

Margin Lending Application Form

bank different®



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The Lender is Leveraged Equities Limited ABN 26 051 629 282 ("the Lender") a subsidiary of Bendigo and Adelaide Bank Limited. The Bank of Queensland Limited ABN 32 009 656 740 (Bank of Queensland) does not guarantee or otherwise support the Lender's obligations under the Loan and Security Agreement for the Bank of Queensland Margin Loan. Bank of Queensland distributes the Bank of Queensland Margin Loan under and agreement with the Lender. Accordingly reference in this brochure to "Margin Lending", "we", "us" and "our" may depend on the context, be reference to the Lender. Further details on the Lender's role is set out in the Loan and Security Agreement for the Bank of Queensland Margin Loan.

Bank of Queensland Margin Lending at a glance

With a Bank of Queensland Margin Loan, it's easy for you to start building your wealth today

A Bank of Queensland Margin Loan is simply a line of credit to buy approved shares and units in managed funds. The portfolio of shares and units is then used as security for your Bank of Queensland Margin Loan. You can choose to create a new investment portfolio with a Bank of Queensland Margin Loan or leverage an existing portfolio - both of which may help you meet your financial goals sooner.

Your Bank of Queensland Margin Loan allows you to borrow between 40% and 80% of the value of the approved shares and managed funds.

With a Bank of Queensland Margin Loan you can benefit from:

An extensive choice of investments

- Australian shares
- Managed funds

A wide range of acceptable security

- Use cash, Australian shares or managed funds as security for your loan
- The security can be held in your own name or someone else's (third party security). So you can start investing even if you don't have any existing equity with which to invest.

Competitive interest rates and payment options

- Variable and fixed interest rates available, with arrears and advance payment options.

Flexibility of investment

- Use the stockbroker of your choice for share trading
- Switch holdings within your portfolio at any time
- No fixed loan term and thus no set time to repay your loan.

Customer Service

We are dedicated to providing exceptional customer service. The Client Service Team will ensure that your Bank of Queensland Margin Loan runs smoothly - from the time you contact us about Margin Lending to the time you starting investing.

Our team of professional Account Managers are available to assist with your enquiries. You can contact an Account Manager by phone, fax or email, Monday to Friday.

Anti-Money Laundering and Counter-Terrorism Financing

In December 2006 the Australian Government introduced the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF"), which requires reporting entities, such as financial advisers and product issuers, to conduct client identification and verification checks. The Lender is required to comply with AML/CTF.

If you have a financial adviser or Bank of Queensland Branch Manager, your verification checks can be conducted by your financial adviser or Bank of Queensland Branch Manager who will also complete the relevant identification form issued by Investment and Financial Services Association Limited and the Financial Planning Association of Australia ("IFSA/FPA Form"). The relevant forms are available from www.ifsa.com.au. Your completed IFSA/FPA Form must be provided to Bank of Queensland Margin Lending together with your Application for Finance. If you do not have a financial adviser or Bank of Queensland Branch Manager, or if your financial adviser or Bank of Queensland Branch Manager does not complete the relevant IFSA/FPA Form, you must provide:

- (a) if you are an individual applicant – an original certified copy of your driver's licence or passport; and
- (b) if you are a trust applicant – an original certified copy of your trust deed extract.

By following the above procedures, potential duplication and delay are removed. However we may, from time to time, be required to contact you to request additional information for identification or verification purposes.

By applying for a Bank of Queensland Margin Loan, you agree to the following:

- (a) at the reasonable request of the Lender, to supply, or procure the supply of, any documentation and other evidence and perform any acts to enable the Lender to comply with any laws relating to AML/CTF; and
- (b) if the Lender suspects that you are in breach of any laws relating to AML/CTF applicable in Australia or elsewhere, or the Lender believes it is required to take action under any laws relating to AML/CTF or any other applicable law in Australia or elsewhere, the Lender may take any action it considers appropriate, including transferring your Bank of Queensland Margin Loan units and refusing or ceasing to provide you with services, in order to comply with any laws relating to AML/CTF or any request of a relevant authority; and
- (c) The Lender may in its absolute discretion, with or without notice to you, disclose or otherwise report the details of any transaction or activity, proposed transaction or activity in relation to your Bank of Queensland Margin Loan (including any personal information – as defined in the Privacy Act 1988 (Cth) that you may have provided to the Lender) to any reporting body authorised to accept reports under laws relating to AML/CTF applicable in Australia or elsewhere.

Risk Disclosure Declaration

It is a condition of this Facility that you read this information carefully. If not otherwise defined in this Risk Disclosure Declaration, the terms used in this declaration have the same meaning as in the Loan and Security Agreement attached.

The Lender recommends that each Borrower, each Securities Owner and each Director obtain appropriate independent legal, financial and taxation advice with respect to the complete terms and conditions of the proposed Loan and Security Agreement and its suitability for their individual requirements. It is also important that each Borrower obtain advice regarding the impact on their investment and financial obligations if they repay their Loan in full, particularly during any period in which the interest rate is fixed.

Under the guarantee provisions in the Loan and Security Agreement, the Securities Owner (if a different person to the Borrower) and the Director (if the Borrower is a company), may be liable (to the extent provided under the Loan and Security Agreement) instead of, or as well as, the Borrower, to pay the amounts owing to the Lender under the Facility.

Declaration:

By signing the Bank of Queensland Margin Lending Application for Finance each Borrower/Director and Securities Owner (I/we) will be taken to have made the declarations and statements set out below:

- I/We have never been declared bankrupt or insolvent, have never had any assets assigned to the benefit of creditors and are able to pay any debts as and when they become due and payable.
- I/We have never been a director/directors and/or an officer/officers of any company of which a manager, receiver and/or liquidator has been appointed.
- I/we am/are over 18 years old.

I/We also declare that:

- all the information I/we have given to the Lender in relation to the Application for Finance and the Loan and Security Agreement is correct and not misleading; and
- no legal proceedings are current, pending, or, to my/our knowledge, threatened which could affect my/our financial position adversely.

I/We understand that:

- I/We are borrowing from and entering into a mortgage with Leveraged Equities Limited ABN 26 081 629 282, a subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178. I/We are not entering into a relationship as creditor or mortgagor with Bank of Queensland.
- the initial Credit Limit for my/our proposed Loan will be \$250,000 unless otherwise agreed to by the Lender;
- the Lender does not guarantee the performance of any shares or marketable securities (as defined in the Corporations Act) purchased with money borrowed under the proposed Loan and Security Agreement;
- investment in any shares and marketable securities involves inherent risks and I/we am/are aware of these risks;
- dividends or other income from shares or other marketable securities that are held under the Loan and Security Agreement may not be sufficient or paid at a time that is suitable or convenient to help pay interest under the Loan. I/we understand that I/we must pay the interest and other costs under the Loan from my/our own resources;
- where the interest rate under the proposed Loan has been fixed for a period, then the repayment of any part of the Loan before the end of that period may result in significant costs being payable by me/us to the Lender;

- if there is a fall in the value of any shares or marketable securities which I/we have purchased with the proposed Loan or lodged with the Lender as security for the proposed Loan, or there are any other significant changes to the volatility in the share market, then I/we may be required by the Lender to provide additional securities or repay a portion of the Loan (a "margin call");
- the Lender may allocate the amount it is prepared to lend against particular shares and/or marketable securities (the "lending ratio"), and I/we understand that the Lender may change this lending ratio at its absolute discretion at any time. This will affect the amount which the Lender is prepared to lend. In addition, the Lender may also make a margin call if I/we am/are not complying with any lending ratio;
- I/we understand that if I/we do not satisfy a margin call when required by the Lender, some or all of my shares and/or marketable securities may be sold by the Lender. I/we understand the Lender may take such action without notifying me;
- if the Lender sells all of my/our shares and/or marketable securities and there is still a balance owing on my/our loan, I/we must repay this balance personally;
- any applicable stamp duty, Goods & Services Tax and other fees and charges are payable by me/us;
- the Lender has not provided any advice, nor is it responsible for any ongoing advice, relating to:
 - the taxation implications of any aspect of the Loan and Security Agreement, or of investing in shares and other marketable securities;
 - any aspect of the Loan and Security Agreement;
 - the Lender has not considered whether the Loan is suited or necessary for my/our particular circumstances; and
 - the suitability of the shares and/or marketable securities to be purchased with the Loan.
- If I/we enter into the Loan and Security Agreement, the Lender, or its nominee, may pay commission to or receive commission from certain persons.
- I/we acknowledge and agree to the payment of commission by the Lender, or its nominee, to certain persons, or the receipt of commission by the Lender, or its nominee. The purchase or sale of any shares and/or marketable securities under the terms of the Loan and Security Agreement may also result in brokerage fees or other charges being payable to the Lender or its related companies.

I/We have read and understood the Application for Finance and the Loan and Security Agreement, including this Risk Disclosure Declaration.

- I/We acknowledge that the Lender strongly recommends that I/we obtain independent legal, financial and taxation advice in relation to my/our obligations under the Loan and Security Agreement and I/we acknowledge that I/we have had the opportunity to obtain such independent legal, financial and taxation advice. I/We acknowledge that if we have not obtained such advice, I/we am/are comfortable that I/we understand my/our obligations and the risks of investment in the Bank of Queensland Margin Lending facility.
- I/We have also considered the risks and costs involved in purchasing shares and/or marketable securities with the proposed Loan, and I/we am/are prepared to accept the risks involved.

Bank of Queensland Margin Lending – April 2009 Loan and Security Agreement

Loan and Security Agreement between the Borrower, the Securities Owner and the Director, the Sponsor and Leveraged Equities Limited (the Lender).

Loan Terms and Conditions.

1. The Facility

- 1.1 This Agreement, as supplemented by further agreement between the Lender and the Borrower, will govern the terms of the Loan and related matters.
- 1.2 The Borrower shall be entitled to draw up to the amount of the Credit Limit on the terms of this Agreement. The Lender is authorised by the Borrower and the Securities Owner to apply the Loan from time to time to purchase Securities nominated by the Borrower and related expenses.
- 1.3 Subject to Clause 1.6, any request from the Borrower to the Lender for a drawing under the Facility must be:
 - (a) in writing or, in the Lender's discretion, may be given verbally; and
 - (b) accompanied with all other notices, certificates, contract notes, documents or information (whether provided in paper form or by electronic means) as the Lender may reasonably request.
- 1.4 Unless otherwise agreed between the Lender and the Borrower, proceeds of any Loan drawdown under this Agreement will be paid by the Lender directly to the Borrower's nominated bank account. If the Borrower requires alternative arrangements to be made, a fee may apply.
- 1.5 The Lender is not required to execute or proceed with (and may cancel or reverse) any request to purchase or transfer Securities if:
 - (a) that purchase or transfer would be likely to result in:
 - (i) the Total Loan Balance exceeding, or in the Lender's opinion is likely to exceed, the aggregate of the Market Based Limit and the Buffer; or
 - (ii) the Credit Limit being exceeded; or
 - (b) the Lender is otherwise entitled to make a Margin Call.
- 1.6 If the Sponsor or any broker who purports to act on behalf of the Securities Owner, provides instructions, or other evidence, regarding a Transaction to the Lender, by:
 - (a) providing a contract note (whether in original form or by facsimile); or
 - (b) forwarding an electronic message, the Lender shall be entitled to rely on such instructions without confirming such instructions with the Borrower or the Securities Owner.

- 1.7 The Lender is authorised to act upon instructions sent by any means (including electronically or orally) which purport to be from the Borrower, or any person authorised by the Borrower to issue instructions to the Lender in respect of any transactions contemplated under this Agreement. The Borrower confirms that any Securities Owner, including any person who subsequently guarantees the obligations of the Borrower under this Agreement, is hereby authorised to issue instructions to the Lender, on behalf of the Borrower, in respect of any transaction related to the utilisation of the Facility or contemplated under this Agreement. The Lender may verify instructions or obtain additional information by contacting anyone or more of the persons authorised by the Borrower for this purpose, but is not obliged to do so.

- 1.8 The Borrower shall not be entitled to draw any funds under this Facility if:
 - (a) the amount of the proposed drawing would, when added to the Loan, exceed the Credit Limit; or
 - (b) the Total Loan Balance exceeds or, in the Lender's opinion, is likely to exceed the Market Based Limit; or
 - (c) the proposed drawing would otherwise not comply with this Agreement; or
 - (d) an Event of Default has occurred.

- 1.9 Where a Security Surplus exists, the Borrower may request a drawing in an amount equivalent to the Security Surplus.

- 1.10 Where the Lender receives instructions to draw or receive any funds in relation to the purchase, sale, redemption or transfer of Securities, the Lender is authorised by the Borrower to draw or receive such amount, together with all related costs and expenses for the purpose of completing the purchase, sale, redemption or transfer.

2. Conditions Precedent

- 2.1 The Lender shall not be obliged to make the Loan to the Borrower unless the Lender:
 - (a) where the Borrower or the Securities Owner is acting in their capacity as trustee of any trust, has received a Solicitors Trust Letter or a certified copy of the Trust Deed both in form and in substance satisfactory to the Lender; a trust vetting fee is payable where the Lender is required to vet the Trust Deed;
 - (b) has received such other amounts, documents or information, both in form and in substance satisfactory to the Lender, as the Lender may require; and
 - (c) is satisfied that no Material Adverse Change exists.

3. Interest

- 3.1 The Borrower shall pay interest to the Lender on the Loan in accordance with this Clause or as otherwise specified by the Lender.
- 3.2 The variable rate of interest applicable to the Loan shall be the Bank of Queensland Margin Lending Rate as determined by the Lender from time to time.

- 3.3 Interest shall accrue from day to day, be calculated on the basis of the actual number of days elapsed and a 365 day year (including the first day of the period during which it accrues but excluding the last) and shall be debited to the Loan account at such intervals as the Lender may determine.
- 3.4 Interest that is not prepaid is due and payable on the last day of each calendar month. If interest is not paid on the due date, then it will be added to the Loan, and interest will be calculated on the total amount. Failure to pay interest when the Total Loan Balance exceeds or, in the Lender's opinion, is likely to exceed, the Market Based Limit will be an Event of Default.
- 3.5 Information on current interest rates and fees and charges is available from the Lender on request. The interest rate and how it is calculated and applied can be varied by the Lender by written notice or by putting a notice in a national or local newspaper.
- 3.6 Fixed interest rates for certain periods are available upon request.
- 3.7 If the Lender agrees to change the type of interest from the Bank of Queensland Margin Lending Rate to a fixed rate then:
- (a) the fixed rate will apply under this Agreement during the period as notified by the Lender to the Borrower (the "Fixed Rate Period");
 - (b) the Lender will give the Borrower written notice setting out the particulars of the change;
 - (c) the Fixed Rate Period will begin and end on the dates the Lender specifies when it agrees to the change; and
 - (d) at the end of the Fixed Rate Period the interest rate will revert to the Bank of Queensland Margin Lending Rate unless a request for a further fixed rate is made by the Borrower and agreed to by the Lender.
- 3.8 If the Loan is a Split Rate Loan, then:
- (a) during the Split Rate Loan Period:
 - (i) the Loan will be divided into two or more portions solely for the purpose of calculation of interest, and each of which will be consolidated into one balance under the facility;
 - (ii) the Lender and the Borrower may agree that different interest rates will apply to each portion of the Loan;
 - (iii) interest charges will be calculated on each portion and will be added to the principal outstanding on the Loan; and
 - (iv) the terms of this Agreement, including those dealing with interest, repayment, Margin Calls, fees and expenses and indemnities will apply separately to each portion; and
 - (b) after the expiry of the Split Loan Period, all portions of the Split Rate Loan will be reconsolidated into one single principal amount.
- 3.9 If the Borrower requests and the Lender agrees, the Borrower may pay interest in advance on an agreed date. Any interest prepaid for any period is not refundable.
- 3.10 If the Borrower requests and the Lender agrees, the Borrower may pay interest on any other basis, terms and conditions.

4. Repayment

- 4.1 The Borrower must repay the Loan, together with all interest, fees and other moneys then accrued due under this Agreement to the date of such payment (whether or not yet payable):
- (a) immediately upon a declaration being made by the Lender in accordance with Clause 13.2; or
 - (b) within seven (7) days of the Lender issuing demand to the Borrower requiring repayment of such amounts. Upon the giving of such notice, the obligations of the Lender to continue to provide the Facility shall immediately cease.
- 4.2
- (a) The Borrower may prepay to the Lender all or any part of the Loan on any day if all interest, fees and other moneys then accrued due under this Agreement to the date of prepayment (whether or not yet payable) have been paid (including without limitation any indemnity obligation under Clause 16). Amounts prepaid under this Clause may be reborrowed under this Agreement.
 - (b) If the Lender and the Borrower have agreed to fix the interest rate applicable to the Loan, the Borrower shall not prepay all or any part of the Loan during the period for which the interest rate has been fixed unless the Borrower pays to the Lender in accordance with Clause 16.1 any losses or expenses incurred by the Lender as a result of the prepayment.
 - (c) If the Borrower repays more than the total amount of the Loan, the Lender is not required to pay interest to the Borrower on the amount repaid in excess of the total amount of the Loan.
- 4.3 If there occurs any change in:
- (a) law or in its interpretation which makes it unlawful for the Lender to give effect to any provision of this Agreement; or
 - (b) the law or the Rules, or in their interpretation, which, in the opinion of the Lender, may have a detrimental effect on the rights of the Lender or its security position under this Agreement, the Lender may notify the Borrower and thereupon the Lender's obligation to make, fund or maintain the Facility, or give effect to the relevant provision of this Agreement, shall cease. The Borrower shall, subject to Clause 16, immediately repay the Loan in full together with all interest accrued thereon to the date of repayment and any other moneys then accrued due (whether or not yet payable) under this Agreement.
- 4.4 The Facility is subject to annual review, commencing on the first anniversary of the first loan drawing under the Facility, whether or not the first drawing is up to the Credit Limit. On annual review the Lender may terminate the Facility and require the immediate repayment of the Loan and other moneys owing under this Agreement if, in the Lender's opinion, there is a Material Adverse Change.
- #### 5. Margin Calls
- 5.1 If at any time the Total Loan Balance exceeds or, in the Lender's opinion, is likely to exceed, the aggregate of the Market Based Limit and the Buffer, then the Lender may in its discretion require the Borrower to pay to the Lender a sum of up to the amount ("the Margin Call") by which the Total Loan Balance exceeds, or in the Lender's opinion is likely to exceed, the Market Based Limit (together with any costs incurred by the Lender in respect of such a payment).

- 5.2 The Borrower shall comply with any Margin Call and provide the Lender with evidence of such compliance by 4pm Sydney time on the first Business Day immediately following the Margin Call unless otherwise notified by the Lender in its absolute discretion. Without limiting the Lender's rights, if the Lender does not receive evidence of compliance with a Margin Call, and consequently the Lender exercises any rights under this Agreement which results in any actions, suits, claims, demand, losses, liabilities, damages, costs and expenses (Loss), which may be made or brought against or suffered or incurred by the Lender arising out of or in connection with the Borrower not providing such evidence, the Borrower shall indemnify the Lender against that Loss.
- 5.3 The Lender may, as an alternative to the payment referred to in Clause 5.1, at its sole and absolute discretion, accept additional security over property which in value and in form is acceptable to the Lender as security for the due and punctual performance, fulfilment and observance of the obligations of the Borrower and the Securities Owner under this Agreement, with the intent that the Total Loan Balance shall not exceed the Market Based Limit.
- 5.4 If the Borrower elects to lodge, or causes the Securities Owner to lodge with the Lender, further Eligible Securities to be held subject to the terms of this Agreement, including the terms of Clause 12, in satisfaction of the Margin Call, the Borrower or the Securities Owner shall lodge or cause to be lodged with the Lender all such Eligible Securities or such other documents as the Lender may require. All such Eligible Securities lodged with the Lender will form part of the Secured Property for the purposes of this Agreement. Such lodgement must occur by 4pm on the first Business Day 24 hours following the Margin Call.
- 5.5 In the event that the Borrower or the Securities Owner provides cash by way of additional security under this Clause 5, the amount must be provided to the Lender in cleared funds by the time specified in Clause 5.2.
- 5.6 Any amount deposited under Clause 5.5 may, in the absolute discretion of the Lender, be held in the Deposit Account or applied to the Total Loan Balance. The Borrower and the Securities Owner shall not be entitled to withdraw, charge, encumber or otherwise deal with the Deposit Account until all of their respective obligations to the Lender have been satisfied in full. The Deposit Account shall be a non-interest bearing account and shall otherwise be subject to the terms of the Agreement.
- 5.7 Without limiting the Lender's rights following a Margin Call, if at any time the Total Loan Balance exceeds the aggregate of the Market Based Limit and the Buffer, the Borrower and the Securities Owner irrevocably authorise the Lender (and its officers and agents), as their respective several attorney, to sell or redeem (at the Lender's discretion) all or any part of the Secured Property as would produce sufficient funds to enable the Borrower to satisfy a Margin Call. If it becomes necessary to sell Securities which are listed for quotation on the ASX, such Securities may be sold through any broker nominated by the Lender at the broker's prevailing private Customer brokerage rates.
- 5.8 The Borrower is responsible for monitoring the Total Loan Balance and the Market Based Limit and is liable for payment of any Margin Call at the time at which the relevant Margin Call arises, irrespective of when or whether or not any notice to pay a Margin Call is given by the Lender.
- 6. Fees and Expenses**
- 6.1 Where required by the Lender, the Borrower shall pay the following fees to the Lender:
- (a) a withdrawal fee, payable when funds are withdrawn by cheque (including bank cheque), telegraphic transfer, direct bank deposit or bank draft;
 - (b) a third party security fee, payable in respect of each Securities Owner who is not also the Borrower, but on the first occasion only when each such Securities Owner acquires, or lodges with the Lender, Security;
 - (c) a company charge fee or a company charge release fee (including any related Goods and Services Tax), payable when a charge is lodged by the Lender over a corporate Securities Owner or when a charge lodged by the Lender (or another chargee of a corporate Securities Owner) over a corporate Securities Owner is released;
 - (d) a direct debit dishonour fee, payable when any direct debit from an account with a financial institution is declined;
 - (e) a retrieval of information fee, payable when the Borrower or Securities Owner, or their advisor or authorised representative requests the Lender to retrieve, collate, sort and/or provide archived or historical information about the facility; and
 - (f) a trust vetting fee, payable for each trust deed vetted by the Lender and is payable regardless of whether or not the facility is approved.
- 6.2 The fees set out in Clause 6.1 may be added by the Lender to the Secured Moneys and shall be payable on demand. The Lender may at any time and from time to time, by means of newspaper advertisement or written notice, impose new fees and vary any of the fees in this Agreement or the manner in which they are calculated.
- 6.3 The Borrower shall immediately upon demand (and whether or not the Loan is made) pay or reimburse the Lender for all costs, charges and expenses (including stamp duty, debits tax, Goods and Services or other consumption tax, registration fees, brokerage and legal fees, if any) incurred or payable by the Lender in connection with or arising out of the entering into of this Agreement and related documentation, the arrangement and administration of the Facility, the acquisition or disposal of Securities, and any action required to be taken by the Lender under this Agreement and the contemplated or actual enforcement of, or preservation of rights under, this Agreement.
- 7. Payments**
- 7.1 All moneys payable by the Borrower, the Securities Owner or a Director under this Agreement shall be paid in full, and to the extent permitted by law, without set-off or counterclaim of any kind and free and clear of, and without any deduction or withholding of any kind. The Lender is entitled to require the Borrower to effect payments under this Agreement in any manner determined by the Lender, including by way of a direct debit authority.
- 7.2 If any amount would otherwise become due for payment on a day which is not a Business Day, that amount shall become due on the next following Business Day or, if that Business Day is in another calendar month, on the immediately preceding Business Day.
- 7.3 A certificate signed by the Lender stating any amount or rate for the purpose of this Agreement shall, prima facie, be binding on the Borrower.
- 7.4 The Lender may apply any moneys received or recovered towards satisfaction of the Secured Moneys in the manner and order in which it sees fit.

- 7.5 In the event that the interest rate has been fixed, then any moneys received by the Lender from the sale of any of the Secured Property shall, at the discretion of the Lender, be credited to the Deposit Account or applied to the Loan. If no Deposit Account exists, the Lender is authorised to establish a Deposit Account until the expiry of the fixed interest rate. At that time, the amount standing to the credit of the Deposit Account shall be paid to the Lender.
- 8. Representations and Warranties**
- 8.1 The Borrower, the Securities Owner and the Director each represent and warrant to the Lender that:
- no Security Interest exists over any of the Secured Property including, without limitation, any further Eligible Securities lodged with the Lender by the Borrower and/or the Securities Owner pursuant to clause 5;
 - subject to clause 8.2, the Securities Owner is and/or will be, beneficial owner of the Secured Property;
 - this Agreement is a first ranking mortgage over the Secured Property;
 - the Loan will be applied by the Borrower and the Securities Owner wholly or predominantly for business or investment purposes;
 - each of the Borrower, the Securities Owner and the Director obtain various benefits by entering into, exercising their rights and performing their obligations under this Agreement; and
 - each of the Borrower, Securities Owner and the Director are able to pay their debts as and when they become due and payable.
- 8.2 The Borrower and the Owner further represent and warrant to the Lender that, if either of them enter into this Agreement as a trustee of any trust, then:
- the trustee is liable under this Agreement in its personal capacity and as trustee of the trust;
 - the trustee has free and full power to enter into and perform this Agreement in its capacity as trustee of the trust; and
 - it is to the commercial benefit of the trust, and the beneficiaries of the trust that the trustee enter into and perform this Agreement.
- 8.3 The representations in clauses 8.1 and 8.2 are made on the date of this Agreement and are deemed to be repeated on each day while the Secured Moneys remain outstanding.
- 9. Undertakings**
- 9.1 The Borrower shall supply to the Lender when requested to do so such financial or other information relating to the Borrower, the Securities Owner and the Director as the Lender may from time to time request.
- 9.2 Unless the Lender otherwise agrees in writing, the Securities Owner shall:
- not create, agree or attempt to create or allow to exist, any Security Interest over or in respect of any of the Secured Property; or
 - subject to Clause 9.3, not sell, redeem, dispose of, or otherwise deal with, any of the Secured Property or any interest therein.
- 9.3 Unless and until an Event of Default occurs, the Securities Owner may sell, redeem, dispose of, or otherwise deal with, any of the Secured Property or any interest therein provided that the proceeds of any such sale, redemption, disposal or other dealings are:
- applied in reduction of the Loan in accordance with Clause 4.2;
 - deposited to a Deposit Account; or
 - applied to the purchase of further Secured Property pursuant to this Facility. The Securities Owner and the Borrower acknowledge that until the Secured Moneys are paid in full, the proceeds of sale, redemption disposal or other dealing with the Secured Property, and any further Secured Property acquired with such proceeds, are and remain Secured Property for all purposes under this Agreement.
- 9.4 Without limiting any other terms of this Agreement, the Securities Owner shall not be entitled to sell, transfer, create any Security Interest over, redeem or otherwise dispose of or deal with any warrant or note which forms part of the Secured Property until all amounts owing to the Lender under the Facility have been satisfied in full.
- 9.5 The Securities Owner shall be responsible for providing the Issuer, or any other issuer of Securities, with all relevant information required by that party in respect of the Secured Property.
- 9.6 The Sponsor is acting independently and not acting as an agent for the Lender, the Borrower or the Securities Owner.
- 10. Sponsorship**
- 10.1 (a) The Securities Owner hereby appoints the Sponsor (or any other person that may be nominated from time to time by the Lender) to provide, and the Sponsor agrees to provide, transfer and settlement services as agent of the Securities Owner in relation to all CHESS Holdings comprising the Secured Property under this Agreement.
- (b) The Securities Owner agrees that, at the Lender's direction, it will:
- transfer or convert any of the Secured Property which are Certificated Holdings to CHESS Holdings; and
 - transfer or convert any of the Secured Property which is in an Issuer Sponsored Holding to a Participant Sponsored Holding with the Sponsor acting as the Participant for these Holdings pursuant to this Agreement.
- (c) The Securities Owner must not terminate the appointment of the Sponsor while any of the Secured Moneys are still owing without the prior written consent of the Lender.
- 10.2 The Securities Owner must not provide any direction to the Sponsor which is inconsistent with the provisions of the Agreement.
- 10.3 The Securities Owner and the Borrower:
- expressly authorise and direct the Sponsor to take whatever action is reasonably required by the Lender in accordance with the Rules to give effect to the Lender's rights under this Agreement; and
 - expressly authorise and direct the Sponsor to act in accordance with any direction or instruction which it receives from the Lender in respect of the Securities including in relation to the utilisation of the HIN under which the Securities are registered.

- 10.4 The Sponsor must, as soon as practicable, notify the Lender as soon as it becomes aware of any action taken by the Securities Owner to limit, suspend or terminate either the terms of Clauses 10 or 11 or the Sponsor's appointment.
- 10.5 The Sponsor must indemnify the Lender for all liability, loss, costs, charges and expenses arising from or incurred by the Lender as a result of the breach by the Sponsor of any of its obligations under this Agreement.
- 10.6 Notwithstanding any other term of this Agreement, the Lender may agree with the Securities Owner that any of the Secured Property that are CHESS Holdings may be sponsored by a Participant other than the Sponsor on such terms and conditions as the Lender may agree with the Participant and the Securities Owner.
- 11. Terms of Sponsorship**
- 11.1 If not otherwise informed, the Lender or the Sponsor shall inform the Securities Owner of the HIN for the Participant Sponsored Holdings. All of the Securities the subject of this Agreement which are CHESS Holdings shall be registered under this HIN.
- 11.2 (a) Where the Securities Owner authorises the Sponsor to buy Securities, the Securities Owner will pay for those securities within three (3) Business Days, or other period of time specified by the Rules from time to time, of the date of purchase.
- (b) Subject to Clause 11.2 (c), the Sponsor is not obliged to Transfer Securities into the Participant Sponsored Holding, where payment for those Securities has not been received, until payment is received.
- (c) Where a contract for the purchase of Securities remains unpaid, after the Sponsor has made a demand of the Securities Owner to pay for the Securities, the Sponsor may sell those Securities that are the subject of that contract at the Securities Owner's risk and expense and that expense shall include brokerage and stamp duty.
- (d) Where the Sponsor claims that an amount lawfully owed to it has not been paid by the Securities Owner, the Sponsor has the right to refuse to comply with the Securities Owner's Withdrawal Instructions, but only to the extent necessary to retain securities of the minimum value held in a Participant Sponsored Holding of the Securities Owner (where the minimum value is equal to 120% of the current market value of the amount claimed).
- (e) Subject to prior receipt of the Lender's consent, the Sponsor will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal Instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.
- (f) The Sponsor will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding of the Securities Owner without the express authority of the Lender.
- 11.3 The Securities Owner shall supply all information and supporting documentation which is reasonably required to permit the Sponsor to comply with the registration requirements, as are in force from time to time, under the ASTC Settlement Rules. The Sponsor and the Lender are authorised to provide such information to each other upon request.
- 11.4 (a) The Securities Owner shall pay all brokerage fees and associated transactional costs within the period prescribed by the Sponsor.
- (b) If the Sponsor breaches a provision of this Agreement and the Securities Owner makes a claim for compensation pursuant to that breach, the ability of the Sponsor to satisfy that claim will depend on the financial circumstances of the Sponsor.
- (c) In the event that the Sponsor breaches any of the provisions of this Agreement, the Securities Owner may refer that breach to any regulatory authority, including ASTC.
- 11.5 Subject to the rights of the Lender under this Agreement, including to appoint or nominate a replacement Sponsor, if the Sponsor is suspended from CHESS participation, the Securities Owner may give notice to ASTC requesting that any Participant Sponsored Holdings of the Securities Owner be removed from the CHESS Sub-register or from the control of the Sponsor under Rule 12.19.10.
- 11.6 The Securities Owner acknowledges that before the Securities Owner executed this Agreement, a responsible officer of the Sponsor explained the effect of Clauses 10 and 11 to the Securities Owner and the Securities Owner understands the effect of this Agreement.
- 11.7 The Securities Owner acknowledges that, subject to the rights of the Lender under this Agreement:
- (a) in the event of death or bankruptcy of the Securities Owner, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASTC Settlement Rules, unless the Securities Owner's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHESS Sub-register and
- (b) in the event of the death of the Securities Owner, this Agreement is deemed to remain in operation, in respect of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied pursuant to paragraph (a).
- 11.8 If the Securities Owner is a joint holder:
- (a) the Securities Owner acknowledges that in the event of the death of one of the holders, the Sponsor will transfer all holdings under the joint holder record into new holdings under a new holder record in the name of the surviving Securities Owner(s), and that this Sponsorship Agreement will remain valid for the new holdings under the holder record.
- (b) The Securities Owner acknowledges that in the event of the bankruptcy of one of the holders, the Sponsor will:
- (i) unless the legally appointed representative of the bankrupt Securities Owner elects to remove the Participant Sponsored Holdings from the CHESS Subregister, establish a new holder record in the name of the bankrupt Securities Owner, transfer the interest of the bankrupt Securities Owner into new holdings under the new holder record and request that ASTC apply a holder record lock to all holdings under that holder record; and
- (ii) establish a new holder record in the name(s) of the remaining Securities Owner(s) and transfer the interest of the remaining Securities Owner(s) into new holdings under the new holder record.

- 11.9 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASTC Settlement Rules, the Sponsor shall, by giving the Securities Owner not less than seven (7) Business Days written Notice, vary this Agreement to the extent to which in the Sponsor's reasonable opinion is necessary to remove any inconsistency.
- 11.10 The Sponsor confirms that:
- (a) it is able to establish and maintain Participant Sponsored Holdings because:
 - (i) it is a wholly owned subsidiary of an Australian bank; and
 - (ii) the whole of its business is providing nominee, custody and related services; and
 - (b) it is regulated by the Corporations Act, 2001 and information about the Sponsor is available from the Australian Securities and Investments Commission.
- 11.11 The Securities Owner acknowledges that neither the ASX nor any of its subsidiaries (including ASTC) has any responsibility for supervising or regulating the relationship between the Securities Owner and the Sponsor and they take no responsibility for, and have not approved, the abilities or qualifications of the Sponsor.
- 11.12 The Securities Owner acknowledges that if:
- (a) a Transfer is taken to be effected by the Sponsor under Section 9 of the ASTC Settlement Rules; and
 - (b) the Source Holding for the Transfer is a Participant Sponsored Holding under this Agreement; then
 - (c) the Securities Owner may not assert or claim against ASTC or the relevant Issuer that:
 - (i) the Transfer was not effected by the Sponsor; or
 - (ii) the Sponsor was not authorised by the Securities Owner to effect the Transfer; and
 - (d) unless the Transfer is also taken to have been effected by a share broker participating in CHESS, the Securities Owner has no claim arising out of the Transfer against the National Guarantee Fund under Part 7.5 Division 4 of the Corporations Regulations.
- 11.13 The Sponsor may, in accordance with the ASTC Settlement Rules and subject to the approval of the Lender, appoint any agent, independent contractor or other third party to perform any of its obligations or take any action required by it under this Agreement or the ASTC Settlement Rules.
- 11.14 (a) If the Sponsor breaches a provision of this Agreement, and the Securities Owner makes a claim for compensation pursuant to that breach, the Sponsor's ability to satisfy that claim will depend upon the Sponsor's financial circumstances; and
- (b) If the Sponsor is a market participant of the ASX or a clearing participant of the ACH, then the Securities Owner may make a claim on the National Guarantee Fund if a breach by the Sponsor falls within the circumstances specified under Part 7.5 Division 4 of the Corporations Regulations.
- (c) If the Sponsor is not a market participant of the ASX or a clearing participant of the ACH, the Participant Sponsored Holder is not entitled to make a claim on the National Guarantee Fund for compensation.
- (d) Subject to the rights of the Lender under this Agreement, including to appoint or nominate a replacement Sponsor, if the Sponsor is suspended from CHESS participation by the liquidator, receiver, administrator or trustee of the Sponsor:
- (a) the Securities Owner has the right, within twenty (20) Business Days, to give notice to ASTC requesting that any Participant Sponsored Holdings of the Securities Owner be removed either:
 - (i) from the CHESS Sub-register; or
 - (ii) from the control of the suspended Sponsor to the control of another Sponsor with whom they have concluded a valid sponsorship agreement pursuant to Rule 12.19.10 and this Agreement; or
 - (b) where the Securities Owner does not give notice under Clause 11.14 (d)(a) and the Lender does not give any direction or instruction under Clause 10, including in relation to the nomination or appointment of a replacement sponsor, then ASTC may effect a change of Controlling Participant under Rule 12.19.11 and the Securities Owner shall be deemed to have entered into a new Sponsorship Agreement with that sponsor.
- 11.15 Clause 11 contains the terms and conditions of the sponsorship agreement and the Securities Owner acknowledges that unless otherwise requested, the Lender is not required to provide to the Securities Owner with an executed copy of the Sponsorship Agreement. However, an executed Sponsorship Agreement will be made available upon request.
- 11.16 Change of Participant
- (a) If the Securities Owner receives a Participant Change Notice from the Sponsor of the Participant Sponsored Holding and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Sponsor, the Securities Owner is under no obligation to agree to the change of Sponsor, and may choose to do any of the things set out in sub-clauses (i) or (ii):
 - (i) The Securities Owner may choose to terminate the Agreement by giving Withdrawal Instructions under the ASTC Settlement Rules to the Sponsor, indicating whether the Securities Owner wishes to transfer its Participant Sponsored Holding to another Sponsor or transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.

- (ii) If the Securities Owner does not take any action to terminate the agreement in accordance with (i) above, and does not give any other instructions to the Sponsor which would indicate that the Securities Owner does not agree to the change of Sponsor then, on the Effective Date, the Agreement will have been taken to be novated to the New Sponsor and will be binding on all parties as if, on the EffectiveDate:
 - (A) the New Sponsor is a party to the Agreement in substitution for the Existing Sponsor;
 - (B) any rights of the Existing Sponsor are transferred to the new Sponsor; and
 - (C) the Existing Sponsor is released by the Securities Owner from any obligations arising on or after the Effective Date.
 - (b) The novation in clause (a)(ii) will not take effect until the Securities Owner has received a notice from the New Sponsor confirming that the New Sponsor consents to acting as the Sponsor for the Securities Owner. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
 - (c) The Securities Owner will be taken to have consented to the events referred to in clause (b) by the doing of any act which is consistent with the novation of the Agreement to the New Sponsor (for example by giving an instruction to the New Sponsor), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
 - (d) The Agreement continues for the benefit of the Existing Sponsor in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in clause
 - (e) not binding or effective on the Effective Date, then the Agreement will continue for the benefit of the Existing Sponsor until such time as the novation is effective, and the Existing Sponsor will hold the benefit of the Agreement on trust for the New Sponsor.
 - (f) Nothing in this clause 11.16 will prevent the completion of CHES transactions by the Existing Sponsor where the obligation to complete those transactions arises before the Effective Date and the Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the Agreement to the New Sponsor under this clause.
- 11.17 The regulatory regime which applies to the Sponsor is the Corporations Act. The Owner can obtain information as to the status of the Sponsor from the Australian Securities and Investments Commission ("ASIC").

12. Security

- 12.1 For the purposes of securing the due and punctual payment and satisfaction of the Secured Moneys, the Securities Owner, as legal and beneficial owner, mortgages to the Lender all of its right, title and interest in and to:
- (a) all Securities acquired for the Securities Owner wholly or partly with the proceeds of any drawing under the Facility or the proceeds of sale or redemption of any Secured Property or the proceeds arising from any Rights, with the mortgage taking effect at the time the Securities Owner acquires an interest in such Securities;
 - (b) all Securities identified in any Future Security Notice sent to the Securities Owner, when such Notice becomes effective in accordance with this Agreement;
 - (c) all Securities registered in the name of the Securities Owner in relation to which the Securities Owner has, after the date of this Agreement, caused or permitted the registration of the Security in a Participant Sponsored Holding subject to this Agreement;
 - (d) any other Securities which the Securities Owner (or its authorised attorney or agent) contributes at any time after the date of this Agreement, and which the Lender accepts, to be the subject of the mortgage contained in this Agreement and to comprise part of the Secured Property in order to avoid, or in response to, a Margin Call or when seeking further drawings under the Facility;
 - (e) all Securities held by the Nominee for the account of the Securities Owner under the terms of Clause 18;
 - (f) all rights to claim under the National Guarantee Fund;
 - (g) the Rights; and
 - (h) the Deposit Account (if any).
- 12.2 It is agreed that for the purposes of Clause 12.1(d), the provisions of that Clause will be deemed to have been satisfied for any relevant Securities if the Lender has shown or indicated its intention to make the requisite recording in its books for those Securities to comprise part of the Secured Property even if it has not yet made such a recording.
- 12.3 All Securities acquired by the Lender on behalf of the Securities Owner on the redemption, maturity or exercise of any rights of or under any other Security will (where appropriate) be applied to the CHES account for this Facility and will be held by the Sponsor acting as Participant pursuant to this Agreement. These additional Securities will form part of the Secured Property as security for the loan.
- 12.4 The Lender may withdraw its permission for the Borrower to use any particular type of Securities as an Eligible Security or as Secured Property for the Loan at any time.
- 12.5 Any Securities identified in a Future Security Notice sent by the Lender will be deemed to be Secured Property under this Agreement when that Future Security Notice becomes effective, which will occur if the Securities Owner does not reject that Notice in writing by 12 noon on the Business Day after that Notice is deemed to be received under this Agreement.
- 12.6 The Securities Owner shall:
- (a) pay all calls, instalments or other moneys which are payable in respect of the Securities; and
 - (b) acquire or dispose of Rights upon the request of the Lender if failure to take up or dispose of such Rights (as the case may be) might, in the Lender's absolute discretion, result in this Agreement being materially lessened in value.

- 12.7 Until the Lender gives written notice to the Securities Owner following the occurrence of an Event of Default:
- (a) the Securities Owner may retain and apply for its own use any cash dividend payable in respect of the Securities; and
 - (b) the Securities Owner may, subject to Clause 12.6, exercise the right to vote in respect of the Securities and exercise the right to acquire any further shares or other marketable securities in the Issuer.
- 12.8 Immediately after the Securities Owner receiving written notice under Clause 12.7, all the rights of the Securities Owner under Clause 12.7 shall cease and the Lender alone shall be entitled to exercise those rights and the Securities Owner shall, at its own expense, promptly execute such proxies and other instruments as the Lender may require. If the Securities Owner receives any cash dividend or any other property which forms part of the Securities after receipt of any such notice, the Securities Owner shall promptly pay the amount of any such cash dividend and deliver any such other property received by it to the Lender and the Lender may retain and apply any such amount or other property received by it in reduction of the Secured Moneys.
- 12.9 Without limiting any rights, powers or remedies conferred upon the Lender by this Agreement or by law, at any time, whether before or after the occurrence of an Event of Default, the Lender may effect a transfer (including a registration) of the Secured Property into its name or into the name of any nominee on behalf of the Lender, and the Lender shall be entitled to sign and deliver any document to effect such a transfer (including a registration).
- 12.10 This Agreement is a continuing security and shall remain in full force and effect until the whole of the Secured Moneys have been paid or satisfied in full.
- 13. Events of Default**
- 13.1 Each of the following events shall be an Event of Default:
- (a) the Borrower fails to make any payment when due in accordance with this Agreement;
 - (b) the Borrower, the Securities Owner or the Director fail to duly and punctually perform or comply with any of their respective obligations under this Agreement;
 - (c) any representation or warranty made by any person in connection with the Application or this Agreement proves to have been incorrect or misleading when made;
 - (d) where the Borrower or the Securities Owner is a body corporate:
 - (i) an application is made for an order, a meeting is convened to consider a resolution, a resolution is passed or an order is made that the Borrower or the Securities Owner be wound up or otherwise dissolved and/or that an administrator, a liquidator or provisional liquidator of the Borrower or the Securities Owner be appointed; or
 - (ii) a receiver, receiver and manager, administrator, controller, trustee or similar officer is appointed in respect of all or any part of the business, assets or revenues of the Borrower or the Securities Owner;
 - (e) any of the Secured Property which are quoted on the ASX cease to be so quoted or are suspended from trading;
 - (f) the Borrower, the Securities Owner or the Director become insolvent or are subject to any arrangement, assignment or composition, or protected from any creditors or otherwise unable to pay their respective debts when they fall due;
 - (g) The all ordinaries share price index, any other major share price index in the opinion of the Lender, maintained by the ASX or other relevant body, or the total current market value of the Secured Property falls at or more than:
 - (i) 10% on any Business Day; or
 - (ii) 10% in aggregate on any two consecutive Business Days;
 - (h) any government, governmental agency, department, commission, or other instrumentality seizes, confiscates, or compulsorily acquires (whether permanently or temporarily and whether with payment of compensation or not) any of the Secured Property;
 - (i) any litigation, administrative proceedings or other procedure for the resolution of disputes is commenced in which the title of the Securities Owner to any of the Secured Property, will or might be impeached or the Securities Owner's enjoyment, or the Lender's rights under this Agreement, or to any of the Secured Property will or might be restrained or otherwise hindered;
 - (j) the Borrower fails to exercise any rights or perform any obligations under any Secured Property;
 - (k) the Borrower, the Director or the Securities Owner is in default under any other financial, payment or performance obligation with any other person; and
 - (l) there occurs an event which is or may be, in the Lender's opinion, a Material Adverse Change.
- 13.2 If an Event of Default occurs the Lender may, without being obliged to do so and notwithstanding any waiver of any previous default, and in addition to any other rights or remedies conferred by this Agreement or by law:
- (a) declare the Loan, accrued interest and all other sums which have accrued due hereunder (whether or not presently payable) to be, whereupon they shall become immediately due and payable without further demand, notice or other legal formality of any kind; and/or
 - (b) declare the Facility terminated whereupon the obligations of the Lender hereunder shall immediately cease; and/or
 - (c) do all acts and things and exercise all rights, powers and remedies that the Securities Owner could do or exercise in relation to the Secured Property including, without limitation the power to, without any notice to the Borrower or the Securities Owner:
 - (i) take possession and assume control of the Secured Property;
 - (ii) receive all dividends or other distributions (whether monetary or otherwise) made or to be made in respect of the Secured Property;

- (iii) sell or agree to sell or redeem or exercise any rights and perform any obligations in relation to the Secured Property (whether or not the Lender has taken possession) on such terms as the Lender thinks fit in its absolute discretion;
- (iv) employ solicitors, agents, accountants, auctioneers and consultants on such terms as the Lender thinks fit;
- (v) carry out and enforce, or refrain from carrying out or enforcing, rights and obligations of the Securities Owner which may arise in connection with the Secured Property, or be obtained or incurred in the exercise of the rights, powers and remedies of the Lender;
- (vi) institute, conduct, defend, settle, arrange, compromise and submit to arbitration any claims, questions or disputes whatsoever which may arise in connection with the Secured Property or in any way relating to the Agreement, and to execute releases or other discharges in relation thereto; and
- (vii) execute documents on behalf of the Securities Owner under seal or under hand and any moneys which the Lender pays or becomes liable to pay by reason of doing any of the above shall form part of the Secured Moneys.

14. Appointment of Receiver

- 14.1 Immediately upon or at any time after the occurrence of an Event of Default, the Lender may appoint in writing any person to be a receiver or receiver and manager ("the Receiver") of any Secured Property and:
- (a) the Receiver may be appointed by the Lender on such terms as the Lender thinks fit;
 - (b) the Lender may remove a Receiver and may appoint another in his place;
 - (c) the Lender may from time to time determine the remuneration of the Receiver; and
 - (d) if two or more persons are appointed as Receiver they may be appointed jointly and/or severally and may be appointed in respect of different parts of the Secured Property.
- 14.2 Unless and until the Lender by notice in writing to the Securities Owner and to the Receiver requires that the Receiver act as agent of the Lender, or until an order is made or resolution is passed for the winding up of the Securities Owner, the Receiver shall be the agent of the Securities Owner, and the Securities Owner alone shall be responsible for the acts and defaults of the Receiver, but in exercising any powers of the Lender, the Receiver shall have the authority of both the Securities Owner and the Lender.
- 14.3 Subject to any specific limitations placed upon him by the terms of his appointment, the Receiver may, in addition to any right, power or remedy conferred upon him by law, do any act, matter or thing and exercise any right, power or remedy that may be done or exercised by the Lender in relation to the Secured Property.

15. Default Interest

- 15.1 If the Borrower fails to pay when due any moneys payable under this Agreement, the Borrower shall pay interest on such moneys from and including the due date to the date of actual payment (after as well as before judgment) at the rate of interest per annum determined by the Lender to be the aggregate of 4% per annum and the interest rate determined under Clause 3.
- 15.2 Interest at the rate or rates determined from time to time in accordance with Clause 15.1 shall accrue from day to day, be calculated on the basis of the actual number of days elapsed and a 365 day year (including the first day of the period during which it accrues but excluding the last). Such interest shall be payable from time to time upon written demand and be compounded at such intervals as the Lender considers appropriate.
16. Indemnities
- 16.1 The Borrower indemnifies the Lender from and against all actions, suits, claims, demands, losses, liabilities, damages, costs and expenses which may be made or brought against or suffered or incurred by the Lender arising out of or in connection with:
- (a) any Event of Default;
 - (b) the exercise or non-exercise of any right, power or remedy contained, referred to or implied in this Agreement;
 - (c) any prepayment arising for whatever reason;
 - (d) the Lender acting in good faith on instructions which purport to have been provided by the Borrower or the Securities Owner, or any of their respective authorised representatives, via facsimile, telephone or electronic means;
 - (e) a proposed drawing not being made available in accordance with the request for any reason except the default of the Lender; including, without limitation, any loss or expense incurred under any of the above paragraphs in respect of:
 - (i) the liquidation or redeployment of funds acquired from third parties to make or maintain the Loan; or
 - (ii) the termination or reversal of any arrangements entered into in connection with the funding of the Loan; or
 - (iii) any loss of profits that the Lender may suffer by reason of the early liquidation or redeployment of such funds or the termination or reversal of such arrangements.
- 16.2 The Borrower agrees to fully compensate the Lender on demand if the Lender determines that any new or amended law (including without limitation any law which imposes a tax on goods and services), order, official policy, directive or request of any governmental agency, or any change in any interpretation or administration of any law, order, official policy, directive or request of any governmental agency, directly or indirectly:
- (a) increases the cost to the Lender of providing, funding or maintaining the Facility; or
 - (b) reduces any amount received or receivable by the Lender, or its effective return, in connection with the Facility; or
 - (c) reduces the Lender's return on capital allocated to the Facility, or its overall return on capital.

- 16.3 Any amount which the Lender certifies to the Borrower that it has expended, incurred or will incur, or which it will forgo pursuant to Clauses 16.1 or 16.2, prima facie, be binding for all purposes.
- 16.4 The Lender shall not be responsible for any losses of any kind whatsoever (including, without limitation, the negligence, default of dishonesty of any servant, agent or auctioneer employed by the Lender, any attorney of the Lender or the Receiver) which may occur in or about the exercise, attempted exercise or nonexercise of any of the rights, powers or remedies of the Lender under this Agreement.
- 16.5 The Lender shall not be responsible for any loss, cost, expense or damage suffered by the Borrower, the Securities Owner or the Director as a result of any action, delay or failure to act by any manager, trustee or responsible entity of any trust or managed investment scheme in relation to any of the Secured Property.
- 17. Guarantee and Third Party Provisions**
- 17.1 (a) This Clause 17 shall apply to the Securities Owner, only if the Securities Owner is a separate person to the Borrower.
- (b) The liability of the Securities Owner and the Director (and if more than one, then each of them) as guarantors under this Clause 17 is joint and several.
- 17.2 (a) The Securities Owner and the Director unconditionally and irrevocably guarantee to the Lender the due and punctual payment and satisfaction of the Secured Moneys by the Borrower.
- (b) The Securities Owner and the Director unconditionally and irrevocably indemnify the Lender from and against any and all actions, suits, claims, demands, obligations, liabilities, losses, damages, costs and expenses which have been or may be made or brought against or which have been or may be suffered or incurred by the Lender if the whole or any part of the Secured Moneys:
- (i) are irrecoverable or have never been recoverable by the Lender from the Borrower or from the Securities Owner or Director as surety;;
- (ii) cannot be enforced against the Borrower or against the Securities Owner or Director as surety; or
- (iii) are not paid to the Lender for any other reason, in any case for any reason whatsoever including, without limitation, by reason of:
- (A) any legal limitation, disability, incapacity, lack of any power or lack of authority of or affecting any person;
- (B) any of the transactions relating to the Secured Moneys being void, voidable or unenforceable (whether or not any of the matters or facts relating thereto have been or ought to have been within the knowledge of the Lender); or
- (C) any other fact, matter or thing whatsoever.
- (c) If the Borrower defaults in the due and punctual payment or satisfaction of any of the Secured Moneys, the Securities Owner and the Director shall pay the whole amount of the Secured Moneys to the Lender immediately upon demand. The Lender may make such a demand on the Securities Owner and the Director from time to time and whether or not demand has been made on the Borrower.
- (d) The Securities Owner and the Director shall pay to the Lender immediately upon demand an amount equal to the amount of the claims, demands, obligations, liabilities, losses, damages, costs and expenses referred to in Clause 17.2(b). The Lender may make such a demand from time to time and whether or not demand has been made on the Borrower.
- 17.3 The Securities Owner and the Director agrees that the liability under Clause 17.2(b) is that of principal debtor.
- 17.4 The Securities Owner's and the Director's obligations under this Agreement shall be absolute and unconditional in any and all circumstances and shall not be prejudiced, released, discharged or otherwise affected by any one or more of the following (whether occurring with or without the consent of or notice to any person):
- (a) any release, failure or agreement not to sue, discharge, termination, relinquishment, compromise, release, waiver, concession, indulgence, replacement, amendment, variation, increase, decrease or compounding of the obligations of the Borrower, the Securities Owner, the Director or of any other person under this Agreement or of any of the Secured Moneys;
- (b) any of the obligations of the Borrower or any other person under this Agreement being or becoming wholly or partially illegal, void, voidable or unenforceable, whether by reason of any law or for any other reason whatsoever;
- (c) any delay, laches, acquiescence, mistake, act omission or negligence on the part of the Lender or any other person;
- (d) any part of the moneys forming part of the Secured Moneys being or becoming irrecoverable or never having been recoverable or any part of the obligations forming part of the Secured Moneys being or becoming unenforceable or never having been enforceable;
- (e) any non-compliance by the Lender or any other person with the provisions of any law or with any provision of the Agreement;
- (f) any law or judgment staying or suspending all or any of the rights of the Lender against the Borrower, the Securities Owner, the Director, or any other person (by operation of law or otherwise);
- (g) any person becoming or not becoming a guarantor of the Secured Moneys or any part thereof or any discharge or release of any such person;
- (h) the insolvency, bankruptcy, winding up, receivership or administration of the Borrower, the Securities Owner, the Director or any other person;
- (i) any setting aside or avoidance of any payment by the Borrower, the Securities Owner or the Director for any reason whatsoever; and
- (j) any other fact, matter, circumstance or thing whatsoever which, but for this provision, could or might operate to prejudice, release, discharge or otherwise affect the Borrower's, the Securities Owner's or the Director's obligations under this Agreement.
- 17.5 The Lender shall not be required to proceed against the Borrower or exhaust any remedies it may have against the Borrower or enforce this Agreement but shall be entitled to demand and receive payment from the Securities Owner and the Director when any payment is due under this Agreement and/or to proceed directly against the Securities.

17.6 Unless and until the whole of the Secured Moneys have been paid or satisfied in full, the Securities Owner and the Director shall not make any claim for any sum paid under this Agreement or enforce any rights which it may have (whether by way of defence, indemnity, set-off, counterclaim, contribution, subrogation or otherwise) against the Borrower or its property or as against the Lender.

17.7 The amount of the liability of the Securities Owner and the Director as guarantors under this Clause 17 is limited to the following:

- (a) in the case of the Director, to the Secured Moneys; and
- (b) in the case of a Securities Owner, who is not a Director, then to the value of the Secured Property provided by that Securities Owner as security for the obligations of the Borrower under this Agreement.

18. Appointment of Nominee

18.1 The Securities Owner confirms and agrees that, at the direction of the Lender, the Securities Owner will, at its own cost, transfer the legal title to some or all of the Securities (as specified by the Lender) into the name of any subsidiary of the Lender as nominated by the Lender ("the Nominee") and those Securities will be held by the Nominee as registered owner as nominee for the Securities Owner.

18.2 Subject to the rights of the Lender under this Agreement, the Securities Owner shall be entitled to instruct and direct the Nominee with regard to any matter relating to or affecting the Securities, and the Nominee shall comply with such instructions, including without limitation, with regard to all voting rights (to the extent available) attaching to the Securities.

18.3 The Lender and the Sponsor are hereby authorised to provide all information relating to the Borrower, the Securities Owner and this Agreement that is reasonably necessary for the Nominee to perform its responsibilities under this Agreement and at law.

18.4 In the event the Securities Owner instructs the Nominee to sell all or any of the Securities, and the Lender consents to such a sale, the Nominee may effect such sale in any manner that it, in its discretion, considers appropriate. All stamp duty, brokerage and other fees and expenses shall be for the account of the Securities Owner.

18.5 Participation of any Securities held by the Nominee in any dividend or other reinvestment schemes is at the absolute discretion of the Lender.

18.6 All amounts received by the Nominee by way of dividends or interest or proceeds of sale relating to the Securities shall be credited to the account maintained by the Lender in relation to the Loan and the Facility. The Lender shall not be obliged to pay any interest in relation to such account in the event that it has a credit balance.

18.7 The Lender is hereby authorised to debit the Facility with all amounts payable by the Borrower or the Securities Owner under this Agreement or such other amounts that may become due or payable from time to time.

18.8 The Nominee will inform the Securities Owner of any notice received by it in relation to the Securities for which it is acting as nominee.

18.9 The Nominee is hereby irrevocably authorised and directed to act in accordance with any direction which it receives from the Lender in respect of the Securities for any purpose under his Agreement.

19. Set-off

The Lender may (in addition to any general or banker's lien, right of set-off, right to combine accounts or any other right to which it may be entitled), without notice to the Borrower or any other person, set off and apply any credit balance (or any part thereof in such amounts as the Lender may elect) on any account, including without limitation, the Deposit Account (if any), (whether such account is subject to notice or not and whether matured or not) of the Borrower, the Securities Owner and/or the Director with the Lender and any other moneys owing by the Lender to the Borrower, the Securities Owner and/or the Director against the Secured Moneys.

20. Notices

20.1 All notices and other communications required by this Agreement to be in writing shall be given by the relevant party and shall be sent to the recipient by hand, prepaid post (airmail if outside Australia), facsimile or electronically.

20.2 A notice or other communication shall be deemed to be duly received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by prepaid post, 3 days after the date of posting;
- (c) if sent by facsimile, upon receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number; or
- (d) if sent electronically, simultaneously with the sender initiating the electronic delivery of that notice unless the sender's machine receives a report indicating the notice was not delivered.

20.3 The Securities Owner and the Director appoint the Borrower (or if more than one Borrower, then only one) as their agent to receive all notices under this Agreement.

21. Assignment

21.1 The Borrower, the Securities Owner and the Director shall not assign or otherwise transfer the benefit of this Agreement or any of their respective rights, remedies, powers, duties, undertakings or obligations under this Agreement without the prior written consent of the Lender.

21.2 The Lender may assign, transfer, novate and otherwise grant participations or sub-participations in, and can otherwise deal in any manner (including to grant any Security Interest over), all or any part of the benefit of this Agreement and any of its rights, remedies, powers, duties and obligations under this Agreement to any person, without the consent of the Borrower, the Securities Owner and/or the Director. In exercising these powers, the Lender may, subject to any relevant law, disclose to any person information about the Borrower, the Securities Owner, the Director, the Loan, the Facility, the Securities or this Agreement.

21.3 The Lender may disclose to the ASX or the Australian Securities and Investments Commission, any information regarding the Securities Owner or the Securities, which the ASX or the Australian Securities and Investments Commission may require.

21.4 Without limiting the previous provisions of this Clause 21, the Lender and/or its assignee or transferee is entitled to assign its rights and novate its obligations under this Agreement, or any part of this Agreement, to any trustee or manager of any securitisation programme.

22. Use of Margin Lending On-Line

This Clause applies to access and dealings by the Borrower (and their designated financial adviser) in relation to the Facility through the "Margin Lending Online" service provided by www.boq.com.au (click on Margin Lending under Online Services). If the Borrower elects to be able to access Margin Lending On-Line for this purpose:

- (a) The Lender will provide the Customer with a Margin loan Access Code ('MAC') to allow the Customer access to information on the Facility and a password to authorise the placement of orders and transactions from a remote location;
- (b) Each instruction provided by the Customer will be deemed to have been placed at the time it is received by the Lender rather than the time when it is sent. If the Customer does not receive a receipt for its instructions and the Customer is uncertain if the instructions have been received by the Lender, the Customer should call the Bank of Queensland Margin Lending help desk for information;
- (c) The Lender is entitled to rely on any instruction which appears to have been sent by the Borrower or its designated financial adviser. The Customer will take full responsibility for, and will indemnify the Lender in respect of, any loss or claim relating to any dealing which the Lender undertakes based on such instructions even in the event of the unauthorised use of the Customer's password or MAC or the interference with messages sent to the Lender;
- (d) The Customer will not provide its MAC password to anyone else and will keep it confidential and secure against improper or unauthorised use. The Customer also agrees to keep confidential any information or data obtained at any time by using Margin Lending On-Line.
- (e) If the Customer becomes aware of any unauthorised use of its MAC or password or suspects the breach of any of these conditions of use, the Customer will advise the Lender by telephoning the Bank of Queensland Margin Lending help desk immediately;
- (f) The Customer agrees not to interfere or damage (or attempt to interfere or damage) any code, data or software associated with Margin Lending On-Line;
- (g) Anything associated with or available through Margin Lending On-Line belongs to the Lender or other third persons and is protected by intellectual property rights. The Customer will be responsible, and indemnify the Lender accordingly, for any unauthorised use or copying of such property;
- (h) The Lender will use reasonable efforts to provide (but does not warrant to provide) access to Margin Lending On-Line at all reasonable times and provide reliable data and information, to the extent that it is within its control;
- (i) The Customer authorises the Lender to provide information about the Facility to its own designated financial adviser, and each other Customer's designated financial adviser (where applicable), as indicated on the Application or subsequently notified to the Lender.

The Customer's designated financial adviser can act on the Customer's behalf to access data relating to the Customer and the Facility via Margin Lending On-Line;

- (j) The Customer releases the Lender from any obligation or liability of any kind which the Lender may have to the Customer with respect to the provision, content, accuracy or use of the information accessed via Margin Lending On-Line or any part of it including, without limitation, any liability for any unavailability, delay, interruption, error or omission whether or not caused (including as a result of negligence) by the Lender, its employees or agents; and
- (k) The Lender reserves the right to supplement or change the terms and conditions of, or suspend or terminate, access or use of Margin Lending On-Line by the Customer at any time and for any reason. Where any additional or supplemental terms applicable to the use of any Bank website or electronic service are directly inconsistent with this Agreement, the terms of this Agreement shall prevail.
- (l) The Customer agrees to take all reasonable steps to ensure the security of their computer and operating systems against virus' and other electronic fraud devices is current and up to date at all times, through the use of firewalls and applicable anti-virus software.

23. Master Trusts/Wraps and Managed Funds

23.1 If any of the Secured Property is held or managed through a Master Trust/Wrap or a Managed Fund, the Borrower and the Securities Owner acknowledge that:

- (a) they have read and understood all aspects of the arrangements and documentation entered into with the Master Trust/Wrap or Managed Fund, including but not limited to any share service investor guide and application form, investor directed portfolio service ("IDPS") investor guide, IDPS offer document, and all other related material, and the effect thereof;
- (b) they may only purchase, hold or borrow against Securities on the Master Trust/Wrap menu provided by the Master Trust/Wrap from time to time and they acknowledge that the Lender may not lend against all Securities listed on the Master Trust/Wrap menu;
- (c) if the Securities Owner or Borrower wish to purchase, hold or borrow against listed shares held through the Master Trust/Wrap share service, the Sponsoring Participant in CHESS will be the person specified by the Master Trust/Wrap, and approved by the Lender;
- (d) their rights under the arrangements they have entered into with the Master Trust/Wrap or Managed Fund in relation to the Secured Property and any relevant IDPS documentation are subject in all respects to the rights of the Lender under this Agreement; and
- (e) they hereby authorise the Lender to give instructions to the Master Trust/Wrap or Managed Fund in relation to the Secured Property to the same extent that the Securities Owner is entitled to do so, and the terms of the power of attorney in clause 25.6 and the Application apply fully to any instructions that the Lender may give the Master Trust/Wrap or Managed Fund.

- 23.2 The Security Owner authorises and directs the Master Trust/Wrap or Managed Fund to:
- (a) note the Lender's interest as mortgagee of:
 - (i) any units held on the unit holder register of the IDPS or Managed Fund in the Securities Owner's name; and
 - (ii) any shares subject to the share service administered by the Master Trust/Wrap under the Securities Owner's HIN or HINs;
 - (b) act upon any requests whatsoever from the Lender (including applications, redemptions and transfers or units, or funds movements, or sales of shares or units, or the transfer of sponsorship of any shares from the Master Trust/Wrap to the Lender (or any person nominated by the Lender) for any reason, or the reversal or variation of any instructions that the Master Trust/ Wrap or Managed Fund may receive from me), where requests are signed pursuant to the power of attorney set out in this Agreement or the Application, until such time as the Master Trust/Wrap or Managed Fund receives a release from the Lender with respect to the Security Owner; and
 - (c) provide to the Lender such information or copies of information relating to the Secured Property administered by the Master Trust/Wrap or Managed Fund as is reasonably requested by the Lender.
- 23.3 The Borrower and the Securities Owner acknowledge that in order to comply with instructions given by the Lender the responsible entity of the Master Trust/Wrap or Managed Fund may be required to act as agent for the Lender in a manner contrary to the Borrower and the Security Owner's interests and, as a result of the authorisations given under this clause, may be relieved of any fiduciary duties it may owe the Borrower and the Securities Owner.
- 23.4 Without limiting the terms of Clause 16, the Lender shall not be responsible for any loss, cost, expense or damage suffered by the Borrower, the Securities Owner or the Director as a result of any action or failure to act by a Master Trust/Wrap or Managed Fund, or as a result of a Master Trust/Wrap or Managed Fund acting in accordance with any request or direction of the Lender, the Borrower, the Securities Owner or the Director (including in relation to any sale of the Securities) or of not acting, or not acting promptly, in accordance with any such request or direction.
- 24. Instalment Gearing**
- This Clause applies where the Borrower, the Securities Owner and the Director elect to use Instalment Gearing, and the Lender in its absolute discretion accepts that election.
- 24.1 The Lender agrees to make an advance in relation to the Instalment Gearing, subject to the terms of this Agreement, to fund the full amount of the Securities Owner's initial investment into Eligible Securities approved by the Lender for the purposes of Instalment Gearing, notwithstanding clauses 1.5(a)(i) or 1.8(b) of this Agreement.
- 24.2 The Borrower agrees to:
- (a) pay at least the minimum monthly loan repayments in relation to the Instalment Gearing as determined by the Lender from time to time, by direct debit from the Borrower's nominated bank account;
 - (b) pay any interest on the Loan that has not been prepaid by monthly direct debit from the Borrower's nominated bank account; and,
 - (c) ensure that the Secured Property for the Instalment Gearing comprises only those Eligible Securities approved by the Lender for the purposes of Instalment Gearing in number and proportion as determined by the Lender from time to time.
- 24.3 The Lender agrees to make advances under this Clause each month during the Instalment Gearing Period equal in total to the amount of each repayment determined under clause 24.2 provided that:
- (a) an Event of Default has not occurred; and
 - (b) the Borrower has met its obligations under clause 24.2 of this Agreement; and
 - (c) the advances under this clause 24.3 are invested in Eligible Securities approved by the Lender for the purposes of Instalment Gearing; and
 - (d) the Gearing Ratio immediately prior to the making of any advance is no more than 110%; and
 - (e) a Material Adverse Change has not occurred.
- 24.4 The Lender may vary the Gearing Ratio percentages specified in clause 24.3 of this Agreement from time to time by notice to the Borrower.
- 24.5 The Instalment Gearing Period begins on the date of this Agreement and ends on the earlier of the date:
- (a) that is at least six months after the initial advance made in accordance with clause 24.1 of this Agreement provided that the Total Loan Balance of the Loan is less than the Market Based Limit at that time of the Eligible Securities acquired under Instalment Gearing;
 - (b) that the Total Loan Balance of the Loan exceeds the maximum amount of the Loan;
 - (c) of occurrence of an Event of Default;
 - (d) that is seven months after the initial advance of the Instalment Gearing Loan made under clause 24.1 of this Agreement; or
 - (e) that the Borrower fails to meet its obligations under clause 24.2 of this Agreement.
- 25. Miscellaneous**
- 25.1 This clause 25.1 has been deleted.
- 25.2 The Borrower hereby consents to the Lender disclosing to the Securities Owner and to any other guarantor of the obligations of the Borrower the following information:
- (a) a copy or summary of this Agreement and related material evidencing the obligations of the Borrower to be guaranteed;
 - (b) a copy of any formal demand that may be sent from time to time by the Lender to the Borrower; and
 - (c) on request by the Securities Owner or any other guarantor, a copy of the latest relevant statements of account (if any) relating to the Facility provided to the Borrower.
- 25.3 The Borrower and the Securities Owner hereby consent to the Lender disclosing information regarding this Agreement and the Facility to any authorised representative of the Borrower and/or Securities Owner including information obtained by the Lender as part of its assessment of the Borrower's Application for the Facility and other information which the Lender is entitled to obtain and use under section 11 of the Application.
- 25.4 The Lender may at any time vary any of the terms and conditions of this Agreement by newspaper advertisement or notice in writing.
- 25.5 The Securities Owner and the Director agree that they will each have entered into this Agreement for valuable consideration including, without limitation, the Lender, at the request of the Securities Owner and the Director, advancing the Loan to the Borrower.

- 25.6 The Borrower and the Securities Owner each irrevocably appoint the Lender and each officer or employee of the Lender having the word "Director" in their title, severally, the attorneys of the Borrower and the Securities Owner respectively to do (either in the name of the Borrower or the Securities Owner (as the case may be) or the attorney) all acts and things:
- (a) that the Borrower or the Securities Owner (as the case may be) is obliged to do under this Agreement; or
 - (b) which, in the opinion of the Lender, are necessary or desirable in connection with the Securities or the protection or perfection of the Lender's interests or the exercise of the rights, powers and remedies of the Lender; or
 - (c) which the Borrower or the Securities Owner can do as owner of the Securities (including sell, transfers, exercising of options and warrants, redemption requests, applications for certificates, any notification or direction that may be required or desirable to be given to any share registry, Issuer or CHESS in respect of the Securities or the Borrower or Securities Owner, any necessary or desirable instruction, notice or direction to any manager or trustee relating to Securities which are units in a managed funds scheme, and any conversion or transfer of the Securities to a new HIN, and open any accounts required by the terms of any Securities; or
 - (d) which the Borrower or the Securities Owner have authorised the Lender to undertake on their behalf including to apply for and redeem or sell any or all of the Securities and to take up or dispose of any rights or other entitlements accruing from time to time in respect of any Securities; or
 - (e) which the Borrower or the Securities Owner have authorised the Lender to undertake on their behalf, including the signing of any document, amending or supplementing this Agreement, and the establishment of any account and the undertaking of transactions on that account.
- 25.7 A waiver by the Lender shall only be effective if it is in writing signed by at least two officers of the Lender.
- 25.8 Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction shall be severed from this Agreement only in respect to that jurisdiction.
- 25.9 The indemnities contained in this Agreement are continuing obligations of the Borrower, the Securities Owner and the Director separate and independent from their other obligations and shall survive the termination of this Agreement.
- 25.10 Any consent requested of, or determination by, the Lender may be given or withheld by the Lender in its absolute discretion and conditionally or unconditionally except where this Agreement otherwise expressly provides.
- 25.11 If the performance by the Lender of all or any of its obligations under this Agreement is prevented or delayed in whole or in part due to any circumstance which the Lender is unable to control, this Agreement will nevertheless continue and remain in full force and effect but the Lender will not be in default under this Agreement or liable for any loss, cost, expense or damage suffered by the Borrower, the Securities Owner or the Director for that reason only and the Lender will be granted a reasonable extension of time to complete performance of its affected obligations.
- 25.12 Without limiting the terms of Clause 16, the Lender shall not be responsible for any loss, cost, expense or damage suffered by the Borrower, the Securities Owner or the Director as a result of the Lender acting in accordance with any request or direction from the Borrower, the Securities Owner or the Director (including in relation to any sale of the Securities) or of not acting, or of not acting promptly, in accordance with any such request or direction.
- 25.13 This Agreement shall be governed by and construed in accordance with the laws of Victoria. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Victoria.
- 25.14 Time shall be of the essence in respect of each and all of the respective obligations of the Borrower, the Securities Owner and the Director hereunder.
- 25.15 The parties hereby irrevocably authorise the Lender, and each of its officers, agents, employees and solicitors to complete any details and fill in any blanks in this Agreement.
- 25.16 This Agreement shall bind the Borrower, the Securities Owner and the Director, and the persons comprising them, jointly and severally.
- 25.17 General descriptive information on the Lender's products and services and other matters, is available and can be obtained from the Lender on request.
- 25.18 The Borrower, the Securities Owner and the Director acknowledge that conversations between any of them (or their representatives) and the Lender and/or the Sponsor may be recorded and consent to that recording being made and its use (or any transcript of the recording being used) in any proceedings which may be commenced in connection with this Agreement.
- 25.19 Unless the Borrower and the Securities Owner instruct the Lender otherwise, the Borrower and the Securities Owner consent to the Lender disclosing information about them to its related entities for the purpose of forwarding marketing or promotional material to them from time to time.
- 25.20 The terms of this Agreement supersede any prior oral or written representations or statements (whether contained in any brochure, correspondence or otherwise) made by the Lender or any officer, employee or agent of the Lender to the Borrower, the Securities Owner, the Director or their respective representatives or agents. The Borrower, the Securities Owner and the Director acknowledge that they have not relied on any representation or statement of the Lender in entering into this Agreement.

26. Interpretation

26.1 In this Agreement, unless the context otherwise requires:

"Application" means the application made by the Borrower, the Securities Owner and/or the Director to the Lender, on the basis of the application form attached to these terms and conditions;

"ASX" means Australian Stock Exchange Limited ACN 008 624 691;

"ASX Market Rules" means the Business Rules made by ASX as in force from time to time;

"ASTC" means the ASX Settlement and Transfer Corporation approved under the Corporations Act to operate CHES;

"ASTC Settlement Rules" means the Business Rules made by ASTC as in force from time to time;

"Bank of Queensland Margin Lending Rate" means the interest rate determined by the Lender to be the rate applicable to margin loans. The rate initially applying to this Facility will be the rate set out in the Confirmation Letter. If the rate is to change, the changed rate will be published in a national newspaper and/or newspapers circulating in the State or Territory in which you ordinarily reside not later than the day on which that change is to take effect. However, the Lender need not publish the changed rate if it notifies the Borrower of the changed rate by writing to the Borrower not later than the day on which that change takes effect;

"Borrower" means the person noted as such in the Application and the Bank of Queensland Margin Lending Confirmation Letter;

"Buffer" means a percentage as determined and modified by the Lender from time to time;

"Business Day" means a day other than a Saturday or a Sunday or a national public holiday;

"Customer" means the Borrower and/or the Securities Owner (if any);

"Confirmation Letter" means a written confirmation of the details of the Facility from the Lender to the Borrower after the acceptance of an Application by the Lender;

"Credit Limit" means the lesser of:

- (a) an amount which the Lender may notify to the Borrower in its absolute discretion from time to time; and
- (b) the Market Based Limit, provided that the Credit Limit shall not exceed \$3 million unless the Lender has given its express prior consent and any additional conditions required by the Lender have been satisfied;

"Deposit Account" means any account opened in the name of the Borrower or the Securities Owner with the Lender from time to time, or if no account exists, the Loan;

"Director" means, where the Borrower is a company, each director of the Borrower who signs the Application for the purposes of providing a guarantee under Clause 17;

"Eligible Securities" means those Securities (or any other type of Secured Property in the Lenders absolute discretion) approved by the Lender from time to time and to which the Lender has allocated a Lending Ratio;

"Event of Default" means any event specified as such in Clause 13;

"Facility" means the revolving margin loan facility which may be made available under the Agreement;

"Future Security Notice" means any notice, whether given in written or electronic form, that identifies any Securities for the purpose of clause 12 of this Agreement;

"Gearing Ratio" means the percentage figure calculated by dividing the Total Loan Balance of the Loan by the aggregate Market Value of the Secured Property acquired in relation to Instalment Gearing;

"Instalment Gearing" means the loan facility nominated by the borrower in the application form and provided under this Agreement, for the purposes described in the attached brochure material;

"Issuer" means any and all of the companies, trusts, managers or responsible entities which have issued or are responsible for managing any of the Securities which are the subject of this Agreement;

"Lender" means Leveraged Equities Limited ABN 26 051 629 282 as trustee of the Leveraged Equities 2009 Trust;

"Lending Ratio" means the percentage allocated to particular Eligible Security or class of Eligible Security (or any other type of Secured Property in the Lender's absolute discretion), as amended from time to time by the Lender, in its absolute discretion;

"Loan" means the principal amount of the Facility advanced or to be advanced by the Lender to the Borrower under Clause 1.1 or so much thereof as remains outstanding from time to time;

"Managed Fund" means any managed funds scheme or managed investment scheme within the meaning of the Corporations Act.

"Market Based Limit" means the value of the Eligible Securities determined by multiplying the Market Value of those Securities by the Lending Ratio applying at the relevant time to those Eligible Securities;

"Market Value" means on any day, the value of the relevant property as determined by the Lender from time to time in its absolute discretion;

"Master Trust/Wrap" means the master trust, wrap service, IDPS or other administrator of any part of the Secured Property and/or the responsible entity in relation to the relevant Secured Property;

"Material Adverse Change" means any event or change which, in the Lender's opinion, has a material adverse effect on:

- (a) the Borrower's, the Security Owner's or the Director's assets, revenue or financial condition; or
- (b) the ability of the Borrower, the Security Owner or the Director to perform any of their respective obligations under this Agreement; or
- (c) the ability of the Lender to exercise its rights under this Agreement.

"Minimum Loan Amount" means that amount specified by the Lender from time to time;

"Rights" means all of the Securities Owner's right, title and interest in and to all dividends, distributions, bonus shares, rights, issues, options, warrants, notes, convertible instruments, securities and other instruments of any kind whatsoever, and all allotments, accretions, offers, benefits and advantages whatsoever, now or hereafter made, granted, issued or otherwise distributed in respect of, in substitution for, in addition to, or in exchange for, the Securities;

"Rules" means one or both of the ASX Market Rules and the ASTC Settlement Rules, as the case requires;

"Secured Moneys" means all moneys, obligations and liabilities of any nature whatsoever that may now be, or might at any time in the future become or remain, due, owing or payable, whether actually or contingently, by the Borrower to the Lender on any account or for any reason whatsoever under the provisions of this Agreement;

"Secured Property" means:

- (a) any of the Securities or other property which is mortgaged under this Agreement; and
- (b) any other property real, or personal, accepted from time to time by the Lender as security for the obligations of the Borrower under this Agreement and which is satisfactory to the Lender.

"Securities" means:

- (a) any share or stock in the capital of any corporation listed for quotation on the ASX and which are CHESS Approved;
- (b) any debentures, debenture stock, bonds, notes, warrants, convertible notes, units or other securities or instruments which are listed for quotation on the ASX and which are CHESS Approved;
- (c) any units in any public property, share or cash management trust or managed investment scheme;
- (d) any options to purchase, acquire or subscribe for any of the foregoing; and
- (e) any other share, debenture, bond, note or marketable security that may be approved by the Lender from time to time, which have been approved by the Lender as security for the Facility.

"Securities Owner" means any person (and can include the Borrower, a Director or any other person) who has or will provide a Security Interest to the Lender over any Securities, whether under this Agreement or any other arrangement, to secure the Secured Moneys;

"Security Interest" includes any mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, arrangement for the retention of title and any other right, interest, power or arrangement of any nature whatsoever having the purpose or effect of providing security for, or otherwise protecting against default in respect of, the obligations of any person;

"Security Surplus" means the amount by which the Market Based Limit exceeds the Loan;

"Settlement Participant" has the meaning given to it in the ASTC Settlement Rules;

"Split Rate Loan" means a Loan where the Loan is divided into two or more portions;

"Split Rate Loan Period" means the period the Loan is divided into two or more portions;

"Sponsor" means Margin Lending Nominees Pty Limited (ABN 17 090 975 456) or any other person as may be nominated by the Lender from time to time to be the Settlement Participant for relevant shares for the purposes of this Agreement;

"Total Loan Balance" means the aggregate of the Loan and the value (as determined by the Lender) of any Transactions which have been commenced but have not yet settled;

"Transaction" means:

- (a) a sale, purchase, transfer or redemption of Securities; or
- (b) any withdrawal or deposit to an account with the Lender, whether by cheque, telegraphic transfer or bank draft, or any other means, for any purpose other than to satisfy a Margin Call. 26.2 In this Agreement, unless the context otherwise requires:
- (a) any term used in this Agreement which is defined in the ASTC Settlement Rules has the meaning given to that term in the ASTC Settlement Rules;
- (b) words importing the singular include the plural and vice versa;
- (c) references to any document (including the Application) include any variation or replacement to that document; and
- (d) references to any party to this Agreement include references to its respective successors and permitted assigns.

CHESS Explanation

CHESS (Clearing House Electronic Subregister System) is a computer system which electronically transfers title between the buyers and sellers of securities on the Australian Stock Exchange (ASX). It is a paperless system where security ownership is recorded on an account in CHESS, rather than through the use of physical share certificates. CHESS also enables the electronic settlement of transactions between CHESS participants (i.e. stockbrokers and institutional investors). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of the ASX. All CHESS participants must abide by published rules known as the ASX Settlement and Transfer Corporation (ASTC) Business Rules. Under these rules you are entitled to an explanation of the main points of the sponsorship arrangements under your Bank of Queensland Margin Lending Loan and Security Agreement. This explanation appears below.

Sponsorship on CHESS

As it is impractical for individual investors to have direct electronic access to CHESS, you must be sponsored in order to hold shares through CHESS. To arrange sponsorship, you must sign a formal sponsorship agreement with a Settlement Participant who will act as your sponsor. This agreement stipulates the terms and conditions under which the sponsor will operate the CHESS holdings for you.

Under the sponsorship terms contained in the Bank of Queensland Margin Lending Loan and Security Agreement (the "Facility Agreement"), you agree to appoint Margin Lending Nominees P/L (or any other person nominated from time to time by the Lender) to be your CHESS sponsor (the "Sponsor"). You agree to this sponsorship when you sign the Application for Finance.

The Sponsor is a General Settlement Participant, and will provide transfer and settlement services as your agent in relation to all of the securities under the Facility Agreement. Where appropriate, the services of a broker will be retained to effect any required share transfers. Any shares purchased as security for your loan will be converted into a CHESS Holding in your name, unless they are ineligible. Most subsequent share purchases will also be held within the same CHESS Holding. The Sponsor will open a share account in your name and control it on your behalf, acting on your instructions in relation to all CHESS Holdings comprising the Secured Property under the Facility Agreement. CHESS will allocate you a new Holder Identification Number, or "HIN", pertaining to the share portfolio lodged with your Sponsor. The HIN identifies you and is analogous to an account number for a bank account, and will be shown on your CHESS Holding Statement. CHESS will notify you and your Sponsor in writing of the new HIN, together with the new name and address details they will be associated with.

The Sponsor will operate your CHESS account in accordance with the sponsorship terms in the Facility Agreement and will abide by the ASTC Rules. Statements detailing any change to a CHESS shareholding in your name will be sent to you each month by ASX Settlement and Transfer Corporation Pty Ltd. If there is no change to your CHESS shareholding you will receive an annual statement.

If the Sponsor is suspended from participating in CHESS under the ASTC rules, you have a right to request the ASTC to remove the holding from the CHESS subregister or from the control of your Sponsor, subject to the rights of the Lender under the Facility Agreement. You only appoint the Sponsor to sponsor securities that are held as collateral to your loan, so you may have more than one sponsor if you wish. Any other sponsors you appoint will not be able to sponsor the securities held in your Margin Loan portfolio.

All shares held under this sponsorship are mortgaged to Leveraged Equities Limited (the Lender) as security for your Bank of Queensland Margin Loan. This means, for example, that you may not change the sponsor of these shares or otherwise deal with these shares without the consent of the Lender and these shares may be sold to in the event of a default under the terms of the Facility Agreement.

The Sponsor has a legal responsibility to explain CHESS sponsorship to you. When you sign the Bank of Queensland Margin Lending Application for Finance, you are acknowledging that this explanation has been given to you and that you understand the explanation. Please contact your adviser or call Margin Lending on 1300 783 709 if you have any questions regarding CHESS sponsorship.

Privacy Act 1988 (Cth) – Collection Statement

By completing the Bank of Queensland Margin Lending Application for Finance form you may be supplying personal information to the Lender and Bank of Queensland subject to the Privacy Act 1988. You should be aware that:

- The Lender or Bank of Queensland will use your information to:
 - process your application;
 - assess the credit and other exposure that the Lender and its related entities have to you;
 - send your information to a printing house or an external email service provider for the purposes of administering your loan;
 - determine future product and business strategies and to develop our services;
 - communicate with you in relation to your account and all transactions relating to it; and
 - inform the Bank of Queensland and your appointed Adviser/Secondary Contact of the status of your facility, and other information regarding transactions relating to it.
 - act in accordance with any relevant legislation, without limitation, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
- Your personal information may be disclosed to related entities and agents of the Lender for these purposes, as well as to Bank of Queensland and your appointed Adviser/Secondary Contact.
- If you do not provide us with all of the information required in this application form, we will not be able to process your loan.
- You can contact us by phone, fax or email and request access to your information. Where there is some legal or administrative reason to deny you access, we will inform you of that reason. There may be some charge to give you full access where your request requires the retrieval and compilation of information that has been archived or is significant in volume.
- You can obtain a copy of the Lender's privacy statement by requesting it from us, or a copy of Bank of Queensland's privacy statement at www.boq.com.au.
- Your personal information may be provided to other subsidiaries of the Lender, their agents and contractors who provide services in connection with this product and related services for these purposes.

Direct Debit Request Service Agreement

Definitions

Account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

Account Manager means Bank of Queensland Margin Lending Client Service Team.

Agreement means this Direct Debit Request Service Agreement between you and us.

Business Day means a day other than a Saturday or a Sunday or a national public holiday.

Debit Day means the day that payment by you to us is due.

Debit Payment means a particular transaction where a debit is made.

Direct Debit Request means the Direct Debit Request between us and you.

Our, us or we means Leveraged Equities Limited ABN 26 051 629 282 on behalf of Leveraged Equities ("LE") which you have authorised by signing a direct debit request.

You or your means the person(s) who signed the direct debit request.

Your financial institution is the financial institution where you hold the account that you have authorised us to arrange to debit.

Your loan and security agreement means the loan and security agreement entered into or to be entered into by you with the Lender which sets out the terms and conditions of your loan with the Lender.

1. Debiting your account

- 1.1 By signing a Direct Debit Request, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request, this agreement and your loan and security agreement for the terms of the arrangement between us and you.
- 1.2 We will only arrange for funds to be debited from your account as authorised in the direct debit request.
- 1.3 If the debit day falls on a day that is not a business day, we may direct your financial institution to debit your account on the following business day. If you are unsure about which day your account has been debited you should ask your account manager.

2. Changes by us

- 2.1 We may vary any details of this agreement or a direct debit request at any time by giving you at least fourteen (14) days written notice.

3. Changes by you

- 3.1 Subject to 3.2 and 3.3, you may change the arrangements under a direct debit request by contacting your account manager.
- 3.2 If you request us to stop or defer a debit payment you must notify the account manager in writing at least three (3) business days before the next debit day. The account manager will notify you if your request to stop or defer a debit payment has been approved. Alternatively, you may contact your financial institution to stop or defer a debit payment.

- 3.3 You may not cancel your authority for us to debit your account. The terms and conditions which refer to payments under your loan and security agreement state (amongst other things) that all moneys payable by you under your loan and security agreement shall be paid in a manner determined by us and we have determined that such payment must be made by direct debit from an account at a bank or financial institution acceptable to your account manager, unless otherwise agreed upon by us. If you cancel your authority for us to debit your account, then you may be in default under your loan and security agreement.

4. Your obligations

- 4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the direct debit request.
 - 4.2 If there are insufficient clear funds in your account to meet a debit payment:
 - (a) you may be charged a fee and/or interest by your financial institution;
 - (b) you may also incur fees or charges imposed or incurred by us as stated in your loan and security agreement;
 - (c) you may be in default under your loan and security agreement; and
 - (d) you must arrange for the particular debit payment which has been declined to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
 - 4.3 You should check your account statement to verify that the amounts debited from your account are correct.
 - 4.4 If we are liable to pay goods and services tax ("GST") on a supply made by us in connection with this agreement, then you agree to pay us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.
- ## 5. Dispute
- 5.1 If you believe that there has been an error in debiting your account, you should notify your account manager directly and confirm that notice in writing with your account manager as soon as possible so that we can resolve your query more quickly.
 - 5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arrangement for your financial institution to adjust your account accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
 - 5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.
 - 5.4 Any queries you may have about an error made in debiting your account should be directed to your account manager in the first instance. This is so that your account manager can attempt to resolve the matter between us and you. If your account manager cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

- 5.5 Subject to conditions and warranties implied by legislation and to any express terms in this agreement, we are not responsible or liable for any delay, interruption or error in processing or failing to process any Direct Debit Request whether or not caused (including as a result of negligence) by us, our employees or agents.
- 5.6 All terms implied by statute, general law or custom shall not apply to this agreement except ones that may not be excluded. If we breach any condition or warranty implied by legislation in a contract with a consumer, our liability for that breach is limited to a resupply of the services in respect of which the breach occurred, and we shall not be liable in any event for indirect or consequential loss or any loss of profits.

6. Accounts

You should check:

- (a) with your financial institution whether direct debiting is available from your account, as direct debiting is not available on all accounts offered by financial institutions; and
- (b) that your account details which you have provided to us are correct by checking them against a recent account statement or with your financial institution, before completing the Direct Debit Request.

7. Confidentiality

- 7.1 We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about you:
- (a) to the extent specifically required by law; or
 - (b) for the purposes of, or in connection with the exercise of any of our rights and/or powers under, this agreement or your loan and security agreement (including disclosing information in connection with any query or claim).

8. Notice

- 8.1 If you wish to notify us in writing about anything relating to this agreement, you should write to your account manager.
- 8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the direct debit request.
- 8.3 Any notice will be deemed to have been received two business days after it is posted. Execution by you of the direct debit request deems you to have read and understood the terms of this Direct Debit Request Service Agreement.

Bank of Queensland Margin Lending – Application for Finance Checklist

Please ensure ALL relevant attachments are included.

Please take a moment to review this list to assist in the timely processing of your Bank of Queensland Margin Loan.

We suggest that you tick each section in the list below to assist you in successfully completing this Application for Finance.

The following sections (1-5) are MANDATORY

Section	Mandatory Sections		See Page
1	Borrower Details - Individual/Joint Borrower/Company/Trustee	<input type="checkbox"/>	25-31
2	Credit Limit	<input type="checkbox"/>	31
3	Interest Payment Details	<input type="checkbox"/>	31
4	Direct Debit Request	<input type="checkbox"/>	32
5	Acknowledgements and Signatures	<input type="checkbox"/>	33-34

The following sections (6-13) are OPTIONAL

Section	Optional Sections		See Page
6	Statement of Financial Position for loans over \$3 million	<input type="checkbox"/>	36
7	Initial Managed Fund and/or Platform Investment	<input type="checkbox"/>	37
8	Instalment Gearing	<input type="checkbox"/>	37
9	Fixed Interest Rate Option	<input type="checkbox"/>	38
10	Refinance an existing Margin Loan	<input type="checkbox"/>	39
11	Nominate an Authorised Representative	<input type="checkbox"/>	40-41
12	Nominating a Secondary Bank Account	<input type="checkbox"/>	42
13	Use Third Party Security	<input type="checkbox"/>	43

IMPORTANT:

- Please complete this form using BLACK INK and print within the boxes with CAPITAL LETTERS.
 - Mark appropriate boxes with a cross. Start at the left of each answer space and leave a 1 box gap between words.
- Before submitting your Application for Finance, please ensure you complete all relevant sections.
- If you **do not have a financial adviser or Bank of Queensland Branch Manager** please ensure you have attached:
 - an original certified copy of your driver's licence or passport (for Individual or Individual Trustee Applicants); or
 - an original certified copy of your trust deed or trust deed extract (for Corporate Trustee Applicants).
 - please do not provide an IFSA/FPA Form.
 - If you **have a financial adviser or Bank of Queensland Branch Manager**, please ensure you have attached:
 - a completed copy of the relevant IFSA/FPA Form; or
 - an original certified copy of your driver's licence or passport (for Individual or Individual Trustee Applicants); or
 - an original certified copy of your trust deed or trust deed extract (for Corporate Trustee Applicants).

Bank of Queensland Margin Loan



Application for Finance (to be completed by all borrowers)

Please complete this form using BLACK INK and print well within the boxes with CAPITAL LETTERS. Mark appropriate answer boxes with a cross. Start at the left of each answer space and leave a one box gap between words. Should you have any questions, please call the Client Service Team on free call 1300 78 37 09.

This section is for Financial Adviser/ Branch Manager Use Only.

Please ensure this is submitted with the applicant's Application for Finance to ensure the Adviser is recorded on the loan facility when established.

Branch Use Only

BOQ Branch BSB (BOQ referred customers only)	Branch Manager Name (only when there is no adviser referral)
<input type="text"/>	<input type="text"/>
BOQ Customer Number (if applicable)	
<input type="text"/>	

Adviser Details

Adviser Name	<input type="text"/>
Adviser Company Name	<input type="text"/>
Adviser Postal Address	<input type="text"/>
Suburb	<input type="text"/>
State	Postcode
<input type="text"/>	<input type="text"/>
Work Phone Number(<input type="text"/>)	Mobile Phone Number <input type="text"/>
Fax Number(<input type="text"/>)	<input type="text"/>
Email Address	<input type="text"/>

For more information regarding this application for finance please contact:

Adviser	<input type="text"/>
Branch Manager	<input type="text"/>
Assistant	<input type="text"/>
Work Phone Number(<input type="text"/>)	Mobile Phone Number <input type="text"/>

Please complete this section if you are a BOQ staff member or Adviser applying for your own loan.

Adviser own loan? <input type="checkbox"/> Yes	BOQ Staff Member Loan <input type="checkbox"/> Yes
--	--

Are you using a WRAP, Master Trust, IDPS, Administration Service, Separately Managed Account (SMA) or other similar service on this facility?
If so, please specify the Platform name, and attach a copy of the application:

I give permission for a member of the Client Service Team to contact my customer directly to confirm any incomplete details in this Application Form.

Yes No

My customer has nominated me as their Authorised Representative on their Margin Loan facility. Please refer to Section 11 of this application for further information about Authorised Representatives.

Special Instructions

Financial Adviser/Branch Manager Declaration – AML /CTF Verification Records and Customer Identification Procedures

AML/CTF requirements mean you must complete all relevant fields in this Application for Finance, as well as provide the following:

- a completed copy of the relevant IFSA/FPA Form (only if you are an existing Bank of Queensland customer); or
- an original certified copy of your driver's licence or passport (for Individual or Individual Trustee Applicants); or
- an original certified copy of your trust deed or trust deed extract (for Individual Trustee or Corporate Trustee Applicants).

If you are an existing Bank of Queensland customer, and your Bank of Queensland Branch Manager is providing an IFSA/FPA Form, please ensure your Bank of Queensland Branch Manager reads and completes the below.

Please complete and enclose a copy of the relevant Investment and Financial Services Association Limited/Financial Planning Association of Australia Identification Form ("IFSA/FPA Form") in relation to the Borrower(s) referred to in this Application for Finance.

By ticking this box and submitting the relevant IFSA/FPA Form with this Application for Finance, as the Financial Adviser or Bank of Queensland Branch Manager, I represent to the Lender that I am appropriately licensed under the Corporations Act 2001, and I:

1. have followed the IFSA/FPA Industry Guidance Note No. 24 and any other applicable guidelines with respect to the Anti-Money Laundering and Counter Terrorism Financing Act 2006, rules and other subordinate instruments ("AML/CTF Laws");
2. will provide details of the customer identification procedures adopted by me in relation to the Borrower;
3. have kept a record of the Borrower's identification and verification and will retain these in their file for a period of 7 years after my relationship with the Borrower has ended;
4. will use reasonable efforts to obtain additional information from the Borrower if the Lender asks me to do so;
5. will not knowingly do anything to put the Lender in breach of the AML/CTF Laws; and
6. will notify the Lender immediately if I become aware of anything that would put the Lender in breach of AML/CTF Laws, subject to the AML/CTF laws prohibiting such notification.

If you have previously provided the Lender with an IFSA/FPA Form for the applicant(s) of this Application for Finance, you may not be required to complete another IFSA/FPA Form.

Name																				
Facility Name																				
Facility Number																				
Name																				
Facility Name																				
Facility Number																				
Name																				
Facility Name																				
Facility Number																				

Section 1c- Corporate Borrower Details (if you are not a Corporate Borrower please proceed to section 1d).

Please mark the appropriate box Corporate Borrower Corporate Trustee Borrower (also complete section 1d)
 Please note if you are a corporate borrower, a Company Charge Service fee of \$150 applies and this amount will be debited from your primary nominated bank account within 30 days from loan approval. Please ensure that sufficient funds are available.

Company Name

ACN

Company's Registered Address

Name

Address

Suburb

Country

State Postcode

Company's Principal Place of Business (if different from above)

Address

Suburb

Country

State Postcode

ABN/Tax File Number

Business Activities

Public Company Proprietary Company

If you ticked Proprietary Company, please list the full name and residential address of each Beneficial Owner below. A Beneficial Owner is a person who owns more than 25 percent of the company's issued capital.

Company's Registered Address

Beneficial Owner 1

Name

Address

Suburb

Country

State Postcode

Beneficial Owner 2

Name

Address

Suburb

Country

State Postcode

Beneficial Owner 3

Name

Address

Suburb

Country

State Postcode

Section 4 – Direct Debit Request. This section is mandatory.

Please use this section to provide details of your nominated Australian bank account. You can choose to nominate multiple bank accounts which can be used for alternative purposes. If you wish to nominate a secondary bank account in addition to the primary account, please go to optional section 12.

Please Note

If joint account name, both account holders must sign.

- The bank account nominated below, must be in the name of the Borrower.
- Not all bank accounts are accepted. Please ensure the account has a direct debit facility available, if in doubt please refer to your financial institution.
- A Direct Debit Dishonour Fee of \$50 will apply if insufficient funds are available in your nominated account(s).
- If you are a corporate borrower, a Company Charge fee of \$175 applies (see page 6 of this brochure for details) and this amount will be debited from your primary nominated bank account within 30 days from loan approval. Please ensure that you have sufficient funds available.

Primary nominated bank account

BSB Number	-	Account Number	
Account Name e.g. 'John Smith'			
Name of Bank or Financial Institution			
Bank Address			
Suburb			
State	Postcode		

Authority

I/we: Surname or Company Name	
Given names or ACN	
I/we: Surname or Company Name	
Given names or ACN	

request you, until further notice in writing, to debit my/our account described in the schedule above, any amounts which Leveraged Equities Limited ABN 26 051 629 282 or Macquarie Bank Limited ABN 46 008 583 542 on behalf of Leveraged Equities ("the User") may debit or charge me/us through the direct debit system.

I/We understand and acknowledge that:

- Execution by me/us of this direct debit request deems me/us to have read and understood the terms of the Direct Debit Request Service Agreement on page 22 of this Margin Lending Application Form dated April 2009.
- The Bank/Financial Institution may, in its absolute discretion, determine the order of priority of payment by it of any monies pursuant to the Request or any authority or mandate.
- The Bank/Financial Institution may, in its absolute discretion, at any time by notice in writing to me/us, terminate this Request as to future debits.
- The User may by prior arrangement and advice to me/us, vary the amount or frequency of future debits.

Your signature(s) - If a joint bank account has been nominated above, all account holders must sign below. If the bank account is a company bank account, and the company has more than one director, at least two directors must sign below.

Important Notice

1. If a joint bank account has been nominated above, all account holders must sign below.
2. If the bank account is a company account, and the company has more than one director, at least two directors must sign below.

Borrower 1/ Director 1 Signature		Date							
Borrower 2/ Director 2 Signature		Date							

Section 5 - Application for Credit - Consents/Acknowledgements

Privacy and General Consent

Leveraged Equities Limited ABN 26 051 629 282 (the "Lender")

I/We acknowledge that I/we have made an application for credit from the Lender.

I/We agree that the Lender (and any other person or company who at any time provides or has any interest in the credit) can do any of the following at any time:

1. Commercial credit information. Seek and use commercial credit information about me/us to assess an application for consumer credit or commercial credit and to assess my/our credit worthiness.
2. Consumer information. Seek and use consumer credit information about me/us provided by a credit reporting agency to assess an application for consumer credit or commercial credit, to assess my/our credit worthiness, to collect overdue payments from me/us and/or to assist me/us to avoid defaulting on my/our credit obligations.
3. Collection of overdue payments. Seek and use a credit report about me/us provided by a credit reporting agency to collect overdue payments from me/us and to assist me/us to avoid defaulting on my/our credit obligations.
4. Exchange of information between credit providers. Seek from and use or give to another credit provider (including any other credit provider who has lent money on the same security) any information about my/our credit worthiness, credit standing, credit history or credit capacity. In particular, the Lender may provide a reference on me/us.
5. Exchange of information with advisers. Seek from and use or give to any broker, financial consultant, accountant, lawyer or other adviser acting in connection with any financing provided or proposed to be provided to me/us any consumer or commercial credit information.
6. Provide information to credit reporting agencies. Give to any credit reporting agency personal or commercial information about me/us. The information includes identity particulars; the fact that credit has been applied for and the amount; the fact that the Lender is the current credit provider to me/us; payments which become overdue more than 60 days, and for which collection has commenced; advice that payments are no longer overdue; advice that cheques drawn by you/us have been dishonoured more than once; in specific circumstances, that in the opinion of the Lender, you have committed a serious credit infringement; and the credit provided to me/us by the Lender has been paid or otherwise discharged.
7. Provide information for securitisation. Disclose any report or personal information about me/us to another person in connection with funding or managing financial accommodation by means of an arrangement involving securitisation.
8. Provide information to guarantors. Provide personal information about my/our credit worthiness to any person who proposes to guarantee or has guaranteed repayment of any credit provided to me/us.
9. Provide personal information and any of the above information to my Authorised representative.
10. Provide personal information to the Lender's companies or agents or contractors which provide service in connection with this product and related services.

Power of Attorney

I/We hereby irrevocably and by way of security appoint Leveraged Equities Limited ABN 26 051 629 282 ("the Lender") (and each of its officers, employees, agents and solicitors, and any assignee of or successor to the rights of the Lender under the Bank of Queensland Margin Lending Loan and Security Agreement) separately (the "Attorney") as the true and lawful agent and Attorney in fact of each of:

- The Borrower,
- The Securities Owner; and
- The Director, (with full power of substitution, delegation and revocation as the Attorney may deem expedient)
- To sign and deliver, on behalf of the Borrower, the Securities Owner and the Director the following:
 - The Bank of Queensland Margin Lending Loan and Security Agreement ('Agreement') and Interest Prepayment Loan (if applicable) in the form which is attached to the application.
 - Any Notice of Mortgage relating to units in a public unit trust or any other (as defined in the Agreement).
 - To instruct the issuer or manager of any Securities (as defined in the Agreement) or broker or any other person with respect to any dealings with the Securities.
- To do any other act or thing which, in the opinion of the Attorney, is necessary or desirable in connection with the Agreement or the Securities or the protection or perfection of the interests of the Lender or the exercise of the rights, powers and remedies of the Lender. I/We hereby further authorise the Attorney to do the following with respect to any of the documents referred to above:
 - Complete any blanks;
 - Make any amendments or additions thereto;
 - Do, execute and perform any other deed, matter, act or thing which in the opinion of the Attorney ought to be done, executed or performed to perfect the document and make it effective; and
 - To attend to the completion stamping or registration of all related and ancillary documentation.
- To do (either in the name of the Borrower or the Securities Owner (as the case may be) or the Attorney) all acts and things:
 - that the Borrower or the Securities Owner (as the case may be) is obliged to do under this Agreement; or
 - which, in the opinion of the Lender, are necessary or desirable in connection with the Securities or the protection or perfection of the Lender's interests or the exercise of the rights, powers and remedies of the Lender; or
 - which the Borrower or the Securities Owner can do as owner of the Securities including:
 - transfers, exercising of options or warrants, redemption requests, applications for certificates,
 - any notification or direction that may be required or desirable to be given to any share registry, Issuer or CHESS in respect of the Securities or the Borrower or Securities Owner,
 - any necessary or desirable instruction, notice or direction to any manager, trustee or responsible entity relating to Securities which are units in a managed investment scheme, including notification to the responsible entity of any managed investment scheme to make a notation in the register that the Lender has a security interest in the units to which the request relates, and
 - any conversion or transfer of the Securities to a new HIN; or
 - which the Borrower or the Securities Owner have authorised the Lender to undertake on their behalf including to apply for and redeem or sell any or all of the Securities and to take up or dispose of any rights or other entitlements accruing from time to time in respect of any Securities; or
 - which the Borrower or the Securities Owner have authorised the Lender to undertake on their behalf including the signing of any document amending or supplementing this Agreement, and the establishment of any account and the undertaking of transactions on that account.
- I/We declare that anything done by the Attorney pursuant to the powers given to the Attorney will be binding on me/us as if those acts had been done by me/us.
- I/We agree to indemnify the Attorney against any loss or costs it suffers or incurs in exercising the powers specified above. The Attorney may exercise the powers granted above even if it involves a conflict of duty or a conflict of interest.

Optional Sections

There are a number of additional requirements when you apply for a Bank of Queensland Margin Loan including:

<p>Section 6 – Statement of Financial Position</p> <p>Are you applying to borrow more than \$3 million?</p> <p>If you are applying to borrow more than \$3 million, then you are required to complete a Statement of Financial Position.</p>	<p>If yes, go to Section 6</p>
<p>Section 7 – Initial Managed Fund and/or Platform Investment</p> <p>Would you like to make an initial investment through a managed fund?</p> <p>You can elect to make an initial contribution and choose your initial loan balance to create your total investment in your managed fund or platform.</p>	<p>If yes, go to Section 7</p>
<p>Section 8 – Instalment Gearing or Quick Start Instalment Gearing</p> <p>Would you like to use Instalment Gearing or Quick Start Instalment Gearing?</p> <p>You can elect to start an Instalment Gearing monthly investment plan, combining regular loan advances and regular savings.</p>	<p>If yes, go to Section 8</p>
<p>Section 9 – Fixed Interest Rate nomination</p> <p>Would you like to fix and/or prepay the interest on your margin loan facility?</p> <p>Complete this section only if you wish to fix your interest at the commencement of your margin loan.</p>	<p>If yes, go to Section 9</p>
<p>Section 10 – Refinance Authorisation</p> <p>Are you refinancing an existing margin loan?</p> <p>If you are refinancing an existing margin loan, you are required to fill out an additional section with this Application for Finance.</p>	<p>If yes, go to Section 10</p>
<p>Section 11 – Nominating an Authorised Representative</p> <p>Do you wish to nominate an Authorised Representative?</p> <p>You can elect to provide details of your adviser or another person (other than the Borrower) which will authorise that person to act on your behalf in relation to the margin loan facility. You may elect for your Authorised Representative to issue instructions to Bank of Queensland Margin Lending on your behalf over a range of transactions.</p>	<p>If yes, go to Section 11</p>
<p>Section 12 – Nominating a Secondary Bank Account</p> <p>Do you wish to nominate a secondary bank account?</p> <p>Complete this section with the details of an additional bank account.</p>	<p>If yes, go to Section 12</p>
<p>Section 13 – Nominating Third Party Security Owners</p> <p>Do you wish to use Third Party Security?</p> <p>You can elect to use the assets of another individual, company or trust for your margin loan facility. A third party security holder can provide some or all of your loan security.</p>	<p>If yes, go to Section 13</p>

Section 7 - Initial Managed Fund and/or Platform Investment

Initial Investment

(A) Amount of your Initial Contribution (min. \$1,000) \$, .00

(B) Initial Loan Advance (min. \$2,000) \$, .00

(C) Your Total Initial Investment (min. \$3,000) = (A+B) \$, .00 (equals total investment on managed fund application)

Payment option for your initial contribution (Amount A from above)

- Direct debit from primary nominated bank account
- Cheque (enclosed with this Application)
- Direct debit from secondary nominated bank account (you must also complete Section 12)
- Pledge existing holdings

Section 8 - Instalment Gearing and Quick Start Instalment Gearing

Please complete Section 7 as well as the relevant details below

Instalment Gearing – monthly contribution

(A) Your Monthly Contribution (suggested min. \$250) \$, .00

(B) Monthly Loan Advance (suggested min. \$500) \$, .00

(C) Total Monthly Contribution (monthly min. \$750) = (A+B) \$, .00 (equals total investment on managed fund application)

Payment option for your initial contribution (Amount A from above)

Date of first monthly contribution month year

IMPORTANT – Please ensure that your loan and contribution amounts meet the managed fund/s minimum investment requirements.

Minimum amounts are determined by the Fund Manager. Bank of Queensland Margin Loan minimum amounts are a guide only. Please ensure you attach your managed fund application to the Application for Finance.

Section 9 - Fixed Interest Rate options

Complete this section only if you wish to fix your interest at the commencement of your Margin Loan. Interest will be calculated at the prevailing fixed interest rate offered by the Lender. You can elect to prepay interest in advance or pay interest monthly in arrears.

Fixed Interest Amount

Please indicate the loan amount you would like to fix. You can elect to fix the interest rate on part or all of your margin loan. Please note that you may draw down your fixed loan once sufficient security is provided for the loan. The amount of interest you prepay will be calculated on the full fixed loan amount, and you must draw down the full fixed loan amount. The fixed interest rate start date is the same as the start date on the facility. Please note, you will be charged interest from the start date.

\$, .00 (minimum \$5,000 and multiples of \$1,000 thereafter)

Note: this is not your credit limit.

Fixed interest option and payment method

Select **ONE** of the following interest rate options and corresponding payment method.

To determine the amount payable, please contact the Client Service Team on 1300 78 37 09 for current fixed interest rates.

Option 1 - Payable in advance

Fixed loan term:

Please select one term only and indicate this in the box provided

months You can select 3, 6 or 9 months only

or

years You can select 1, 2, 3, 4 or 5 years only

For fixed loan terms greater than 12 months, interest is paid annually in advance for the full term

Option 2 - Payable in arrears

Fixed loan term:

Please select one term only and indicate this in the box provided

months You can select 3, 6, 9 or 12 months only

Payment Method

Please select one option only

- 1. Direct debit from my/our nominated bank account
- 2. Capitalise to the Margin Loan
- 3. Cheque (Make your cheque payable to "Bank of Queensland Margin Lending" and attach it to this Application for Finance)

Payment Method

Please select one option only

- 1. Direct debit from my/our nominated bank account
- 2. Capitalise to the Margin Loan

Acknowledgements

By signing section 9, I/we acknowledge our understanding and agreement that:

- All quotes for fixed interest rates are indicative and only valid for the time at which they are given. Available fixed interest rates may vary and are available by contacting my/our Client Service Team on 1300 78 37 09;
- If I/we request that my/our interest prepayment be made at the end of the financial year (i.e. in June), I/we understand that such a request is irrevocable;
- If I/we have elected to prepay my/our interest by direct debit from our nominated account, I/we understand that it is my/our obligation to ensure that adequate cleared funds are available in my/our nominated bank account. Leveraged Equities Limited will accept no liability for any loss or other consequence(s) of sufficient funds not being available;
- The rate will revert to the Bank of Queensland Margin Lending rate payable monthly in arrears after the fixed rate period expires;
- If I/we do not draw my/our facility up to the amount for which interest has been prepaid, the remainder of prepaid interest is not refundable and will not carry over to a future period;
- The Lender will accept no liability for any loss or other consequence(s) of not fully receiving my/our instruction, notice or payment within any applicable time period;
- Failure to correctly complete and execute this section requesting the prepayment of interest on my/our Margin Loan facility may render this instruction void;
- There will be no refunds of prepaid interest and this request constitutes final acceptance of all prepayment terms;
- Interest on any amounts drawn prior to prepayments taking effect will be charged in arrears at the standard variable rate.
- If I/we have elected to prepay my/our interest by capitalising to my/our Margin Loan, I/we understand that it is my/our obligation to ensure that there is sufficient available capacity within my/our facility credit limit.
- I/we understand that by electing to fix the interest rate for more than 12 months, I/we are obligated to maintain my/our Margin Loan for that period. If I/we choose to alter this period at any time, I/we understand that there will be costs associated with this change.

Borrower 1/
Director 1/Sole Director
Signature

Date / /

Borrower 2/
Director 2
Signature

Date / /

All Borrowers and the Authorised Representative must sign below

Borrower 1/
Director 1/Sole Director
Signature

Date / /

Borrower 2/
Director 2
Signature

Date / /

Authorised
Representative
Signature

Date / /

Please attach an original certified copy of your driver's license and passport, however if the relevant IFSA/FPA Form is provided, you are not required to.

Section 12 – Nominating a Secondary Bank Account

Please use this section to provide details of your nominated Australian secondary bank account. You can choose to nominate two bank accounts which can be used for alternative purposes. If you choose to nominate two bank accounts, the purposes of the bank account(s) are outlined below:

Primary and secondary accounts nominated

Purposes of primary account:

- Initial capital contribution
- Interest payments
- Satisfaction of margin calls
- Principal repayments
- Cash advances
- All instalment gearing contributions

Purposes of secondary account:

- Principal repayments
- Cash advances
- Instalment gearing contributions

Note: If you want transactions processed out of this account you must advise the Lender.

Please note

- If joint account name, both account holders must sign.
- The bank account nominated above must be in the name of the Borrower.
- A Direct Debit Dishonour Fee of \$50 will apply if insufficient funds are available in your nominated account(s).

Secondary bank account

BSB Number		-		Account Number																
Account Name e.g. 'John Smith'																				
Name of Bank or Financial Institution																				
Bank Address																				
Suburb																				
State				Postcode																

Authority

I/we: Surname or Company Name																				
Given names or ACN																				
I/we: Surname or Company Name																				
Given names or ACN																				

request you, until further notice in writing, to debit my/our account described in the schedule above, any amounts which Leveraged Equities Limited ABN 26 051 629 282 or Macquarie Bank Limited ABN 46 008 583 542 on behalf of Leveraged Equities ("the User") may debit or charge me/us through the direct debit system.

I/We understand and acknowledge that:

- Execution by me/us of this direct debit request deems me/us to have read and understood the terms of the Direct Debit Request Service Agreement on page 22 of this Margin Lending Application Form dated April 2009.
- The Bank/Financial Institution may, in its absolute discretion, determine the order of priority of payment by it of any monies pursuant to the Request or any authority or mandate.
- The Bank/Financial Institution may, in its absolute discretion, at any time by notice in writing to me/us, terminate this Request as to future debits.
- The User may by prior arrangement and advice to me/us, vary the amount or frequency of future debits.

Important Notice

1. If a joint bank account has been nominated above, all account holders must sign below.
2. If the bank account is a company account, and the company has more than one director, at least two directors must sign below.

Borrower 1/ Director 1 Signature																				
Borrower 2/ Director 2 Signature																				

Section 13 – Third Party Securities Owner(s) Signature

To be completed if initial collateral is being provided by someone other than the Borrower. If a Director of a Corporate Borrower will also be a Securities Owner, please complete this section in addition to section 1c. Please ensure the third Party Securities Owner(s) details matched the existing registration details.

Please mark the appropriate box Individual Company Trust (also instruct your solicitor to complete section 1d)

Title Mr Mrs Miss Ms Dr Other

Full name(s) of individual(s) security owner(s)

Date of Birth / /

Company Name

ACN

Residential Address/Company Registered Address

Trustee and Trust name

Trust Address

Suburb

State Postcode

Mailing Address (please complete if different to Residential/Registered Address)

Address

Suburb

State Postcode

Are you an Australian resident for tax purposes? If no, please specify your country of tax residence.

Yes No Country

Tax File Number ABN

Tax Exemption Details including expiry date (if applicable)

I/We acknowledge and declare that:

- (a) I/We have read and understood the terms and conditions of the Bank of Queensland Margin Lending Loan and Security Agreement, Direct debit Request Service Agreement and the Risk Disclosure Declaration contained in this Margin Lending Application for Finance dated April 2009 from which I/we obtained this Application for Finance and Direct Debit Request.
- (b) If the Borrower's application is approved, my/our Guarantee contained in the Bank of Queensland Margin Loan and Security Agreement and being provided to the Lender in respect of the obligations of the Borrower named in this Application will be signed on my/our behalf pursuant to the attached Power of Attorney.
- (c) I/We are signing here to give effect to the Power of Attorney.
- (d) In addition to the consents and authorities given in Section 5, I/we authorise the Lender (and any other person or company who at any time provides or has any interest in the credit) to obtain from a credit reporting agency personal credit information about me/us to assess whether to accept me/us as a guarantor for the personal credit or commercial credit that may be or has been provided to, the Borrower named above, and in doing so, I/we acknowledge that the Lender (and any other person or company who at any time provides or has any interest in the credit) may give and obtain personal information about me/us as per Section 5.
- (e) Where relevant, the Lender has authority to effect a refinance of my/our existing facility and to transfer my HIN as referred to in Section 10.

Executed in accordance with section 127(1) of the Corporations Act by authority of its directors:

Securities Owner 1	Securities Owner 2
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
Print full name (Individual 1/Director 1/Sole Director)	Print full name (Individual 2/Director 2)
<input type="text"/>	<input type="text"/>
Signature (Individual 1/Director 1/Sole Director)	Signature (Individual 2/Director 2)
Date / /	Date / /

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1300 78 37 09
boq.com.au

Bank of Queensland Margin Lending
GPO Box 3125 SYDNEY NSW 2001

All information contained in this brochure is correct at April 2009
The Lender is Leveraged Equities Limited ABN 26 051 629 282
Bank of Queensland Limited ABN 32 009 656 740