement* illegal, void or unenforceable; or
- (b) a provision of this *security agreement* would otherwise contravene a requirement of that *consumer credit legislation* or impose an obligation or liability which is prohibited by that *consumer credit legislation*;

this *security agreement* is to be read as if the provision were varied to the extent necessary to comply with that *consumer credit legislation* or, if necessary, omitted.

Meaning of words

36.2 To the extent that *consumer credit legislation* applies to this *security agreement*:

- (a) this *security agreement* does not secure and the *amount owing* does not include any amount which exceeds the sum of:
 - (i) the amount of your liabilities under each *agreement covered by this security agreement*; and
 - (ii) *our* reasonable enforcement expenses reasonably incurred in enforcing this *security agreement*; and
- (b) *our* rights to demand any amounts from *you* and to exercise its rights and remedies against *you* are subject to the limitations on enforcement of this *security agreement* imposed by the *consumer credit legislation*; and
- (c) *our* rights and remedies under this *security agreement* are in addition to those given to a credit provider under the *consumer credit legislation*.

36.3 To the extent that *consumer credit legislation* applies to this agreement *you* must do anything *we* ask (*such as* obtaining consents, signing and producing documents, replying to questions, producing receipts and getting documents completed and signed), to ensure that each agreement which is intended to be covered by this *security agreement* becomes an *agreement covered by this security agreement*.

37 MEANING OF WORDS

37.1 In this *security agreement*:

'accession' includes *accessions* for the purposes of the *PPSA* but is not limited to them.

'accounts' includes *accounts* for the purposes for the *PPSA* but is not limited to them. It also includes all receivables and book debts.

'agreement covered by this security agreement' means:

- (a) an agreement between one or more of *you* and *us* which all of *you* acknowledge in writing to be an *agreement covered by this security agreement*; and
- (b) each agreement which varies such an agreement.

Without limiting this definition, it includes an agreement or arrangement which is assigned to *us* and any agreement or arrangement which *you* acknowledged to another *person* to be an *agreement covered by this security agreement* before the agreement or arrangement was assigned to *us*.

'amount owing' means at any time, subject to clause 36, all amounts that at any time; for any reason or circumstance in connection with any agreement (*including an agreement covered by this security agreement*), transaction, engagement, document, instrument (whether or not negotiable), event, act, omission, matter or thing whatsoever; whether at law, in equity, under statute or otherwise; and whether or not of a type within the contemplation of the parties at the date of this *security agreement*.

- (a) are *payable*, are owing but not currently *payable*, are contingently owing, or remain unpaid by *you* to *us*; or
- (b) *we* have advanced or paid on your behalf or on your express or implied request; or
- (c) *we* are liable to pay by reason of any act or omission on your part, or that *we* have paid or advanced in the protection or maintenance of the *collateral* or this *security agreement* following an act or omission on your part; or
- (d) are reasonably foreseeable as likely, after that time, to fall within any of the above paragraphs.

This definition applies:

- (e) irrespective of the capacity in which *you* or *we* became entitled to the amount concerned;
- (f) irrespective of the capacity in which *you* or *we* became liable in respect of the amount concerned;
- (g) whether *you* or *we* are liable as principal debtor, as surety or otherwise;
- (h) whether *you* are liable alone, or together with another *person*;
- (i) even if *you* owe an amount or obligation to *us* because it was assigned to *us*, whether or not:
 - (i) the assignment was before or after the date of this *security agreement*; or
 - (ii) *you* consented to or were aware of the assignment; or
 - (iii) the assigned obligation was secured;
- (j) even if this *security agreement* was assigned to *us*, whether or not:

- (i) *you* consented to or were aware of the assignment; or
- (ii) any of the *amount owing* was previously unsecured; and
- (k) if *you* are a trustee, whether or not *you* have a right of indemnity from the trust fund.

‘attorney’ means each *attorney* appointed by *you* under clause 30.

‘authorised officer’ means:

- (a) in relation to *us*, an employee of ours:
 - (i) whose title or acting title is or includes the word manager, accountant or officer; or
 - (ii) who is authorised by *us* to act as *our attorney*;
- (b) in your case, *you* (if the grantor is an individual), a director or a secretary of the grantor (if the grantor is a body corporate or body politic) or any other *person* appointed by *you* to act as an *authorised officer* under this *security agreement* or a *transaction document*.

‘collateral’ means the property and rights described in the *Details*.

‘collateral security’ means any present or future *security interest* given by any *person* to secure or otherwise ensure the payment of the *amount owing*.

‘consumer credit legislation’ means the National Credit Code forming schedule 1 to the National Consumer Credit Protection Act 2009 (Cth) (as amended).

‘contaminant’ means anything (*including* a liquid, solid, gas, odour, temperature, sound, vibration or radiation) that makes or could make the *collateral* or the environment:

- (a) unsafe or unfit for humans or animals; or
- (b) degraded in any way (*including* in its capacity to support plant life

‘controller’ has the meaning it has in the *Corporations Act*.

‘Corporations Act’ means the Corporations Act 2001 (Cth).

‘costs’ includes charges and expenses *including* those incurred in connection with legal and other advisers on a full indemnity basis.

‘Details’ means the document headed Specific Security Agreement Details or Equipment Loan and Specific Security Agreement Details (as applicable) which is executed by *you* and which forms part of the *security agreement*.

‘encumbrance’ means any *security interest*, notice under section 218 or 255 of the Income Tax Assessment Act 1936 (Cth) or under any similar provision of any law, profit a prendre, easement, restrictive covenant, equity, interest, garnishee order, writ of execution, right of set-off, lease, licence to use or occupy, assignment of income or monetary claim, and any agreement or deed to create any of them or allow them to exist.

‘GST’ means any tax in the nature of a consumption tax, a goods and services tax, a value added tax or similar tax *including*, without limitation, any tax arising under the A New Tax System (Goods and Services Tax) Act 1999 (Cth) and associated legislation.

‘including’ or **‘such as’** when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

‘insolvent’ means

- (a) an individual who has either:
 - (i) committed an act of bankruptcy;
 - (ii) entered into an assignment, arrangement, compromise or composition with his/her creditors; or
 - (iii) is unable to pay any of his/her debts as and when they fall due,
- (b) a body corporate, *partnership* or other entity or trustee of a trust in respect of which:
 - (i) (except for the purpose of a solvent reconstruction or amalgamation with *our* prior written consent), an order has been made to wind it up or a liquidator, provisional liquidator or *controller* has been appointed to it or any of its assets or a resolution has been passed for it to be wound up;
 - (ii) an administrator has been appointed to it;
 - (iii) it has entered, or a court has approved the terms of, an assignment, arrangement, compromise or composition with any of its creditors or members;
 - (iv) an application has been made by ASIC to deregister or dissolve it;
 - (v) it is *insolvent* within the meaning of section 95A of the Corporations Act 2001 (as disclosed in its *accounts* or otherwise); or
 - (vi) it is unable to pay its debts as and when they fall due.

‘partnership’ means, if applicable, the *partnership* described in the *Details*.

‘payable’ in relation to an amount, means an amount which is currently *payable* or will or may be *payable* in the future.

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

‘PPSA’ means the Personal Property Securities Act 2009 (Cth) and any regulations made pursuant to it.

‘PPSR’ means the register established under the *PPSA*.

‘proceeds’ includes *proceeds* for the purposes of the *PPSA* but is not limited to them.

‘receiver’ includes *receiver*, or *receiver* and manager.

‘related entity’ has the meaning it has in the *Corporations Act*.

‘security agreement’ means this agreement which provides for a *security interest* in the *collateral*. This *security agreement* is comprised of the *Details*, these Terms and Conditions and each Schedule to these Terms and Conditions and a reference to the *security agreement* is a reference to any part of the *Details*, the Terms and Conditions and the Schedules.

‘security interest’:

- (a) in relation to any personal property (as defined in the *PPSA*) has the same meaning as in the *PPSA*; and

- (b) in relation to any other property to which the PPSA does not apply, means any security for the payment of money or performance of obligations *including* a mortgage, charge, lien, pledge, trust or power.

security interest also includes a guarantee or indemnity.

'specific chattel paper' means any *chattel paper* specifically described as such in the *Details* and forming part of the *collateral*.

'state' means the *state* or territory of *our* address specified in the *Details*.

'such as' see **'including'**.

'taxes' means *taxes*, levies, imposts, charges and duties imposed by any authority (*including* stamp and transaction duties) (together with any related interest, penalties, fines and expenses in connection with them), except if imposed on the overall net income of the secured party.

'transaction documents' means:

- (a) this *security agreement*;
- (b) any document under which *we* provide financial accommodation to *you* or under which there is an *amount owing*;
- (c) any *collateral security*;
- (d) any *agreement covered by this security agreement*;
- (e) any document which *you* acknowledge in writing to be a *transaction document*; and
- (f) any other document connected with any of the documents in (a) to (d) above.

'we', 'us' and **'our'** means the *person* described in the *Details* as secured party.

'you' means the *person* or *persons* named in the *Details* as grantor. If there are more than one, *you* means each of them separately and every two or more of them jointly.

37.2 The following words have the respective meanings given to them in the PPSA: *ADI account, aircraft, attach, chattel paper, commercial property, commingled, control, crops, document of title, intellectual property, intellectual property licence, inventory, intermediated security, investment instrument, livestock, motor vehicle, negotiable instrument, other goods, perfect, PPS lease, purchase money security interest, watercraft*.

37.3 The singular includes the plural and vice versa.

37.4 A reference to:

- (a) a document or deed includes any variation, novation or replacement of it;
- (b) a *person* includes a reference to that *person's* executors, administrators, successors, substitutes (*including*, without limitation, *persons* taking by novation) and assigns;
- (c) law means common law, principles of equity, and laws made by parliament, and a reference to laws made by parliament or any legislation includes regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

- (d) any thing (*including* the *amount owing* and *collateral*) includes the whole and each part of it.

37.5 Each Schedule forms part of this *security agreement*.

Schedule – Aircraft, Motor Vehicle, Watercraft or Other Goods

This Schedule applies if and to the extent the *collateral* includes *aircraft, motor vehicles, watercraft or other goods*.

1 LOOKING AFTER THE COLLATERAL

1.1 You agree:

- (a) to keep the *collateral* in good working order and condition and correct any defect; and
- (b) to protect the *collateral* from theft, loss or damage; and
- (c) to tell *us* if the *collateral* is contaminated, defective or seriously damaged; and
- (d) to tell *us* if anything happens which may result in a claim for compensation in relation to the *collateral*; and
- (e) if the *collateral* is a *motor vehicle*, to get *our* consent to keep the *motor vehicle* in a place other than the premises stated in the *Details*.

1.2 You agree to:

- (a) ensure that each *person* who uses the *collateral* complies with all laws and requirements of authorities and other obligations in connection with the use of the *collateral*; and
- (b) obtain, maintain and comply with any licences required for *you* to carry out any activity in connection with the *collateral* and maintain and comply with any licences which form part of or relate to the *collateral*; and
- (c) ensure any replacement part or addition to any of the *collateral*, whether or not an *accession*, becomes subject to this *security agreement* free of any *security interest* (other than a *security interest* held by *us*).

1.3 Unless we consent, you agree:

- (a) to notify *us* if there is a *contaminant* on, in, under or migrating to or from the *collateral*; and
- (b) not to have a *contaminant* on, in or under, or release a *contaminant* from or allow a *contaminant* to escape from the *collateral*; and
- (c) to immediately remove any *contaminant* from the *collateral* and make good any damage caused by the *contaminant* or its removal; and
- (d) if a *contaminant* is released, escapes or migrates from the *collateral*, to minimise its impact on the environment and make good any damage it causes; and
- (e) not to deal with the *collateral* or any *contaminant* in such a way as to increase the risk of harm from the *contaminant*; and
- (f) if the *collateral* comprises a *motor vehicle*, not to change the premises at which it the *motor vehicle* is normally located or garaged as specified in the *Details*.

2 INSURANCE

2.1 You agree to maintain insurance over the *collateral*:

- (a) if the *collateral* is a *motor vehicle* or *watercraft*, against fire, theft and accident, other usual risks and compulsory third party insurance; and
- (b) for other *collateral*, against fire, theft, accident and any other risk *we* reasonably require.

2.2 The insurance under clause 2.1 of this Schedule must be for the full insurable value of the *collateral* on a replacement and reinstatement basis.

2.3 Each policy under clause 2.1 of this Schedule must:

- (a) note *our* interest as the secured party; and
- (b) be on terms and for an amount satisfactory to *us*; and
- (c) be with an insurer appropriately licensed in Australia.

2.4 You agree:

- (a) to produce evidence of current insurance cover (*including* a certified copy of each policy) whenever *we* ask; and
- (b) to pay all insurance premiums at least 3 business days before the due date for payment and if *we* ask, produce receipts for payment; and
- (c) to remedy anything which may prejudice the insurance cover if it lapses.

2.5 You agree to ensure that:

- (a) the insurance cover is not reduced or cancelled, and *you* agree to notify *us* if it is or could be; and
- (b) nothing happens that could permit an insurer to decline a claim or prejudice the insurance cover, and *you* agree to notify *us* if anything would permit an insurer to do this.

3 INSURANCE CLAIMS

3.1 You agree to ensure that *proceeds* from an insurance claim are:

- (a) used to reinstate the *collateral*; or
- (b) paid to *us* (*We* agree to then use them as set out in clause 18 of the Terms and Conditions).

However, if *we* direct *you* to use or hold any insurance *proceeds* in a particular way, *you* agree to use or hold them as *we* direct.

3.2 You agree to notify *us* if an insurance claim is refused either in part or in full.

3.3 If *we* notify *you*, *we* may take over your rights to make, pursue or settle an insurance claim. *We* may exercise those rights in any manner *we* choose.

4 DEALING WITH THE COLLATERAL

You may not, without *our* prior written consent, do, or agree to do, any of the following in respect to the *collateral*:

- (a) in respect to other goods, fix the *collateral* to any land or buildings; or
- (b) alter any identifying mark of the *collateral* (such as a serial number); or
- (c) allow the *collateral* to become an *accession* to, or *commingled* with, any property that is not *collateral*.

5 SHIPS

If the *collateral* is a ship registered under the Shipping Registration Act 1981 (Cth), the *collateral* includes all of your right title and interest and shares in the ship.

This Schedule applies if and to the extent the *collateral* includes *crops* or *livestock*.

1 LOOKING AFTER THE COLLATERAL

1.1 You agree to:

- (a) protect the *collateral* from theft, loss or damage; and
- (b) tell *us* if the *collateral* is contaminated, defective or seriously damaged; and
- (c) tell *us* if anything happens which may result in a claim for compensation in relation to the *collateral*.

1.2 You agree to:

- (a) ensure that each *person* who uses the *collateral* complies with all laws and requirements and other obligations of authorities in connection with the use of the *collateral*; and
- (b) obtain, maintain and comply with any *licences* required for *you* to carry out any activity in connection with the *collateral* and maintain and comply with any *licences* which form part of or relate to the *collateral*; and
- (c) pay on time all amounts for which *you* are liable as owner of the *collateral* or as owner, lessee or occupier of the *land*, including rates, taxes, levies and any adjustment payments; and
- (d) properly maintain the *land* including the control of vermin and weeds and construct and maintain proper fencing.

1.3 Unless *we* consent, *you* agree:

- (a) to notify *us* if there is a *contaminant* on, in, under or migrating to or from the *collateral* or the *land*; and
- (b) not to have a *contaminant* on, in or under, or release a *contaminant* from or allow a *contaminant* to escape from the *collateral* or the *land*; and
- (c) to immediately remove any *contaminant* from the *collateral* or the *land* and make good any damage caused by the *contaminant* or its removal; and
- (d) if a *contaminant* is released, escapes or migrates from the *collateral* or the *land*, to minimise its impact on the environment and make good any damage it causes; and
- (e) not to deal with the *collateral* or any *contaminant* in such a way as to increase the risk of harm from the *contaminant*.

1.4 If the *collateral* comprises *crops* you must:

- (a) sow, grow, cultivate, harvest, gather in, store, carry away and sell the *crop* using proper, efficient, recognised and approved methods and standards of operation in accordance with good industry practice; and
- (b) use all fertilisers, pesticides, irrigation and farming techniques using proper, efficient, recognised and approved methods and standards in accordance with good industry practice; and

- (c) subject to clause 7.2 of the Terms and Conditions, provide a copy of this *security agreement* to any purchaser of the *crop* before the sale of the *crop* to that purchaser; and
- (d) subject to clause 7.2 of the Terms and Conditions, collect the sale *proceeds* and any other amount payable to you in connection with the *crop* in a proper, orderly and efficient manner.

1.5 If the *collateral* comprises *livestock* you must:

- (a) not, without *our* consent:
 - (i) change the general quality, character or description of the *livestock*; and
 - (ii) remove any of the *livestock* from the *land*; and
- (b) ensure that all *livestock* are, if we ask, branded, marked or earmarked as directed by us and that all *livestock* other than *livestock* already bearing an existing brand, earmark or mark when purchased or acquired:
 - (i) bears the brands, earmarks and other marks approved in writing by us;
 - (ii) do not bear any other brand, earmark or mark; and
 - (iii) are and remain easily identifiable; and
- (c) maintain all *livestock* in a clean and healthy condition and ensure that all *livestock* are properly fed, sheltered and cared for; and
- (d) if we ask, give us a written statement containing details of all *livestock* and the location of that *livestock*, such statement to be in the form approved by us; and
- (e) provide all medicines and veterinary assistance to the *livestock* which, according to good husbandry, should be provided; and
- (f) keep separate certain parts of the *livestock* which according to good husbandry should be kept separate; and
- (g) immediately replace any of the *livestock* which die or become lost or stolen with other stock of similar nature and value; and
- (h) if we ask, at your expense and in the proper season, shear all sheep being part of the *livestock* and deliver the wool to us at the place we appoint.

2 INSURANCE

2.1 You agree to maintain insurance over the *collateral* against fire, storm damage, theft, accident and any other risk we reasonably require.

2.2 The insurance under clause 2.1 of this Schedule must be for the full insurable value of the *collateral* on a replacement and reinstatement basis.

2.3 Each policy under clause 2.1 of this Schedule must:

- (a) note *our* interest as the secured party; and
- (b) be on terms and for an amount satisfactory to us; and
- (c) be with an insurer appropriately licensed in Australia.

2.4 You agree:

- (a) to produce evidence of current insurance cover (including a certified copy of each policy) whenever we ask; and
- (b) to pay all insurance premiums at least 3 business days before the due date for payment and if we ask, produce receipts for payment; and
- (c) to remedy anything which may prejudice the insurance cover if it lapses.

2.5 You agree to ensure that:

- (a) the insurance cover is not reduced or cancelled, and you agree to notify us if it is or could be; and
- (b) nothing happens that could permit an insurer to decline a claim or prejudice the insurance cover, and you agree to notify us if anything would permit an insurer to do this.

3 INSURANCE CLAIMS

3.1 You agree to ensure that *proceeds* from an insurance claim are:

- (a) used to reinstate the *collateral*; or
- (b) paid to us (We agree to then use them as set out in clause 18 of the Terms and Conditions).

However, if we direct you to use or hold any insurance *proceeds* in a particular way, you agree to use or hold them as we direct.

3.2 You agree to notify us if an insurance claim is refused either in part or in full.

3.3 If we notify you, we may take over your rights to make, pursue or settle an insurance claim. We may exercise those rights in any manner we choose.

4 DEALING WITH THE COLLATERAL

4.1 You may not, without *our* prior written consent, do, or agree to do, any of the following in respect to the *collateral*:

- (a) in respect to *livestock*, alter any identifying mark of the *collateral* (such as a brand); or
- (b) allow the *collateral* to become *commingled* with any property that is not *collateral*.

4.2 Despite clause 7.2 of the Terms and Conditions, you may sell *crops* or *livestock* comprising *collateral* if:

- (a) you do so in the ordinary course of your ordinary *business* and for fair market value; and
- (b) you either apply the *proceeds* of sale to:
 - (i) if the *collateral* sold is *livestock*, purchase further *livestock* in substitution for the *livestock* sold; or
 - (ii) immediately pay the *proceeds* of sale to us.

5 LICENCES

5.1 If a *licence* is required for any activity carried out on the land or in connection with the *collateral* then you must:

- (a) when carrying out that activity, do so in a proper and orderly manner; and

Schedule – Investment instruments and/or Intermediated Securities

- (b) comply with all laws and requirements of authorities in connection with the *licence*; and
- (c) obtain and renew on time the *licence* and each authorisation necessary to carry on the activity for which the *licence* is necessary and oppose any application to restrict or cancel the *licence*; and
- (d) not, without *our* consent:
 - (i) surrender or attempt to surrender the *licence*; or
 - (ii) deal with or part with possession of any interest in the *licence*; or
 - (iii) amend the *licence*; or
 - (iv) do anything which could cause the *licence* to be forfeited or cancelled; or
 - (v) allow a *security* to arise over the *licence*; and
- (e) give *us* a copy of each notice, order, summons or conviction in connection with the *licence*.

5.2 If *you* are not the holder of a *licence*, *you* must ensure that:

- (a) the holder complies with the obligations set out in clause 5.1 of this Schedule; and
- (b) the holder gives *us* an authority to apply for information from authorities and a power of *attorney* relating to the *licence*, each in a form satisfactory to *us*.

5.3 After a default has occurred, if *we* ask, *you* must do your best to ensure that each *licence* is transferred to *us* or *our* nominee.

5.4 *You* irrevocably appoint *us* and each employee of the *Bank* jointly and severally to be *your attorney* to do all things in your name which *we* consider appropriate in relation to any *licence* or anything in connection with any *licence*.

6 LIVESTOCK

Without limiting clause 37.2 in the Terms and Conditions, if the *collateral* is *livestock* it also includes any unborn young or offspring of the *livestock* described as *collateral* in the *Details* and any *livestock* acquired in place of or in substitution for that *livestock* in accordance with clause 4.2 of this Schedule.

7 MEANING OF WORDS

In this *security agreement*:

‘land’ means, as applicable, the *land* on which the crops comprising the *collateral* are grown or on which the livestock comprising the *collateral* are kept or depastured, as identified in the description of *collateral* in the *Details* and any other *land* which *we* approve in writing.

‘licence’ means any licence, permit or authorisation (*including* to discharge hazardous waste, to draw water, develop or use the *land* or the *collateral*, or to produce or sell the *collateral*) which allows an activity to be carried out on or in connection with the *land* or the *collateral*.

This Schedule will apply if and to the extent that the *collateral* includes *investment instruments* (such as shares or units not held on CHES) and/or *intermediated securities* (such as CHES securities).

1 LOOKING AFTER THE COLLATERAL

1.1 *You* agree that *you* will:

- (a) carry out on time all of your obligations in connection with the *collateral* and comply with all directions, requests, or requirements of government agencies relating to the *collateral*;
- (b) duly and punctually pay all calls, premiums and instalments which may be or become *payable* in respect of the *collateral*;
- (c) immediately after becoming aware of any *new rights*, notify *us* in writing of any such *new rights* and if requested by *us*, provide documentary or other evidence of these *new rights*;
- (d) if *we* ask *you*, take up any *new rights* in connection with the *collateral* (*we* will only do this if in *our* opinion, failure to do so could mean that the *collateral* is likely to become materially lessened in value or prejudicially affected); and
- (e) if any of the *collateral* is an *intermediated security*, ensure at all times that there is a *sponsorship agreement*.

1.2 *You* will not without *our* prior written consent:

- (a) consent to, vote in favour of or permit any variation or abrogation of the rights and privileges attaching to the *collateral* or any diminution of the benefits and privileges enjoyed by the holder of the *collateral*;
- (b) take any action that will operate to convert a *certificated security* into an *uncertificated security* (or vice versa); or
- (c) change the *controlling participant* in respect to any *intermediated security*.

2 OBLIGATION TO DEPOSIT DOCUMENTS AND GIVE NOTICES

2.1 While this *security agreement* is in effect, *you* must give *us* possession of all documents of title to *interests* in the *collateral* or that evidence title to the *collateral*.

2.2 If the *collateral* includes *investment instruments*, *you* agree to deposit with *us* at the time of execution of this *security agreement*:

- (a) the *certificates* (if any) in respect of the *collateral*; and
- (b) the number of *transfers* specified by *us* in respect to the *collateral* completed with the name of the transferee and the consideration and date left blank.

2.3 If *we* ask, *you* agree to immediately give to any issuer, broker, share registrar or other *person* specified by *us*, an irrevocable direction (in a form approved by *us*) to deliver to *us* any *certificates* held or issued by that *person* in respect of certificated securities. *You* agree to give to *us* a copy of the direction, immediately after giving it.

2.4 If any additional *investment instruments* become subject to this *security agreement*, you agree to deposit with us:

- (a) the *certificates* (if any) in respect of the *collateral*, and
- (b) the number of *transfers* specified by us in respect to the *collateral* with the name of the transferee and the consideration left blank.

You also agree to execute any *security notice* required by us to acknowledge that the additional *investment instruments* are subject to this *security agreement*.

2.5 You agree to deposit with us the *sponsorship agreement* for the *intermediated securities* and the *certificates* (if any) for the *intermediated securities*.

2.6 You agree to ensure that any additional *intermediated securities* that become subject to this *security agreement*, also become subject to the *sponsorship agreement*.

3 CASH DISTRIBUTIONS AND BENEFITS

3.1 If you are not in default of this *security agreement*:

- (a) you are entitled to all dividends, cash returns of capital, or other income in respect of *investment instruments* or *intermediated securities*;
- (b) you are entitled to all *proceeds* from the disposal or relinquishment of rights and all *proceeds* in relation to options or other rights granted to you;
- (c) you may exercise your rights to take up further *investment instruments* or *intermediated securities*; and
- (d) you may exercise any voting power in respect of the *investment instruments* or *intermediated securities*.

3.2 If you are in default of this *security agreement*, then all your rights in clause 3.1 of this schedule, immediately cease and:

- (a) we are entitled to all distributions and other income in respect of the *collateral* referred to in clause 3.1(a) and (b) of this schedule; and
- (b) we are entitled to exercise the rights referred to in clause 3.1(c) and (d) of this schedule.

3.3 We need not:

- (a) do anything to obtain payment of any dividends or other income in respect of the *investment instruments* or *intermediated securities*;
- (b) exercise any voting power in connection with the *investment instruments* or *intermediated securities*;
- (c) exercise any other rights in respect of the *investment instruments* or *intermediated securities*; or
- (d) sell the *investment instruments* or *intermediated securities*, even if we have reason to believe that the value of the *collateral* may fall.

We are not responsible for any loss as a result of such a failure to act or delay in so acting.

4 REGISTRATION AS HOLDER OF THE COLLATERAL AND COMPLETION OF DOCUMENTS

4.1 We may at any time procure the registration of ourselves as the registered holder of the *collateral*.

4.2 We, any of our *authorised officers*, any *receiver* or *attorney* may complete any document which is at any time executed by you or on your behalf and deposited with us, including any *transfer*. Such documents may be completed in favour of any *person*.

5 MEANING OF WORDS

5.1 In this *security agreement*:

'certificate' means the certificate, scrip or other documentary evidence of title to the *investment instrument* or *intermediated security*.

'certificated security' means an *investment instrument* or *intermediated security* forming part of the *collateral*, title to which is evidenced by a *certificate*.

'controlling participant' means the controlling participant of all *collateral* that is an *intermediated security*.

'new rights' means all assets, rights, powers and *proceeds* of any nature at any time attaching to, or arising out of any holding in, any *collateral* or any *new right* in the *collateral* including:

- (a) all money, distributions, interest, allotments, offers, benefits, rights, bonuses.
- (b) all *proceeds* from any disposal, share buyback, redemption, compulsory acquisition, liquidation or scheme of arrangement.
- (c) any *investment instrument* or *intermediated security* resulting from the conversion, consolidation or subdivision of the *collateral*.
- (d) any right to take –up or *investment instrument* or *intermediated security* resulting from an allotment, offer, bonus issue or dividend reinvestment plan.
- (e) any *certificate* or other evidence of title to any of the above.

'settlement rules' mean the settlement rules issued by the ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

'sponsorship agreement' means the sponsorship agreement entered into between us, the *controlling participant* (if we are not the *controlling participant*) and you on terms acceptable to us, and under which the *controlling participant* is the sponsor of all of the *collateral* that is an *intermediated security*.

'transfer' means a transfer of the *collateral* executed by you as transferor (and which in respect of the *collateral* that is an *intermediated security*):

- (a) includes the holder identification number; and
- (b) is executed by the *controlling participant*.

'uncertificated security' means an *investment instrument* or *intermediated security* forming part of the *collateral*, the title to which is not evidenced by a *certificate*.

Schedule – Intangible Property

5.2 Settlement Rules

All expressions used in this Schedule which are defined or adopted in the *settlement rules* have the meaning given to them in the *settlement rules*, unless the context otherwise requires.

PART A – ACCOUNTS

Part A of this Schedule will apply if and to the extent the *collateral* includes *accounts* (such as book debts or other receivables).

1 LOOKING AFTER THE COLLATERAL

1.1 You agree that you will open the *collection ADI account*, if it has not already been opened.

1.2 You agree to:

- (a) procure the prompt collection of the *accounts* until we otherwise direct. We appoint you as our agent for collection for this purpose;
- (b) deposit to the *collection ADI account*, the *proceeds* of the *accounts*;
- (c) conduct your *business* (including collecting *accounts*) in a proper, orderly and efficient manner;
- (d) not without our consent, cease conducting the *business* and not to significantly change the general character of the *business*; and
- (e) maintain insurance over the *collateral* and the *business* for the risks and for the value that a prudent person operating a business in the nature of the *business* would maintain (including debtor's insurance, insurance for loss or destruction of the *chattel paper* and insurance in respect of any other risk we reasonably ask).

1.3 You will not without our prior written consent:

- (a) withdraw the whole or any part of the funds held in the *collection ADI account* or grant or allow to arise any third party rights over or against the whole or any part of the funds held in the *collection ADI account*;
- (b) authorise any payments from the *collection ADI account* or permit a set off or combination of *accounts* in respect of the *collection ADI account*; or
- (c) permit or attempt to do any of the things referred to in this clause.

2 WHAT CAN HAPPEN IF YOU ARE IN DEFAULT?

2.1 If a default has occurred and is continuing, we may notify you that:

- (a) you are prohibited from collecting the *accounts*; and
- (b) we intend to collect the *accounts*.

2.2 If we give you notice under this clause, you agree to:

- (a) us collecting the *accounts* and notifying debtors of our interest in the *accounts*; and
- (b) us preparing and dispatching invoices in connection with the *accounts*, whether or not an invoice has been prepared previously or dispatched in respect of the *accounts*; and
- (c) use your best endeavours to assist us to collect the *accounts*.

3 MEANING OF WORDS

In this *security agreement*:

'business' means the business described in the *Details* under the heading "Intangible Property" as being relevant to the *accounts* forming part of the *collateral*.

'collection ADI account' means the collection ADI account described in the *Details* under the heading "Intangible Property" as forming part of the *collateral* or any other *ADI account* nominated or approved by *us* and controlled by *us* in the manner contemplated by section 341(3) of the *PPSA* into which the amounts paid in discharge of *accounts* are to be deposited.

PART B – SECURED ADI ACCOUNTS

Part B of this Schedule will apply if and to the extent the *collateral* includes a *secured ADI account*.

1 LOOKING AFTER THE COLLATERAL

You will not without *our* prior written consent:

- (a) withdraw the whole or any part of the funds held in the *secured ADI account* or grant or allow to arise any *third party* rights over or against the whole or any part of the funds held in the *secured ADI account*;
- (b) authorise any payments from the *secured ADI account* or permit a set off or combination of *accounts* in respect of the *secured ADI account*; or
- (c) permit or attempt to do any of the things referred to in this clause.

2 MEANING OF WORDS

In this *security agreement*:

'secured ADI account' means the secured ADI account described as such in the *Details*, which forms part of the *collateral*.

'initial deposit amount' means any amount credited to the *secured ADI account* on or before the date of this *security agreement*, including any amount specified as such in the *Details*, which amount forms part of the *collateral*.

PART C – CONTRACT RIGHTS

Part C of this Schedule will apply if and to the extent the *collateral* includes contract rights in respect to a secured agreement.

1 LOOKING AFTER THE COLLATERAL

1.1 *You* agree that *you* will:

- (a) obtain, renew on time and comply with the terms of each authorisation necessary to enter into the *secured agreement*, observe obligations under the *secured agreement* and allow it to be enforced;
- (b) take the action that a prudent, diligent and reasonable *person* would take to ensure that each *third party* to the *secured agreement* complies with its obligations in connection with the *secured agreement*; and

- (c) if any default by a *third party* in connection with the *secured agreement* occurs, promptly notify *us* giving full details of the default and the steps taken by *you* or the *third party* to remedy it.

1.2 *You* will not without *our* prior written consent:

- (a) cause or permit the *secured agreement* to be varied, repudiated, rescinded or terminated, or rendered void, voidable or unenforceable; or
- (b) abandon, settle, compromise or discontinue any proceedings against any *person* (other than *us*) in connection with the *collateral*, including the *third party*.

2 OBLIGATION TO DEPOSIT DOCUMENTS AND GIVE NOTICES

2.1 *You* agree that *you* will:

- (a) deposit with *us* or *our* nominee, all documents comprising the secured agreement;
- (b) if *we* ask, procure that any *third party* to the secured agreement enter into a tripartite deed on such terms as *we* reasonably request.

2.2 *You* agree to:

- (a) promptly provide written notice to the *third party* of *our security interest* in the *secured agreement* after *you* execute this *security agreement*;
- (b) procure from the *third party* as soon as possible (but no later than seven days after the date of this *security agreement*) a written acknowledgement from the *third party* of *our security interest*, confirming that the *third party* consents to *our security interest* in the *secured agreement* and that the *third party* has not received notice of any other *security interest* in the *secured agreement*.

3 INCOME AND BENEFITS

3.1 If *you* are not in default of this *security agreement*, *you* are entitled to all income and other monetary benefits in connection with the *secured agreement*.

3.2 If *you* are in default of this *security agreement*, then all rights under clause 3.1 of Part C of this schedule will immediately cease and *you* agree to procure that all income in respect of the *secured agreement* is paid directly to *us*.

3.3 *We* need not:

- (a) do anything to obtain payment of any income in respect of the *secured agreement*;
- (b) exercise rights in respect of the *secured agreement*; or
- (c) sell or otherwise *transfer* the rights in the *secured agreement*, even if *we* have reason to believe that the value of those rights may fall.

We are not responsible for any loss as a result of such a failure to act or delay in so acting.

4 MEANING OF WORDS

In this *security agreement*:

'**secured agreement**' means the secured agreement described as such in the *Details*, which forms part of the *collateral*.

'**third party**' means each *person* other than *you* who is a party to the secured agreement.

PART D – INTELLECTUAL PROPERTY/INTELLECTUAL PROPERTY LICENCES

Part D of this Schedule will apply if and to the extent the *collateral* includes *intellectual property* or *intellectual property licences*.

1 LOOKING AFTER THE COLLATERAL

You will not without *our* prior written consent:

- (a) consent to or permit any variation or abrogation of the rights and privileges attaching to the *intellectual property/ intellectual property licences* or any diminution of the benefits and privileges enjoyed by the holder of the *intellectual property/intellectual property licences*;
- (b) waive any of your rights or release any *person* from its obligations in connection with the *intellectual property/intellectual property licences*; and
- (c) do anything that will alter the registration of the *intellectual property/intellectual property licences* with a government agency.

2 OBLIGATION TO GIVE NOTICES

2.1 While this *security agreement* is in effect, *you* must give *us* written notice of:

- (a) any newly acquired or created *intellectual property* or *intellectual property licence*;
- (b) any directions, requests, or requirements of government agencies relating to the *intellectual property/intellectual property licences*.

2.2 If *we* reasonably ask *you* agree to provide a *security interest* over any acquired or created *intellectual property* or *intellectual property licence*. *We* will only do this if in *our* opinion failure to hold such an additional *security interest* will materially lower the value of the *collateral* or otherwise prejudicially affect the *collateral*.

3 INCOME AND BENEFITS

3.1 If *you* are not in default of this *security agreement*, *you* are entitled to all income and other monetary benefits in connection with the *intellectual property/intellectual property licences*.

3.2 If *you* are in default of this *security agreement*, then all rights under clause 3.1 of Part C of this schedule will immediately cease and *you* agree to procure that all income in respect of the *intellectual property/intellectual property licences* is paid directly to *us*.

3.3 *We* need not:

- (a) do anything to obtain payment of any income in respect of the *intellectual property/intellectual property licences*;
- (b) exercise rights in respect of the *intellectual property/intellectual property licences*; or
- (c) sell, licence or otherwise *transfer* the *intellectual property/intellectual property licences*, even if *we* have reason to believe that the value of the *intellectual property/intellectual property licences* may fall.

We are not responsible for any loss as a result of such a failure to act or delay in so acting.



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