

Margin Loan

Terms and Conditions



Colonial.

GEARED
INVESTMENTS

COLONIAL MARGIN LENDING TERMS AND CONDITIONS

When you sign the *Application Form*, and we accept the offer made in the *Application Form*, then you, CommSec, State Nominees Limited and we are then bound by the terms and conditions set out in the following pages as an *agreement* between us. The terms and conditions are divided into nine parts. The parts at the beginning create, then regulate, a variety of legal relationships – a loan and a *mortgage* to us of your *securities*. They also deal with the arrangements with CommSec to provide transfer and settlement services as your agent in relation to your *securities*, and State Nominees Limited as the *Nominee*. Then the latter parts set out general terms and conditions which apply to all of the relationships just created – for example, what we need from you if you are a trustee of a trust, and what our rights and your obligations are if you are in default under any part of the *agreement*. By signing in the place indicated on the *Application Form*, you make an offer to be bound by all of the terms and conditions contained in the following pages. Therefore everyone should read through all parts carefully before they sign. The *agreement* will become legally binding on everyone who signs the *Application Form* (even if other persons that are meant to sign it do not do so).

The meaning of words printed like *this* and some other key terms is explained after Clause 37 at the end of this *agreement*.

If you are an individual or a small business (as defined in the Code of Banking Practice) and you obtain a Colonial Margin Lending facility, then the relevant provisions of the Code of Banking Practice apply to your Loan.

A 'small business' is defined in the Code of Banking Practice as a business having less than 100 full time (or equivalent) people if the business is or includes the manufacture of goods, or in any other case, less than 20 full time (or equivalent) people.

We have published a booklet called the "Better Banking Book", which may be obtained by telephoning us on 13 22 21 (between 8am and 8pm, Monday to Friday) or from any of our branches. The Better Banking Book contains useful information on a range of banking matters including the rights and obligations that arise out of the banker and customer relationship, account opening procedures, our obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing us promptly when you are in financial difficulty and the advisability of you reading the terms and conditions applying to any banking service provided to you or in which you are interested.

PART I – LENDING PROVISIONS

1. WHAT WE LEND, WHEN AND HOW

1.1 We agree to lend you money up to the *credit limit* to invest in *securities* in one of two ways:

- (a) **Gearing Facility** – where we lend you the money when you ask us to do so; or
- (b) **Regular Gearing Facility** – where we lend you the money (and you are obliged to borrow the money) in *instalments* that you and we agree.

1.2 However we will only lend you money if:

- (a) you have provided the Bank with the necessary identification information it requires and the Bank has carried out any necessary verification check(s); and
- (b) you have given us the following documents in a form which is satisfactory to us

- (i) the *transaction documents*, appropriately signed; and
 - (ii) all title documents relating to the *secured property*; and
 - (iii) any other document we reasonably require; and
- (c) you have made the total initial *equity contribution* required of you under the lending product you have chosen. This amount will be determined by the *borrowing limit* we apply to particular *securities*; and
 - (d) we are satisfied that you will meet any *transaction costs* incurred in buying *securities*; and
 - (e) neither you nor the *Guarantor* or the *Third Party Mortgagor* are in default under this *agreement*; and
 - (f) we are satisfied that immediately after we make the loan to you the *current loan-to-security ratio* will not exceed the *margin call loan-to-security ratio*; and
 - (g) we have obtained all the credit and personal information about you that we consider necessary, and have approved your application.

1.3 In addition to Clause 1.2, if you have a Gearing Facility and you want to borrow, you must tell us by 10am (Sydney time) at least one *working day* before the proposed borrowing date:

- (a) when you want the money (this must be a *working day*); and
- (b) how much money you want to borrow (this may be subject to any minimum amount we specify from time to time); and
- (c) where or to whom the money is to be paid.

Once you make a request under this Clause, it is irrevocable.

1.4 In addition to Clause 1.2, if you have a Regular Gearing Facility, we will:

- (a) if no commencement date for *instalments* is nominated on the *Application Form*, commence *instalments* on or about the 13th day of:
 - (i) the next calendar month, if the *initial advance* occurs before the 15th day of the month in which we make the *initial advance*; or
 - (ii) in the second succeeding calendar month, where the *initial advance* occurs on or after the 15th day of the month in which we make the *initial advance*; and
- (b) only lend you money in circumstances where you have nominated on the *Application Form* a date on which *instalments* are to commence that is later than the date referred to in Clause 1.4 (a) if that date is within 9 calendar months of the date on which we make the initial advance; and
- (c) only continue to lend you money if:
 - (i) you give us authority to direct debit an account you nominate for all of your continuing *equity contributions*; and
 - (ii) you pay all of your *transaction costs*.

1.5 We fund each drawing only by electronic transfer or by issuing a cheque as you choose.

1.6 We are not liable for any loss that you may suffer because the prices of any *securities* you plan to buy rise, or they cease to be available during the time we take to lend you the money or forward any communications on your behalf.

1.7 Your loan is provided on a continuing basis, subject to our right to require repayment and/or terminate in accord with this *agreement*.

1.8 If you do not draw an amount within six months of the date on which we advise you that your application in the Application Form has been accepted, we may regard your loan as lapsed and any securities that you and any Third Party Mortgagor have lodged as security will be released.

1.9. Portfolio Lending Value

- (a) From time to time we will determine your *Portfolio Lending Value* by adding together:
- the amount we are willing to lend against the *Mortgaged Property* (calculated by adding the *Lending Values* of all the *Financial Products* in your *Portfolio* that we, at our complete discretion, accept as *Financial Products* for the purpose of determining your *Portfolio Lending Value*); and
 - the amount deposited in an *Approved Deposit Account* (if any) held in your name with us.
- (b) Your *Portfolio Lending Value* may change at any time without us providing you with any *Notice* depending on:
- any change in stock market prices and/or redemption prices for the *Financial Products* in your *Portfolio*;
 - any change in the *Lending Ratios* we set on the *Financial Products* in your *Portfolio*; and/or
 - any change in the products we accept from time to time as *Financial Products* for the purpose of paragraph (a).
- (c) *Lending Ratios* vary between *Financial Products* comprising the *Mortgaged Property*. We may vary our *Lending Ratios* at any time without giving you a *Notice* to this effect.
- (d) We will give you a *Notice* or *Notices* containing a list of our then current *Lending Ratios* on accepted *Financial Products* and our then accepted *Financial Products*, and which will tell you the *Loan Balance* of your *Loan Account*, *Portfolio Lending Value* and the amount of *Unused Borrowing Capacity* available on your *Loan Account*, at the time you:
- open a *Loan Account*; or
 - give us a *Notice* requesting any or all of this information.
- (e) We may change any or all of the currently acceptable *Financial Products* at any time at our complete discretion without giving you *Notice* of this change, unless and until you provide us with a *Notice* requesting this information in accordance with paragraph (d).

1.10. Disclaimers

- (a) We take no responsibility for any decision you make to obtain the *Loan*, to enter into any arrangement incidental to the *Loan*, about the *Financial Products* you purchase with the *Loan* proceeds, or the performance of any *Financial Products* secured by the *Mortgage*.
- (b) The fact that we publish *Lending Ratios* (and variations) or that we accept any particular *Financial Product* as *Mortgaged Property* is not a recommendation of that *Financial Product* or a representation relating to the past or future performance of that *Financial Product* in any market in which the *Financial Product* can be sold.
- (c) In so far as they act on our behalf and not as your broker or financial advisor, our officers and agents do not have our authority to recommend the purchase or sale of *Financial*

Products, make any predictions about what might happen to *Interest Rates* or the *Market Value* of any *Financial Products* or to make any other representation, prediction or statement of opinion about any other matter or thing affecting the *Terms* and *Conditions*.

Read the *Risk Disclosure Statement* in the *Colonial Margin Loan Application Form*. If you have any doubt at all about any of these matters, you should seek help from a financial adviser or your broker and/or obtain legal advice.

2. INTEREST

What you must pay and when

- 2.1 You must pay us interest charges on all the money we lend to you at the rate we specify (which may be a fixed rate or a variable rate), for the period, and in the manner, that you and we agree to. We will advise you of the rate at the time you first borrow money from us, and then will keep you advised as to any changes in this rate in accordance with Clause 37.10.
- 2.2 If you have a *Gearing Facility*, and your decision whether or not to buy securities is contingent on the happening of an event (for example, the price of those securities falling to a certain level), then if you borrow money from us so that you can buy the securities if that event occurs, you agree to pay us interest charges on any such amount from the date you borrow that money, whether or not you ultimately buy those securities. (If you are using a *Regular Gearing Facility*, this situation will not occur, as investment in securities you select occurs on a regular basis in accordance with instructions you and we have agreed to in advance).
- 2.3 Interest is calculated on the daily outstanding balance from and including the day we lend money to you. Interest accrues from day to day and is calculated on the number of days elapsed and a 365 day year. If you and we agree to monthly interest payments (either in advance or in arrears) then you agree to authorise us to debit your monthly interest payments directly from the account you nominate on the same day in each month as the date of the loan approval. You also agree not to cancel any direct debit authority you give us (either under this Clause 2.3 or Clause 1.4(c)), without providing us with a substitute direct debit arrangement acceptable to us.
- 2.4 We do not pay interest on credit balances in your *Loan Account*.
- ### Prepayment of interest
- 2.5 Depending on the type of interest rate we have agreed to, if you ask and we agree you may pay us interest on your loan in advance, either in multiples of months or yearly. The prepayment may be made on the part of the loan balance we agree. Any interest you prepay to us is not refundable, even if you repay early, except as provided in Clause 3.3.
- 2.6 If you elect to repay under Clause 3.3, and if you have prepaid interest for a period beyond the date when you repay, we will refund any interest in respect of the period beyond the repayment date. We may take out of this refund any other money you owe us (such as any prepayment fee).
- ### Interest on overdue amounts
- 2.7 You must pay interest charges at a higher rate – the *default rate* – on any amount while it is overdue.

- 2.8 These interest charges on overdue amounts are *payable* daily. Every 30 days *you* do not pay them, *we* may add the amount that has accumulated in interest charges to the overdue amount (this is known as “capitalising” or “compounding” the interest). *You* are then liable for interest charges at the *default rate* on this aggregate amount.
- 2.9 The *default rate* is the highest rate of interest *we* have agreed to in Clause 2.1 applicable at the relevant time plus 2% per annum.
- 2.10 If any amount *you* must pay under this *agreement* becomes merged in a court order, *you* must pay interest on that amount as a separate obligation. The interest is *payable* from the date *we* first ask *you* for the amount until that amount is paid. This obligation is not affected by the court order. The rate is the *default rate* or the rate in the court order, whichever is higher.
- 2.11 *Your* obligation to pay the money *you* owe *us* on time is not affected by this Clause 2.

3. REPAYMENTS, PREPAYMENTS AND PAYMENTS

Repayment of the amount borrowed

- 3.1 *You* must repay to *us* all the money *you* have borrowed under this *agreement* either at the time that *you* nominate under Clause 3.3 or the time that *we* specify under Clause 3.2.
- 3.2 *You* must pay *us* the *amount owing*, on the date *we* specify, if:
- you* are in default (see Part V); or
 - we* send *you* a notice requiring *you* to do so. *We* will always give *you* at least five (5) *working days* notice if *we* do this.
- 3.3 *You* may repay all or part of the amount borrowed unless the repayment is under Clause 4, if *you* give *us* at least five (5) *working days* (or such lesser period as *we* agree) notice of *your* intention to do so. This notice is irrevocable.
- If *you* decide to repay, *you* may be required to pay *us* a repayment fee, depending on the type of facility, the interest rate and interest period *you* have chosen and the period since commencement of the facility, and *your* repayment must include any prepayment fee *we* might charge. Once *you* have repaid part or all of the amount borrowed, *you* may re-borrow that amount from *us* (subject to not exceeding the *credit limit*).
- 3.4 Upon receipt of *amount owing*, *we* will continue to hold the *secured property* for a period of up to five (5) *working days*, or until such time that the funds have been honoured by *your* financial institution.
- 3.5 Where *you* and *we* have agreed that a fixed rate of interest is to apply to the part of the loan *you* want to repay, a formula is used to calculate the prepayment fee *payable* (after allowing for a refund of over-paid interest).

The formula *we* use is:

$$\left(\frac{ALR \times (L - R) \times n}{365} \right) - IPA$$

where:

ALR means the amount of loan *you* want to repay

L means the fixed interest rate *you* and *we* agreed for that part of the loan

R means the lesser of L and our reinvestment rate to the end of the term *you* and *we* have agreed the fixed interest rate would apply for

n means the number of days to the end of the fixed term

IPA means the interest prepaid (if any) for the balance of the period after the date of prepayment

If the amount calculated is negative *you* will get a refund from *us*. If it is positive *you* will owe *us*.

- 3.6 Where *you* and *we* have agreed that a variable rate of interest is to apply to the part of the loan *you* want to repay, the fee *payable* will depend on the type of facility *you* have. If *you* have a Gearing Facility and *you* give *us* at least five (5) *working days* notice of repayment, no fee is *payable*.

Payments under this agreement

- 3.7 *You* must pay all amounts due under the *transaction documents* (ie *your* loan, the interest payments on it, and any fees *we* charge) in full, in immediately available funds, without setting off amounts *you* believe *we* owe *you* or a *Guarantor* or a *Third Party Mortgagor*, and without counter-claiming amounts from *us*. All payments must also be free of any withholding or deduction for taxes, unless the law prevents this.

Such payments must be made by 10am (Sydney time) on the day that payment is due. If the due date falls on a non-*working day*, then *you* must pay *us* on the previous *working day*.

- 3.8 If a payment for interest, *equity contribution*, margin call or regular monthly contribution is dishonoured for whatever reason, the amount of the dishonour will be charged to the loan balance along with any outstanding fees or charges until alternative payment instructions are received.

Account combination

- 3.9 In addition to any general or banker's lien, right of setoff, right to combine accounts or any other rights *we* may have at law or in equity, *we* may combine or set off any money *we* owe *you* against any money *you* owe *us*. If at any time any of the amount owing is due but has not yet been paid, *you* authorise *us* to apply any credit balance in any account *you* have with *us* now or in the future (including the Colonial Margin Lending Deposit Facility, whether such accounts are subject to notice or not and whether matured or not) towards satisfaction of the payment that is due. Further information about the consequence of account combination may be found in *our* Better Banking Booklet.

4. MARGIN CALLS

- 4.1 If at any time the *current loan-to-security ratio* is equal to or exceeds the *margin call loan-to-security ratio*, then *you* must act within the time period specified in Clause 4.2 to ensure that the *current loan-to-security ratio* does not exceed the *base loan-to-security ratio*, except where *we* have acted in accordance with Clause 4.2(d). *You* can do this by:

- giving *us* a *security interest* acceptable to *us* over additional *securities* acceptable to *us*, or
- by repaying part of *your* loan, or
- selling some or all of the *secured property* and applying the sale proceeds to *your* loan.

If *you* are using a Regular Gearing Facility and choose to meet a *margin call* by repaying part of *your* loan, then this does not affect *your* obligation to continue to draw all the amounts *you* have agreed to borrow from *us* until *you* reach the *credit limit*.

If *you* choose to repay part of *your* loan to meet a *margin call*,

then a prepayment fee may apply – see Clause 3.3.

4.2 Subject to Clause 4.2(d), in the event of *our* providing *you* with notice of *margin call* in accordance with Clause 4.3, *you* must act to ensure that the *current loan-to-security ratio* does not exceed the *base loan-to-security ratio*:

- (a) where more than 5% by *market value* of the *secured property* is made up of *securities* listed on the ASX, within **24 hours** of *our* providing notice of *margin call* in accordance with Clause 4.3 unless the *market value* of the *secured property* falls:
 - (i) 10% or more in 1 *trading day*; or
 - (ii) 10% or more in aggregate over 2 consecutive *trading days*; or
 - (iii) 15% or more in aggregate over 3 consecutive *trading days*, in which case *you* must act prior to 3pm on a *working day* if *we* provide notice of *margin call* in accordance with Clause 4.3 by 12 noon on that day; or
- (b) where more than 95% by *market value* of the *secured property* is made up of units in unlisted trusts, within **five (5) working days** of *our* providing notice of *margin call* in accordance with Clause 4.3; or
- (c) if paragraphs (a) and (b) do not apply, within the period *we* specify of *our* asking *you* to do so.
- (d) in exceptional circumstances where *we* consider it necessary or prudent to do so based on substantial adverse changes in the *market value* of the *secured property*, *we* may take any or all of the action in Clause 4.5 to sell any or all of the *security* even though *we* have not received instructions from *you* or *your Client Adviser*.

Notice of Margin Call

- 4.3 (a) *You agree that we may provide notice of margin call by any or all of the following ways to you or your Client Adviser:*
- In writing (*including* by fax, email or other electronic means)
 - Orally, *including* by telephone
 - Updating the Colonial Geared Investments website.
- (b) It is *your* obligation to keep *your* or *your Client Adviser's* contact details up to date.
- 4.4 *You are responsible for:*
- (a) monitoring *your* portfolio and determining when *your* loan is subject to a *margin call*; and
 - (b) being in a position to receive any communications from *us* in relation to this clause and to act within the time limits specified in this clause; and
 - (c) ensuring that a *margin call* does not occur.
- 4.5 If *you* do not meet a *margin call*:
- (a) *we* may (but are not obliged to) sell any, or all of the *security* supporting *your* loan and reduce the *amount owing*.
 - (b) *we* may, if *we* consider it necessary or prudent to do so, sell more *security* than the minimum required to satisfy the *margin call*.
 - (c) *we* may sell *security* without first contacting *you*, any *margin call* contact, or agent *you* may have nominated.
 - (d) *we* may sell *security* in the order *we* choose.

5. ADMINISTERING YOUR LOAN

Switching between products

- 5.1 *We* will send *you* an Account Statement every quarter.
- 5.2 Once *you* have drawn the total amount *you* agreed to borrow from *us*, then *you* may change from the lending product *you* started with, to another lending product *we* offer. For example, once *you* have drawn all the amounts *you* agreed to borrow under a Regular Gearing Facility, *you* may change to a Gearing Facility (or vice versa). *Your* interest payments, existing investments and future investments will then be governed by the terms and conditions of the product *you* have switched to instead of the product *you* started with.

Switching investments

- 5.3 If *you* decide that *you* want to change all or part of *your secured property* to another investment on *our* list of *securities*, then *you* may do so as long as:

- (a) *you* give *us* five (5) *working days* notice;
- (b) *you* change a minimum of \$2,000 of *your* investment to one of the other *securities*;

You must also comply with any minimum amounts imposed by Fund Managers (if relevant).

Adjusting your (or our) instalment obligations

- 5.4 If *you* are using a Regular Gearing Facility, then *you* may change the obligations *you* and *we* have agreed to in the following ways, as long as *you* give *us* notice in writing by the 25th calendar day of the month prior to the month in which the change is to take effect:
- (a) *you* may increase the rate at which *you* draw the money *you* have agreed to borrow from *us*, as long as *you* increase the rate of *your equity contributions* by the same proportion and *you* agree to meet the minimum investment requirements; and
 - (b) while *your* loan balance remains below the minimum *credit limit*, *you* may suspend *your equity contributions* (for 1 month or up to a maximum of 3 months) as long as this does not cause the *current loan-to-security ratio* to exceed the *margin call loan-to-security ratio*; and
 - (c) *you* may ask that *we* suspend *our* loan advances, and if *we* agree, *your* loan period will be extended by the period for which *we* agree to suspend *our* loan advances; and
 - (d) If *you* (or if there is more than one of *you*, any of *you*) wishes not to receive further loan advances, *you* may elect not to receive further loan advances by providing written notice to *us*. If *we* receive such notice, *we* may, at *our* option, terminate the facility, or allow the facility to continue in respect of those of *you* who have not provided such notice.
 - (e) *you* may combine the alternatives given in (b) and (c) above, as long as *you* can meet the requirements for each.
- 5.5 If *you* are using a Regular Gearing Facility, then *we* may increase the amount of the *instalments* on each anniversary of the date on which *we* make the initial advance by the percentage amount nominated by *you* in the *Application Form* or by such other percentage amount notified by *you* to *us* at least 30 days before each anniversary of the date on which the initial advance is made. *You* must increase the rate of *your equity contributions* by the same proportion.

5.6 Obligations are not affected by unauthorised instructions

- (a) If we have exercised due care, *your* obligations are not affected or limited by:
- any falsity, inaccuracy, insufficiency or forgery of or in any *Notices* given to *us*; or
 - *our* failure to enquire whether any *Notice* has been transmitted or received accurately or has been given or sent by an unauthorised person.
- (b) If we act or continue to act on the basis of *your* *Notices*, *you* agree as follows:
- (i) All risks of unauthorised *Notices* or fraud lie with *you* and are not to be borne by *us*.
- (ii) *You* agree to indemnify *us* and hold *us* harmless against:
- A. any and all claims which *you* or any third party may have against *us* for any damage, loss, cost or expense which *you* or that third party may suffer or incur (whether directly or indirectly and whether foreseeable or not); and
- B. any damage, loss, cost or expense which *we* may suffer or incur (whether directly or indirectly and whether foreseeable or not), as a result of or in connection with:
- (iii) *us* acting upon any *Notices* purporting to be from *you*, *your* agent or *your* employee (whether made in accordance with Clause 3 or by telephone, facsimile, telex, cable or other electronic means permitted by the Terms and Conditions); or
- (iv) *us* not acting upon any *Notices* purporting to be from *you*, *your* agent or *your* employee (whether made in accordance with Clause 3 or in writing or by telephone, facsimile, telex, cable or other electronic means permitted by the Terms and Conditions) where we (in our subjective determination) consider or suspect that such *Notices* have been communicated to *us* fraudulently, mistakenly or without authority, or contain material omissions or errors. Nothing in this clause will be construed as requiring *us* to make enquiries as to the genuineness or validity of a *Notice*.
- (v) The indemnity contained in this clause is subject to *us* acting only upon *Notices* from persons purporting to be *you* or persons authorised by *you* from time to time by giving a *Written Notice* to *us*. For the purposes of this clause a person will be deemed to be a person authorised by *you* if *you* have held out that person to *us* as a person authorised by *you* and have not given *us* a *Written Notice* that such person has ceased to be authorised.

Declarations

- 5.7 *You* and the *Guarantor and/or the Third Party Mortgagor* declare that:
- (a) *you* and the *Guarantor and/or the Third Party Mortgagor* solely own the secured property held by *you*, or by another for *you*; and
- (b) *you* and the *Guarantor and/or the Third Party Mortgagor* have told *us* about all rights affecting the secured property (such as other *mortgages* or the rights of a beneficiary under a trust); and
- (c) all the information *you* and the *Guarantor and/or the Third Party Mortgagor* have given *us* is correct and not misleading; and
- (d) *you* and the *Guarantor and/or the Third Party Mortgagor* have not withheld any information which might have caused *us* not to enter into this agreement; and
- (e) *you* and the *Guarantor and/or the Third Party Mortgagor* do not breach any law or obligation to another person by entering into the *transaction documents*; and
- (f) *your* and the *Guarantor and/or the Third Party Mortgagor* obligations under the *transaction documents* are valid and binding and *you* and the *Guarantor and/or the Third Party Mortgagor* benefit by entering into them; and
- (g) *you* and the *Guarantor and/or the Third Party Mortgagor* do not enter into this agreement as a trustee, unless we have been told otherwise in writing; and
- (h) *you* and the *Guarantor and/or the Third Party Mortgagor* have relied on *your* own judgment (not *ours*) and any independent legal or financial advice *you* and the *Guarantor and/or the Third Party Mortgagor* may have received in deciding to enter into this agreement.
- 5.8 The declarations in Clause 5.7 are of a continuing nature. *You* and the *Guarantor and/or the Third Party Mortgagor* agree to tell *us* immediately if anything *you* have declared becomes untrue or impossible.
- 5.9 *You* and the *Guarantor and/or the Third Party Mortgagor* agree to:
- (a) promptly give *us* any information or document we request; and
- (b) promptly tell *us* if *you* are in default, or are about to become in default; and
- (c) do everything (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed) to bind *you*, the *Guarantor and/or the Third Party Mortgagor* and *your* respective successors to the *transaction documents*, and try *your* respective best to get other people to bind themselves and others to the *transaction document*, as needed and if we ask.

PART II – MORTGAGE PROVISIONS

6. WHAT YOU UNDERTAKE IN THIS MORTGAGE

- 6.1 In this Part II of the agreement *you* and the *Guarantor and/or the Third Party Mortgagor* give *us* rights over *you*, the *Guarantor and/or the Third Party Mortgagor* and the secured property. For example, if *you* or the *Guarantor and/or the Third Party Mortgagor* do not comply with any of *your* obligations under any part of this agreement, we may register the transfers given to *us* under Clause 8.1, or redeem sell or deal with the secured property as if

we owned it. We may also sue *you* and the *Guarantor and/or the Third Party Mortgagor* for any remaining money *you* owe.

7. MORTGAGE

- 7.1 The provisions of Clause 7 do not apply to *you* or a *Guarantor and/or the Third Party Mortgagor* if *you* or that *Guarantor and/or the Third Party Mortgagor* (as the case may be) are a company. In this event, we will be executing a *mortgage* in our favour on *your* or that *Guarantor and/or the Third Party Mortgagor's* behalf in similar terms to the *mortgage* contained in this Clause 7 under the power of attorney contained in the *Application Form* (a copy will be sent to *you* if *your* application is accepted). This will not affect any of *your* and the *Guarantor and/or the Third Party Mortgagor's* obligations under this *agreement*, and once executed, any such *mortgage* is deemed to be incorporated in this *agreement*.
- 7.2 For the purpose of securing to us payment of the *amount owing*, *you* and the *Guarantor and/or the Third Party Mortgagor*, as beneficial owner (or, if *you* or the *Guarantor and/or the Third Party Mortgagor* are the trustee of a trust, as trustee of that trust), agree to *mortgage* to us:
- (a) the *future security* when *you* or the *Guarantor and/or the Third Party Mortgagor* (or a trustee, *Nominee* or agent for either of *you*) first acquire an interest in it (or, if a *security notice* needs to be given for *deposited documents* or *securities* to comprise *future security*, when the *security notice* specifying the relevant *deposited documents* or *securities* becomes effective under Clause 7.3); and
 - (b) any *new rights* which arise with respect to *future security* or other *new rights* when *you* or the *Guarantor and/or the Third Party Mortgagor* (or a trustee, *Nominee* or agent for either of *you*) first acquire an interest in those *new rights* (or, if a *security notice* needs to be given for *securities* to comprise *future security*, when the *security notice* specifying the relevant *securities* to which those *new rights* relate becomes effective under Clause 7.3).
- 7.3 If we send *you* or the *Guarantor and/or the Third Party Mortgagor* a *security notice* which specifies *deposited documents* or *securities* as "*future security*", the *deposited documents* or *securities* so specified will for the purposes of the *mortgage* be *future security* when the *security notice* becomes effective, which will occur if *you* or the *Guarantor and/or the Third Party Mortgagor*, as the case may be, do not reject the *security notice* by notice in writing to us by:
- (a) if the *security notice* takes effect under Clause 35 on or by 4pm (Sydney time) on a day, 10am (Sydney time) on the *working day* after that day; and
 - (b) if the *security notice* takes effect under Clause 35 after 4pm (Sydney time) on a day, 4pm (Sydney time) on the *working day* after that day.
- 7.4 *You* and the *Guarantor and/or the Third Party Mortgagor* may require us to release the *secured property* from the *mortgage* when there are no longer any amounts owing under this *agreement*. Until we actually release the *secured property*, it will remain *mortgaged* to us.

8. OBLIGATIONS CONCERNING THE SECURED PROPERTY

Deposit, transfer and delivery

- 8.1 When any property becomes or is to become *secured property*, if we ask, *you* must deposit with us or a *person* we nominate:
- (a) the certificates or other documents of title in respect of the *secured property*; and
 - (b) signed transfer forms and redemption requests (prepared by us) in respect of the *secured property*; and
 - (c) any other documents in connection with the *secured property* that we require.
- 8.2 *You* and the *Guarantor and/or the Third Party Mortgagor* agree to deposit immediately with us or a *person* we nominate anything we require in connection with the *secured property*.
- 8.3 If we ask, *you* and the *Guarantor and/or the Third Party Mortgagor* must give a direction (in a form we approve) to anyone we specify to deliver anything which that *person* holds in respect of the *secured property* to us or to someone we nominate. *You* must provide us with evidence (for example, a copy of the relevant letter) that *you* and/or the *Guarantor and/or the Third Party Mortgagor* have given such a direction.

9. RIGHTS YOU HAVE CONCERNING THE SECURED PROPERTY

- 9.1 Until one or more of the things listed in Clause 31.1 happens or the *secured property* is registered in our name, *you* and the *Guarantor and/or the Third Party Mortgagor* may:
- (a) keep all income earned in respect of the *secured property*; and
 - (b) exercise any voting power in respect of the *secured property*.
- 9.2 If one or more of the things described in Clause 31.1 happens or the *secured property* is registered in our name, all of *your* and the *Guarantor and/or the Third Party Mortgagor's* rights under Clause 9.1 end, and we are entitled to them. *You* and the *Guarantor and/or the Third Party Mortgagor* must then follow our directions about these things, and *you* and the *Guarantor and/or the Third Party Mortgagor* must ensure that any *person* in whose name any *secured property* is registered does likewise. We may exercise those rights in any way we choose, including by doing nothing. We are not responsible for any loss arising from choosing not to act.

10. MAINTAINING THE SECURED PROPERTY

- 10.1 *You* and the *Guarantor and/or the Third Party Mortgagor* must:
- (a) carry out on time all of *your* respective obligations, observe any restrictions, and do anything we require of *you* and the *Guarantor and/or the Third Party Mortgagor*, in connection with the *secured property*; and
 - (b) immediately after becoming aware of *new rights*, provide us or a *person* we nominate with particulars of the *new rights*; and
 - (c) if *you* become aware of any defect in *your* or the *Guarantor and/or the Third Party Mortgagor's* ownership of the *secured property*, immediately take steps to rectify it; and
 - (d) do anything else that is necessary to maintain the *secured property*; and
 - (e) take up *new rights* in respect of the *secured property* if we ask; and

- (f) if we ask, give us a copy of all documents you or the *Guarantor and/or the Third Party Mortgagor* receive as holder of or in connection with the *secured property*; and
- (g) comply with any conditions we attach to any approvals or consents we give in connection with the *secured property*; and
- (h) not do or fail to do anything that we think would have a material adverse effect on the value of the *secured property* or *our* interest in it.

11. DEALING WITH THE SECURED PROPERTY

11.1 You and the *Guarantor and/or the Third Party Mortgagor* must get *our* written consent before you:

- (a) dispose of or part with possession of any part of the *secured property*; or
- (b) create another *security interest* in the *secured property* or allow one to arise; or
- (c) take steps to change the certificated (or uncertificated) nature of the *secured property*, or apply for a replacement certificate if we have the original; or
- (d) waive any of *your* or the *Guarantor and/or the Third Party Mortgagor's* rights or release any *person* from its obligations in connection with the *secured property*; or
- (e) deal in any other way with the *secured property*, this *agreement* or any interest in them, or allow any interest in them to be varied; or
- (f) otherwise do anything that might impair the effectiveness or validity of the *mortgage*.

12. OTHER SECURITY INTERESTS

- 12.1 If we consent to another *security interest* in the *secured property* and if we ask, then you and the *Guarantor and/or the Third Party Mortgagor* must get an *agreement* acceptable to us regarding the priority between the *mortgage* and the other *security interest*.
- 12.2 If you or the *Guarantor and/or the Third Party Mortgagor* do not get *our* consent and any *agreement* we ask for, you will be in default under this *agreement* and we may exercise any or all of *our* rights listed in Clauses 31.2 and 31.3.
- 12.3 You and the *Guarantor and/or the Third Party Mortgagor* must ensure that the amount secured under any other *security interest* in the *secured property* is not increased without *our* written consent.
- 12.4 You and the *Guarantor and/or the Third Party Mortgagor* must comply on time with any obligation in connection with any other *security interest* in the *secured property*.

13. YOUR OBLIGATIONS AND OUR RIGHTS ARE NOT AFFECTED

- 13.1 Rights given to us under the *mortgage* and *your* and the *Guarantor and/or the Third Party Mortgagor's* obligations under it are not affected by any fact or law which might otherwise affect them.

14. ADMINISTRATIVE MATTERS

- 14.1 We may arrange for any transfer to us of *your* or the *Guarantor and/or the Third Party Mortgagor's* rights under the *secured property* to be registered at *your* expense.
- 14.2 You and the *Guarantor and/or the Third Party Mortgagor* must promptly do anything we ask (such as obtaining consents, signing

and producing documents, producing receipts and getting documents completed and signed):

- (a) to provide more effective *security* over the *secured property* for the payment of the *amount owing*; or
- (b) to enable us to register the *mortgage* on an appropriate register; or
- (c) to enable us to register any transfer of *your* or the *Guarantor and/or the Third Party Mortgagor's* rights under the *secured property* with the agreed priority; or
- (d) to enable us to exercise *our* rights in connection with the *secured property*; or
- (e) to enable us to register the power of attorney in Clause 36 or a similar power; or
- (f) to show whether you and the *Guarantor and/or the Third Party Mortgagor* are complying with the *mortgage*.

14.3 You and the *Guarantor and/or the Third Party Mortgagor* agree that we may do anything necessary to register the *secured property* in *our* name or to register the *mortgage*.

14.4 You and the *Guarantor and/or the Third Party Mortgagor* must supply us promptly with any information or documents we ask for about or affecting:

- (a) the *secured property*; or
- (b) the *mortgage*.

PART III – SPONSORSHIP AGREEMENT

COLONIAL MARGIN LOAN

SPONSORSHIP AGREEMENT EXPLANATION

We refer to the sponsorship agreement proposed to be entered into between [you/each of you] ("you") as holder, Commonwealth Securities Limited as participant ("Participant") and Commonwealth Bank of Australia as mortgagee ("Mortgagee") ("Sponsorship Agreement"). The Sponsorship Agreement is set out below.

In accordance with Rule 7.1.8 of the Settlement Rules of the ASX Settlement and Transfer Corporation Pty Limited ("ASTC Settlement Rules"), we set out below a summary of the effect of the Sponsorship Agreement.

The Sponsorship Agreement relates to the CHESS Settlement Facility, a computerised system which maintains a part of an issuer's register of shareholders. Under the CHESS Settlement Facility there are no share certificates and transfers of shares are effected electronically. Only controlling participants (e.g. certain brokers and non-broker participants) have direct access to the CHESS Settlement Facility. For you to have your shares recorded on the CHESS Settlement Facility, you must have your shareholdings sponsored by a controlling participant. This is achieved by entering into a sponsorship agreement with a controlling participant who will act as your "sponsor". The Sponsorship Agreement authorises the Participant to establish a CHESS Participant Sponsored Holding in your names and control it on your behalf, by carrying out instructions relating to your shareholdings, by sending the appropriate electronic messages to the CHESS Settlement Facility and processing messages received from the CHESS Settlement Facility. When a transaction occurs in your CHESS Participant Sponsored Holding, the CHESS Settlement Facility will send you a statement detailing the changes to your shareholding in the first week of the following month. The Sponsorship Agreement contains additional special provisions to

better protect the Mortgagee of the shares. In particular, the Participant will only transfer or otherwise deal with the shares at the direction of the Mortgagee or with its consent.

Otherwise, the Sponsorship Agreement contains the standard provisions required by the ASTC Settlement Rules for CHESS Settlement Facility sponsorship by a non-broker participant.

These include:

- A statement of your ability to make a complaint to any regulatory body including ASX Settlement and Transfer Corporation Pty Limited ("ASTC");
- An acknowledgment by you that, if a transfer of your participant sponsored holdings is effected by the Participant, you may not claim against the ASTC or issuer of the relevant shareholding that it was not, amongst other things, authorised by you;
- A statement that if you make a claim for compensation against the Participant, the ability for the Participant to satisfy that claim will depend on its financial stability. The National Guarantee Fund does not cover breaches by the Participant under the Sponsorship Agreement;
- A statement of your right to remove your shareholdings from the CHESS Settlement Facility sub-register or from the control of the Participant if the Participant is suspended from participation in the CHESS Settlement Facility sub-register (this right is subject to some control by the Mortgagee);
- An outline of the "holder record lock" which would apply to your participant sponsored holdings in the event of your death or bankruptcy; and
- A statement that the Australian Stock Exchange ("ASX") and the ASX Group take no responsibility for, have not approved the abilities or qualifications of the Participant and will not be responsible for supervising or regulating the relationship between you and the Participant.

The Sponsorship Agreement incorporates, by reference, terms defined in the ASTC Settlement Rules. Should you require a copy of the relevant ASTC Settlement Rules to review, please contact us on 1800 252 351.

If you have any queries relating to the terms of the Sponsorship Agreement, or do not fully understand any of its terms, please contact your Financial Adviser or contact us on 1800 252 351, 8 am to 6 pm (EST), Monday to Friday.

15. INTERPRETATION

15.1 Any term used in this *sponsorship agreement* which is defined in, or given a meaning under, the ASTC Settlement Rules ("Rules") has the meaning given in the *Rules*.

(Should you require a copy of these definitions please contact *CommSec*).

16. APPOINTMENT

16.1 By way of *security* for our interest in the *secured property* and for the obligations you owe us under the *mortgage*:

- (a) you appoint *CommSec* to provide (and *CommSec* agrees to provide) transfer and settlement services as agent for you in relation to any *financial products* which are, or are intended to be, *participant sponsored holdings* under this *sponsorship agreement*; and

- (b) you irrevocably appoint *CommSec* (and its assigns) and each *authorised officer* of *CommSec* (or of its assigns) severally to be your attorney, with full power, either in the name of *CommSec*, your name or the respective attorney's name, to do all acts and things you may lawfully authorise an attorney to do in relation to any *financial products* which are, or which are intended to be, *participant sponsored holdings*. Your attorney may delegate power and revoke a delegation and may exercise powers even if this involves a conflict of interest(s) and/or duty/duties and whether or not you are in default.

17. AUTHORITIES AND DEALINGS

17.1 You authorise *CommSec* to effect any transfers and conversions and to do all other things necessary or desirable to register the *financial products* into *participant sponsored holdings*. *CommSec* must initiate the necessary transfers or conversions within the time prescribed under the *Rules*.

17.2 *CommSec* will notify you of the HIN for each of your *CHESS participant sponsored holdings* to which this *sponsorship agreement* relates.

17.3 When you propose to add to, substitute or change the *participant sponsored holdings*, you must notify us in writing.

17.4 Where you authorise *CommSec* to buy *financial products*, you will pay for those *financial products* on or before the date agreed with *CommSec* for payment.

17.5 Where *CommSec* has received your oral or written instructions to enter into any transaction involving the disposal of *financial products* held in a participant sponsored holding, *CommSec* has authority:

- (a) to initiate and effect a transfer of the *financial products*; or
- (b) to take any other action necessary to bring about the disposal, even if, because of netting arrangements, the transfer or disposal is to a *person* who is not a party to the transaction.

17.6 *CommSec* 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*.

However:

17.7 Any transfer, conversion, disposal or other action under this *sponsorship agreement* must be approved and authorised by us. The form of authorisation must be signed by one of our authorised officers and stamped with our stamp in a form disclosed by us to *CommSec* from time to time.

17.8 On our being able to exercise our power of sale under the *mortgage*, we may instruct *CommSec* without any reference to you. *CommSec* will act on those instructions and may remove the Holder Record Lock in accordance with the *Rules* to facilitate the exercise of our powers under the *mortgage*, without confirmation or ratification from you.

17.9 *CommSec* is not obliged to transfer *financial products* into your participant sponsored holding, where payment for those *financial products* has not been received, until payment is received.

17.10 Where a contract for the purchase of *financial products* remains unpaid, after *CommSec* has made a demand of you to pay

for the *financial products*, *CommSec* may sell those *financial products* that are the subject of that contract at *your* risk and expense and that expense will include brokerage.

- 17.11 Where *CommSec* claims that an amount lawfully owed to it has not been paid by *you*, *CommSec* has the right to refuse to comply with *your withdrawal instructions*, but only to the extent necessary to retain *financial products* of the minimum value held in *your* participant sponsored holding (where the minimum value is equal to 120% of the current *market value* of the amount claimed). Where *CommSec* exercises this right, it must inform *you* within a reasonable period of the action it has taken.

18. INFORMATION ABOUT PARTICIPANT SPONSORED HOLDINGS

- 18.1 *You* will supply all information and supporting documentation which is reasonably required to permit *CommSec* to comply with the registration requirements, as are in force from time to time, under the *Rules*.
- 18.2 Where statements of holding balances or other information are obtained by *CommSec* from *ASTC* or issuers at *your* request, *you* will bear *CommSec's* reasonable costs in obtaining the statements or information.
- 18.3 *You* authorise *CommSec* to provide information about *you* and *your participant sponsored holdings* to *ASTC*, *ASX* and *ASIC* as appropriate or necessary from time to time.

19. EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS

- 19.1 Where *you* arrange with *ACH* to lodge *financial products* in a participant sponsored holding as cover for written positions in the Australian Options Market, and inform *CommSec* of the arrangement, *you* authorise *CommSec* to take whatever action is reasonably required by *ACH* in accordance with the *Rules* to give effect to that arrangement provided that any arrangement under this sub-clause is subject to *our* consent.
- 19.2 If we give *our* prior written consent for *you* to give a *security interest* over *financial products* in a participant sponsored holding to another *person*, *you* authorise *CommSec* to take whatever action is reasonably required by the *person* in accordance with the *Rules* to give effect to that arrangement.
- 19.3 *You* acknowledge that where, in accordance with this *sponsorship agreement* and/or *your* instructions, and subject to *our* consent, *CommSec* initiates any action which has the effect of creating a sub-position over *financial products* in the participant sponsored holding, *your* right to transfer, convert or otherwise deal with those *financial products* is restricted in accordance with the terms of the *Rules* relating to sub-positions.
- 19.4 Nothing in this *sponsorship agreement* operates to override any interest of *ACH* in the *financial products*.

20. FEES

- 20.1 *You* will pay all brokerage fees and associated transactional costs (including any tax or duty) within the period prescribed by *CommSec*.
- 20.2 To facilitate accounting and payment, *you* agree to pay the abovementioned brokerage fees and associated transactional costs to *us* and we will forward them promptly to *CommSec*.

21. NOTIFICATIONS AND ACKNOWLEDGEMENTS

- 21.1 *You* acknowledge that if *CommSec* is not a Market Participant of *ASX*, neither *ASX* nor the *ASX* Group have any responsibility for supervising or regulating the relationship between *you* and *CommSec*, other than in relation to the *Rules* relating to sponsorship agreements.
- 21.2 *You* acknowledge that if a transfer is taken to be effected by *CommSec* under Section 9 of the *Rules* and the Source Holding for the transfer is a participant sponsored holding under this *sponsorship agreement*, then:
- you* may not assert or claim against *ASTC* or the relevant issuer that the transfer was not effected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by *you* to effect the transfer; and
 - unless the transfer is also taken to have been effected by a Participant of *ASX* or a Participant of *ACH*, *you* have no claim arising out of the transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations.
- 21.3 In the event that *CommSec* breaches any of the provisions of this *sponsorship agreement*, *you* may refer that breach to any regulatory authority, including *ASTC*.
- 21.4 In the event that *CommSec* is suspended from *CHESS settlement facility* participation, subject to the assertion of an interest in *financial products* controlled by *CommSec*, by the liquidator, receiver, administrator or trustee of *CommSec* or by *us*:
- you* have the right, within twenty (20) *business days* of *ASTC* giving notice of suspension, to give notice to *ASTC* requesting that any *participant sponsored holdings* be removed either from the *CHESS settlement facility* Subregister, or from the control of *CommSec* to the control of another Participant with whom *you* have concluded a valid *sponsorship agreement* pursuant to Rule 12.19.10; or
 - where *you* do not give notice under Clause 21.4(a), *ASTC* may effect a change of Controlling Participant under Rule 12.19.11. and *you* will be deemed to have entered into a new *sponsorship agreement* with the substitute Participant on the same terms as the existing *sponsorship agreement*. Where *you* are deemed to have entered into a *sponsorship agreement*, the new Participant must enter into a *sponsorship agreement* with *you* within ten (10) *business days* of the change of Controlling Participant.
- 21.5 *You* acknowledge that before *you* were bound by this *sponsorship agreement*, *CommSec* provided *you* with an explanation of the effect of this *sponsorship agreement* and that *you* understood the effect of this *sponsorship agreement*.
- 21.6 *You* acknowledge that *CommSec* shall not be required to provide an executed copy of this *sponsorship agreement* to *you* unless requested by *you*.
- 21.7 We acknowledge that *you* may from time to time instruct *CommSec* to register *financial products* purchased on *your* behalf without using a loan ("non-Mortgaged shares") into a participant sponsored holding which is subject to a separate *sponsorship agreement* between *CommSec* and *you* in *your* capacity as a sponsored client. *CommSec* will separately record and account to *you* for the non-Mortgaged shares.

22. CHANGE OF CONTROLLING PARTICIPANT

- 22.1 If you receive a Participant Change Notice from the Controlling Participant of the participant sponsored holding and the Participant Change Notice was received at least twenty (20) *business days* prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, you are under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in Clauses 22.2 or 22.3.
- 22.2 You may choose to terminate this *sponsorship agreement* by giving *withdrawal instructions* under the *Rules* to the Controlling Participant, indicating whether you wish to:
- (a) transfer your participant sponsored holding to another Controlling Participant; or
 - (b) transfer your participant sponsored holding to one or more Issuer Sponsored Holdings.
- 22.3 If you do not take any action to terminate this *sponsorship agreement* in accordance with Clause 22.2 above, and do not give any other instructions to the Controlling Participant which would indicate that you do not agree to the change of Controlling Participant then, on the Effective Date, this *sponsorship agreement* will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the Effective Date:
- (a) the New Controlling Participant is a party to this *sponsorship agreement* in substitution for the Existing Controlling Participant;
 - (b) any rights of the Existing Controlling Participant are transferred to the New Controlling Participant; and
 - (c) the Existing Controlling Participant is released by you from any obligations arising on or after the Effective Date.
- 22.4 The novation in Clause 22.3 will not take effect until you have received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for you. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- 22.5 You will be taken to have consented to the events referred to in Clause 22.4 by the doing of any act which is consistent with the novation of this *sponsorship agreement* to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
- 22.6 This *sponsorship agreement* continues for the benefit of the Existing Controlling Participant 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 22.3 not binding or effective on the Effective Date, then this *sponsorship agreement* will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of this *sponsorship agreement* on trust for the New Controlling Participant.
- 22.7 Nothing in this Clause 22 will prevent the completion of *CHESS settlement facility* transactions by the Existing Controlling Participant where the obligation to complete those transactions

arises before the Effective Date and this *sponsorship agreement* will continue to apply to the completion of those transactions, notwithstanding the novation of this *sponsorship agreement* to the New Controlling Participant under this Clause 22.

23. REGULATORY REGIME

- 23.1 The regulatory regime which applies to *CommSec* is the regime established under the Corporations Act and Corporations Regulations, the ASX Market Rules, the ASTC Settlement Rules and the ACH Clearing Rules. You can obtain information as to the status of *CommSec* from the relevant regulatory authorities under this regime, namely ASIC, ASX, ASTC and ACH.
- 23.2 You may lodge a complaint against *CommSec* with ASIC, ASX, ASTC, ACH or the Financial Industry Complaints Service Limited ("FICS"). You may lodge any claim for compensation:
- (a) with *CommSec* in the first instance and if not satisfied with *CommSec's* response, you may refer the claim to FICS; and
 - (b) in relation to the National Guarantee Fund, with the Securities Exchange Guarantee Corporation Limited.
- (Refer Clause 24 below for further details with respect to claims for compensation).

24. CLAIMS FOR COMPENSATION

- 24.1 *CommSec* maintains professional indemnity insurance for its activities as an Australian Financial Services licensee.
- 24.2 If *CommSec* breaches a provision of this *sponsorship agreement* and you make a claim for compensation pursuant to that breach, the ability of *CommSec* to satisfy that claim will depend on the financial circumstances of *CommSec*.
- 24.3 If a breach by *CommSec* of a provision of this *sponsorship agreement* falls within the circumstances specified under Part 7.5, Division 4 of the Corporations Regulations, you may make a claim on the National Guarantee Fund for compensation.
- (For more information on the circumstances in which you may make a claim on the National Guarantee Fund or for information on the National Guarantee Fund generally, contact the Securities Exchange Guarantee Corporation Limited).

25. REDEMPTION OF SECURITIES BY MISTAKE

- 25.1 If, by mistake, we redeem any security held in your name you agree that we will, without cost to you, reinstate the security as soon as we become aware of the mistake.
- 25.2 If, as a result of a redemption by mistake, you incur an actual capital gains tax liability we will pay to you an amount equal to the actual capital gains tax liability you have incurred. The payment will be made 14 days after you give to us a notice of assessment of that tax liability and evidence that the capital gain which accrued to you because of the redemption by mistake was included in your taxation return to which the assessment applies.

26. DEATH OR BANKRUPTCY

- 26.1 Without detracting from the *mortgage*, you acknowledge that:
- (a) in the event of your death or bankruptcy, a Holder Record Lock will be applied to all *participant sponsored holdings* in accordance with the *Rules*, unless your legally appointed representative or trustee elects to remove the *participant sponsored holdings* from the *CHESS settlement facility* Sub register; and

- (b) in the event of *your* death, the sponsorship under this *sponsorship agreement* is deemed to remain in operation, in respect of the legally appointed representative authorised to administer *your* estate, subject to the consent of the legally appointed representative, for a period of up to three (3) calendar months after the removal of a Holder Record Lock applied under this Clause 26.1.

26.2 If *your* legally appointed representative or trustee elects to remove the *participant sponsored holdings* from the *CHESS settlement facility* Sub register, then *CommSec* must initiate a conversion of *financial products* in the *participant sponsored holdings* to another mode of holding. *CommSec* has no further obligation to any *person* in relation to the *financial products* in the *participant sponsored holdings*.

26.3 Whilst the *participant sponsored holdings* are subject to the *mortgage*, *your* legally appointed representative or trustee must ensure that, in giving any consent under Clause 26.1, the appointment of *CommSec* continues in accordance with Clause 16.

27. JOINT HOLDINGS

- 27.1 Where more than one *person* is bound by this *sponsorship agreement*, *you* acknowledge that in the event of the death of one them:
- (a) *CommSec* will transfer the *participant sponsored holdings* under the joint Holder Record into new *participant sponsored holdings* under a new Holder Record in the name of the survivor(s) of them;
 - (b) this *sponsorship agreement* continues to apply to the new *participant sponsored holdings* under the new Holder Record; and
 - (c) the survivor or survivors continue to be bound by this *sponsorship agreement*.
- 27.2 *You* acknowledge that if one of *you* is declared bankrupt:
- (a) *CommSec* will, unless the legally appointed trustee of the bankrupt *person* elects to remove the *participant sponsored holdings* from the *CHESS settlement facility* Sub register, establish a new Holder Record in the name of the bankrupt *person*, transfer the interest of the bankrupt *person* into new *participant sponsored holdings* under the new Holder Record and request that *ASTC* apply a Holder Record Lock to the *participant sponsored holdings* under that Holder Record;
 - (b) *CommSec* will establish a new Holder Record in the names of the rest of *you* and transfer the interest of the rest of *you* into the *participant sponsored holdings* under the new Holder Record; and
 - (c) the rest of *you* continue to be bound by this *sponsorship agreement*.

27.3 If the legally appointed trustee of the bankrupt *mortgagor* elects to remove the *participant sponsored holdings* from the *CHESS settlement facility* Sub register, then Clause 27.2 will apply.

28. TERMINATION

- 28.1 Subject to the *Rules*, the sponsorship under this *sponsorship agreement* will be terminated upon the occurrence of any of the following events:
- (a) by notice in writing from either *you* or *CommSec* to the other party to this *sponsorship agreement* (but only with *our* consent);

- (b) upon *CommSec* becoming insolvent;
- (c) upon the termination or suspension of *CommSec*; or
- (d) upon the giving of *withdrawal instructions* by *you* to a Controlling Participant in accordance with Rule 7.1.10(c).

28.2 Termination under Clause 28.1(a) will be effective upon receipt of notice by the other party to this *sponsorship agreement*.

29. RULES AND VARIATION

- 29.1 This *sponsorship agreement* is subject to the *Rules* in force from time to time. *You* will not, and *we* undertake not to, take any action which will prevent or impede *CommSec* from complying with its obligations under the *Rules*.
- 29.2 Should any of the provisions in this *sponsorship agreement* be inconsistent with the provisions in the *Rules*, *CommSec* will, by giving *you* not less than seven (7) *Business Days* written notice, vary this *sponsorship agreement* to the extent to which, in *CommSec*'s reasonable opinion, it is necessary to remove any inconsistency.
- 29.3 Except as provided in Clause 29.2, this *sponsorship agreement* may be varied only by a written *agreement* signed by *CommSec* and *you*.

PART IV – NOMINEE PROVISIONS

30. YOU, THE GUARANTOR AND/OR THE THIRD PARTY MORTGAGOR AND THE NOMINEE

- 30.1 *You* and the *Guarantor* and/or the *Third Party Mortgagor* agree:
- (a) that if *we* ask the *Nominee* will hold on *your* or the *Guarantor* and/or the *Third Party Mortgagor*'s behalf all or part of the *secured property* specified by *us*; and
 - (b) that *you* and the *Guarantor* and/or the *Third Party Mortgagor* will do all that is required to cause that *secured property* to be registered in the *Nominee*'s name; and
 - (c) that *you* will deal with that *secured property* only in accordance with this Part IV.

The *Nominee* will be deemed to have entered into this *agreement* on the terms and conditions contained in the *Master Nominee Deed* when it agrees to have *secured property* registered in its name.

- 30.2 *You* and the *Guarantor* and/or the *Third Party Mortgagor* acknowledge that the legal title to *securities* may as a result of Clause 30.1 be held by or in the name of the *Nominee* in accordance with the terms of the *Master Nominee Deed*. *You* and the *Guarantor* and/or the *Third Party Mortgagor* accept those terms.
- 30.3 The *Nominee* need not make any payment unless *you* or the *Guarantor* and/or the *Third Party Mortgagor* first give it the money to do so.

Nominee agrees and acknowledges

- 30.4 The *Nominee* agrees to only take action in relation to the *secured property* in accordance with instructions given by *us* under this *agreement*. Such instructions may include:
- (a) a direction to take instructions from *you* or the *Guarantor* and/or the *Third Party Mortgagor* in certain circumstances (for example, in relation to voting rights in respect of *secured property* held by the *Nominee*); or
 - (b) (if the *Nominee* is holding *securities* under a Regular Gearing Facility) a direction to vary the amount of money that would

otherwise be drawn by the *Nominee* on your behalf from the *credit limit* to buy *securities* on any particular date, as a result of action taken by you or us pursuant to Clause 5.4.

You direct, authorise and agree

30.5 You and the *Guarantor and/or the Third Party Mortgagor* direct the *Nominee* to act only in accordance with instructions received from us (not you or the *Guarantor and/or the Third Party Mortgagor*), unless we agree otherwise.

If you or the *Guarantor and/or the Third Party Mortgagor* want to take any action in relation to the *secured property* held by the *Nominee*, you or the *Guarantor and/or the Third Party Mortgagor* must tell us, and we will give appropriate directions to the *Nominee* if the request does not contravene any provision of this *agreement*. If you or the *Guarantor and/or the Third Party Mortgagor* ask us to direct the *Nominee* to take action on your or the *Guarantor and/or the Third Party Mortgagor's* behalf, then neither we nor the *Nominee* are liable for any loss that may be suffered as a result of us or the *Nominee* carrying out the instructions. If you ask us to direct the *Nominee* to apply for *securities* on the basis of material contained in a prospectus, then you declare that you have read the prospectus and received any independent investment advice that you consider appropriate prior to asking us to direct the *Nominee* to so act.

30.6 You and the *Guarantor and/or the Third Party Mortgagor* direct the *Nominee* to do anything necessary to give effect to the instructions it receives from us. For this purpose you and the *Guarantor and/or the Third Party Mortgagor* authorise the *Nominee* (and each of its directors, employees whose job title includes the word 'manager' and any other *person* the *Nominee* authorises) to act as your attorney, and agree to formally approve anything the *Nominee* does under this power of attorney. This power of attorney terminates only when the *Nominee's* appointment terminates in accordance with Clause 30.7. A *person* dealing with the *Nominee* acting as your or the *Guarantor and/or the Third Party Mortgagor's* attorney does not have to enquire as to whether the *Nominee* is correctly exercising its powers under this *agreement*.

30.7 You and the *Guarantor and/or the Third Party Mortgagor* agree not to terminate the *Nominee's* appointment until you have paid to us all of the *amount owing*.

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

PART V – DEFAULT PROVISIONS

31. IF YOU ARE IN DEFAULT

When are you in default?

31.1 You are in default if:

- (a) you or the *Guarantor and/or the Third Party Mortgagor* do not pay on time any amounts due under any *transaction document*; or
- (b) you or the *Guarantor and/or the Third Party Mortgagor* do something you or the *Guarantor and/or the Third Party Mortgagor* agree not to do, or don't do something you or the *Guarantor and/or the Third Party Mortgagor* agree to do, under any *transaction document*; or

- (c) you or the *Guarantor and/or the Third Party Mortgagor* gives us incorrect or misleading information in connection with a *transaction document*; or
- (d) we reasonably believe that you or the *Guarantor and/or the Third Party Mortgagor* has acted fraudulently in connection with a *transaction document*; or
- (e) you or the *Guarantor and/or the Third Party Mortgagor* become *insolvent*, or steps are taken to make you or the *Guarantor and/or the Third Party Mortgagor* so; or
- (f) any of the declarations you or the *Guarantor and/or the Third Party Mortgagor* have made in Clause 5.7 or Clause 30.5, 30.6, 30.7 or 30.8 is not true or ceases to be true; or
- (g) anything happens which in our view might affect the value of the *secured property*, or indicate to us that you or the *Guarantor and/or the Third Party Mortgagor* are not going to observe your respective obligations under any *transaction document*; or
- (h) if for any reason the Sponsorship Agreement in Part III of this agreement is terminated.
- (j) you or a signatory become a *Proscribed Person*

What can happen then?

31.2 If you are in default, we may give you a notice which:

- (a) states that you are in default; and
- (b) requires you to immediately pay us the *amount owing*; and
- (c) give a copy of that notice to any *Guarantor and/or the Third Party Mortgagor* informing them that if you fail to comply with the notice, we may exercise rights and remedies against them.

31.3 If you do not comply with any notice we send you under Clause 31.2, then we may do any or all of the following:

- (a) sue you for the *amount owing*; and
- (b) do anything with the *secured property* that the owner or a *receiver* of that property could do, *including* selling or assigning it on any terms we choose; and
- (c) exercise and enjoy the benefits of the rights you previously held under Clause 9; and
- (d) do anything else the law allows us to do as a mortgagee; and
- (e) appoint a *receiver* to do any of the above.

Receivers

31.4 If we appoint a *receiver*, the *receiver* is your agent or the *Guarantor and/or the Third Party Mortgagor's* agent (as the case may be), not ours, unless we notify you or the *Guarantor and/or the Third Party Mortgagor* otherwise. You and the *Guarantor and/or the Third Party Mortgagor* must pay the *receiver's* costs and remuneration.

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

31.6 A *receiver* can do anything we could do under Clause 31.3, and anything else the law allows a *receiver* to do.

31.7 If we or the *receiver* takes possession of the *secured property* then neither of us is liable to account to you or the *Guarantor and/or the Third Party Mortgagor* as a mortgagee in possession.

Exclusion of time periods

- 31.8 Neither we nor any receiver need give you or the Guarantor and/or the Third Party Mortgagor any notice or demand or allow time to elapse before exercising a right under the mortgage or conferred by law (including a right to sell) unless the notice, demand or lapse of time is required by law and cannot be excluded.
- 31.9 If a law requires that a period of notice must be given or a lapse of time must occur or be permitted before a right under the mortgage or conferred by law may be exercised, then:
- (a) when a period of notice or lapse of time is mandatory, that period of notice must be given or that lapse of time must occur or be permitted by us; or
 - (b) when the law provides that a period of notice or lapse of time may be stipulated or fixed by the mortgage, then one day is stipulated and fixed as that period of notice or lapse of time including, if applicable, as the period of notice or lapse of time during which:
 - (i) a default must continue before a notice is given or requirement otherwise made for payment of any amount (including the amount owing) or the observance of other obligations under the mortgage; and
 - (ii) a notice or request for payment of any amount (including the amount owing) or the observance of other obligations under the mortgage must remain not complied with before we or a receiver may exercise rights.

Disposal of the secured property is final

- 31.10 You and the Guarantor and/or the Third Party Mortgagor agree that if we sell or otherwise dispose of the secured property:
- (a) it may be in any way we think appropriate, and we are not required to act in accordance with any instructions you and the Guarantor and/or the Third Party Mortgagor purport to give; and
 - (b) the disposal will not be open to challenge for any reason (including on the ground that we were not entitled to dispose of the secured property or that you or the Guarantor and/or the Third Party Mortgagor did not receive notice of the intended disposal); and
 - (c) the person who acquires the secured property need not check whether we have the right to dispose of the secured property or whether we are exercising that right properly.

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

Limitation of liability

- 31.11 (a) Without limiting the amount secured by this Mortgage, the total amount recoverable from the Mortgagor does not exceed the aggregate of:
- (i) the amount of the Loan Limit; plus
 - (ii) all amounts which we are charged or charge or pay or incur in connection with establishing and administering the Loan or any transaction contemplated by the Terms and Conditions; plus
 - (iii) our usual bank account fees and charges and all fees and charges you must pay us under the Terms and Conditions; plus

- (iv) any government tax or duty charged in relation to anything done under or in connection with the Terms and Conditions; plus
 - (v) interest on each amount demanded from the Mortgagor at the rate or the highest of the rates charged or chargeable to the Borrower from time to time after the date of demand, from that date until payment; plus
 - (vi) interest on that interest by way of compound interest, calculated after the date of demand at such time or times or from time to time as we think fit, at the rate or rates referred to immediately above; plus
 - (vii) all charges, costs and expenses (if any) which we incur, sustain or pay in exercising or enforcing any right, power, claim or remedy of any kind out of the Terms and Conditions or recovering or attempting to recover from the Mortgagor the money at (i), (ii) and (iii) above plus interest on those charges, costs and expenses at the rate or rates referred to above.
- (b) If you are not a Borrower, a director of a Borrower or a Borrower acting in the capacity of a trustee then (but not otherwise) your liability under this Mortgage is limited to the amount that we receive from the sale of your Mortgaged Property.

32. REFUSAL OF SERVICE

In the event that you or a signatory appears to be a Proscribed Person, then we may immediately refuse to process or complete any transaction or dealing of yours; suspend the provision of a product or service to you; refuse to allow or to facilitate any of your assets held by us to be used or dealt with; refuse to make any asset available to you to any other proscribed person or entity; or terminate these arrangements with you. We will be under no liability to you if we do any or all of these things. Our rights under this clause are in addition to all other rights we may have.

If we exercise our rights under this clause you must pay us any damages, losses, costs or expenses that we incur in relation to any action taken under this clause, including without limitation our refusal of service under this clause, interest adjustments, administrative costs and/or costs of sale or purchase of any transaction or deal put in place for the purposes of meeting our obligations under these Terms and Conditions.

PART VI – TRUSTEE PROVISIONS

33. TRUSTEE DECLARATIONS AND UNDERTAKINGS

33.1 If you are a trustee of a trust then:

- (a) you declare that:
 - (i) you are the only trustee of the trust; and
 - (ii) no action has been taken or is proposed to be taken to remove you as trustee; and
 - (iii) you have given us true (ie complete and up-to-date) copies of the trust deed and other documents relating to the trust which contain all the terms of the trust; and
 - (iv) you have the power to sign the transaction documents, perform your obligations under them, allow them to be enforced, and any conflict of interest and duty that might arise is satisfactorily overcome by the trust instrument or

has been overcome by a resolution by all unitholders of the trust; and

- (v) *you* have signed the *transaction documents* in your personal capacity and also as trustee for the benefit of the beneficiaries; and
- (vi) *you* have the right to be indemnified out of the trust fund for all of the obligations *you* incur under the *transaction documents*, and the trust fund is sufficient to cover this right of indemnity; and
- (vii) no action has been taken or is proposed to be taken to terminate the trust or revoke any of *your* powers and (so far as *you* are aware) no-one intends to take any such action; and
- (viii) *our* rights under the *transaction documents* have priority over the interests of the beneficiaries; and

(b) *you* agree to:

- (i) exercise *your* right of indemnity from the trust fund and beneficiaries if necessary in order to meet *your* obligations under the *transaction documents*; and
- (ii) do everything *you* have to as trustee of the trust; and
- (iii) not do anything which may negatively affect *your* obligations as trustee of the trust; and
- (iv) provide *us* with a completed solicitor's certificate (in a form we supply) which provides *us* with details of the trust.

33.2 The declarations and undertakings in Clause 33.1 are of a continuing nature. *You* agree to tell *us* immediately if anything *you* have declared or agreed to becomes untrue or impossible.

PART VII – GENERAL PROVISIONS

34. OTHER COSTS AND CHARGES

- 34.1 *You* must pay the amounts of those of *our* standard fees and charges which are applicable to this facility at the time specified in any schedule of fees and charges. If no time is specified, *you* must pay when *we* ask. *We* supply a copy of *our* schedule of fees and charges with the booklet containing these Terms and Conditions. *We* will send a further copy to *you* if *you* so request in writing.
- 34.2 *We* may change the amount of any fee or charge or change how often they are charged, or impose new fees or charges at any time. A schedule of *our* fees and charges will be sent by *us* to *you* if *you* so request in writing.
- 34.3 *You* must pay *us* and the *Nominee* for:
- (a) any *costs* *we* and the *Nominee* reasonably incur in arranging, registering, administering or terminating the *transaction documents* (including action taken to enforce rights given to *us* and the *receiver* by the *transaction documents*); and
 - (b) financial institutions duty, bank account debits tax and all additional stamp and other duties, taxes or fees payable in connection with the *transaction documents* including any interest, penalties, fines or expenses which might arise in relation to these payments, and any amounts *we* pay to any independent consultant, agent, *receiver* or lawyer; and
 - (c) any increase in *our costs* of supplying the *credit limit* to *you*.
- 34.4 *You* must pay for anything which *you* or the *Guarantor and/or the Third Party Mortgagor* do under or in relation to this *agreement*.

34.5 *You* and the *Guarantor and/or the Third Party Mortgagor* jointly and severally indemnify *us* against, and must therefore pay *us* on demand for, loss or costs (including consequential or economic loss) *we* suffer or incur if:

- (a) *you* or a *Guarantor and/or the Third Party Mortgagor* is in default under any of the *transaction documents*; or
- (b) money is not available to meet *your* request, unless it is *our* fault that money is not available; or
- (c) any money *you* or another *person* has to pay under the *transaction documents* is not promptly paid; or
- (d) any party to the *transaction documents* breaches the law.

34.6 *You* must pay *us* an amount equal to any liability, loss or costs (including consequential or economic loss) of a kind referred to in this Clause 34 suffered or incurred by any *receiver* or attorney appointed under a *transaction document*, any of *our* employees or officers or any purchaser or holder of the *secured property*.

35. WHAT HAPPENS TO PAYMENTS WE RECEIVE?

- 35.1 *We* may use any payment *we* receive under or in relation to this *agreement* to reduce the *amount owing* unless *we* are obliged to pay all or part of the payment to anyone with a prior claim.
- 35.2 *We* may use any money received under or in relation to this *agreement* towards paying any part of the *amount owing* in the order that *we* choose, including by paying a later *instalment* before an earlier one. This applies even if that part falls due after a default has occurred.
- 35.3 If at the time *we* receive a payment, any part of the *amount owing* is not then due for payment, *we* may retain an amount equal to that part. *We* must hold it in an interest bearing account and use it (as well as any interest) to pay the *amount owing* when it becomes due for payment.
- 35.4 *You* or the *Guarantor and/or the Third Party Mortgagor* are only credited with money from the date *we* actually receive it. However, if *we* receive a payment after 3pm (in the place of receipt) on any day, *we* need not treat it as received by *us* until the next *working day*.
- 35.5 *We* must pay any money remaining after the *amount owing* is paid either to *you* or to another *person* entitled to it. In particular, *we* may pay it to a *person* with a subsequent registered or unregistered *security interest* without incurring any liability to *you* or the *Guarantor and/or the Third Party Mortgagor*.

36. POWER OF ATTORNEY

- 36.1 *You* and the *Guarantor and/or the Third Party Mortgagor* appoint *us*, each of *our* directors, each of *our* employees whose job title includes the word 'manager' and each *receiver*, separately as *your* attorney. If *we* ask, *you* and the *Guarantor and/or the Third Party Mortgagor* must formally approve anything they do under Clause 36.2. For valuable consideration and by way of *security* *you* and the *Guarantor and/or the Third Party Mortgagor* agree that these appointments may not be revoked.
- 36.2 Each attorney may:
- (a) do anything which *you* and the *Guarantor and/or the Third Party Mortgagor* can do as owner of the *secured property* or which *you* or the *Guarantor and/or the Third Party Mortgagor* are obliged to do under this *agreement* (including executing deeds, selling, assigning or otherwise dealing with the

secured property and starting, conducting and defending legal proceedings); and

- (b) complete any blanks in any document given to *us* by *you* or the *Guarantor and/or the Third Party Mortgagor*; and
- (c) delegate their powers (*including* this power) and revoke a delegation; and
- (d) exercise their powers even if this involves a conflict of duty or they have a personal interest in doing so.

37. SOME GENERAL MATTERS

How we may exercise *our* rights

- 37.1 *We* may exercise a right or remedy or give or refuse *our* consent in any way *we* consider appropriate *including* by imposing conditions.
- 37.2 If *we* do not exercise a right or remedy fully or at a given time, *we* can still exercise it later.
- 37.3 *Our* rights and remedies under the *transaction documents* are in addition to other rights and remedies provided by law independently of them. *We* may enforce *our* rights and remedies before *we* enforce other rights (*including* under another *security interest*) and in any order *we* choose.
- 37.4 *We* are not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy, whether or not caused by *our* negligence.
- 37.5 *Our* rights and remedies under the *transaction documents* may be exercised by any of *our* directors, any of *our* employees whose job title includes the word 'manager' or any other *person we* authorise, *including* a receiver or attorney.

Reinstatement of rights

- 37.6 Under law, a trustee in bankruptcy or liquidator may ask *us* to refund a payment *we* have received in connection with the *transaction documents*. To the extent *we* are obliged to, or *we* agree to make a refund, *we* may treat this payment as if it had not been made.

We are then entitled to *our* rights against *you* and the *Guarantor and/or the Third Party Mortgagor* under the *transaction documents* as if the payment had never been made and, if *we* ask, *you* and the *Guarantor and/or the Third Party Mortgagor* must do everything necessary to restore to *us* any *security we* held immediately prior to the payment or transfer.

No merger

- 37.7 Each of this *agreement* and the *mortgage* does not merge with or adversely affect, and is not adversely affected by, any of the following:
 - (a) any guarantee or indemnity or any *security interest*, right or remedy, to which *we* are entitled at any time; or
 - (b) a judgment or order which *we* obtain against *you* in respect of an amount payable under the *transaction documents* (*we* can still exercise *our* rights under this *agreement* and the *mortgage* as well as under the judgment, order, other guarantee or *security*).

Certificates

- 37.8 *We* may give *you* a certificate signed by *us* or *our* lawyers about a matter or about an amount *payable* in connection with this *agreement*. The certificate is sufficient evidence of the matter or amount, unless it is proved to be incorrect.

You and the Guarantor and/or the Third Party Mortgagor must take further steps

- 37.9 *You* and the *Guarantor and/or the Third Party Mortgagor* must promptly do anything *we* ask (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed) to bind yourself and the *Guarantor and/or the Third Party Mortgagor* under this *agreement*, and to assist *us* and the *Nominee* in the enjoyment or enforcement of *our* respective rights under it.

Changes to these terms and conditions and borrowing limits

- 37.10 (a) When *we* intend to:
 - (i) introduce a fee or charge (other than a government charge);
 - (ii) vary the method by which interest is calculated;
 - (iii) vary the date on, or frequency with which interest is debited or credited;*we* will provide *you* with written notice of the introduction or variation at least 30 days before the change takes effect.
- (b) *We* will notify *you* of:-
 - (i) the introduction or variation of a government charge payable directly or indirectly by *you*; and
 - (ii) any other variation to these terms and conditions (including a variation of standard fees and charges); or
 - (iii) a variation in an interest rate (other than a fixed interest rate) and the date on which the variation takes effect in relation to the money *we* lend to *you*;by advertisement in the national media or local media or in writing to *you*, no later than the day on which the variation takes effect. *We* do not have to do this if:-
 - (iv) the interest rate is linked to money market rates or some other external reference rate, changes to which *we* cannot notify *you* of in advance; or
 - (v) where the introduction or variation of a government charge is publicised by the government, or a government agency or representative body.
- (c) *We* may also, at any time, in *our* absolute discretion and without notice to *you*, increase, decrease, add to, delete or otherwise vary the *borrowing limit* applying to any securities.

Completing this agreement and your obligations under it

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

Assignment

- 37.13 We may assign or otherwise deal with *our* rights under the *transaction documents*. You agree that we may disclose any information or documents we consider necessary to help us exercise this right.
- 37.14 Your rights are personal to *you* and may not be assigned without *our* prior written consent.

Indemnities

- 37.15 Each *indemnity* you or the *Guarantor and/or the Third Party Mortgagor* gives us or the *Nominee* is a continuing obligation, separate and independent from any other obligations you or a *Guarantor and/or the Third Party Mortgagor* have under a *transaction document*. Each *indemnity* continues after those other obligations end.

Inconsistent law

- 37.16 To the extent allowed by law the *transaction documents* prevail to the extent they are inconsistent with any law.
- 37.17 A provision of a *transaction document* that is void, illegal or unenforceable is ineffective only to the extent of the voidness, illegality or unenforceability, but the remaining provisions are not affected.
- 37.18 Any present or future law that varies the obligations of the *Borrower* under the *transaction documents* is excluded to the extent allowed by law if it affects *our* or the *Nominee's* rights or remedies adversely.

Notices and other communications

- 37.19 Notices, certificates, consents, approvals and other communications in connection with this *agreement* must be in writing.
- 37.20 Communications from *us* may be signed by any of *our* employees whose job description includes the word "manager". If *you* are a company, communications from *you* must be signed by a director.
- 37.21 Communications from *us* will be made to *you* if:
- (a) left at the address last notified to *us*; or
 - (b) sent to that address; or
 - (c) sent by fax to the number last notified to *us*; or
 - (d) in the case only of communications made in respect of Clause 4 or Clause 7, but without limiting *our* right to send such communications in another way permitted by this Clause, sent by fax to the number last notified to *us* of:
 - (i) the *person* you nominate as *your* adviser in the *Application Form*; or
 - (ii) such other *person* you nominate to *us* in writing to receive communications in lieu of the *person* nominated as *your* adviser in the *Application Form*; or
 - (e) when allowed by this *agreement*, advertised by newspaper.
- 37.22 Communications take effect from the time they are received unless a later time is specified in them.
- 37.23 If they are given by newspaper advertisement, they are taken to be received on the date they are first published.
- 37.24 If they are sent by post, they are taken to be received on the day they would arrive in the ordinary course of the post.
- 37.25 If they are sent by a fax machine which produces a transmission report, they are taken to be received at the time shown in a

transmission report which indicates that the whole fax was sent.

- 37.26 You and the *Guarantor and/or the Third Party Mortgagor* authorise *us* to act upon any instructions we may receive from the *person* you nominate as *your* adviser in the *Application Form* or such other *person* you nominate to *us* in writing to give instructions on *your* behalf.

Applicable law and service of documents

- 37.27 This *agreement* is governed by the law in force in New South Wales. You, the *Guarantor and/or the Third Party Mortgagor*, the *Nominee* and we submit to the non-exclusive jurisdiction of the courts of New South Wales.
- 37.28 We and the *Nominee* may serve any document in a court action on you or the *Guarantor and/or the Third Party Mortgagor* by delivering it to, or leaving it at, the address given *us*, or such other address as we agree to at any time. This Clause does not prevent any other method of service.

Telephone Recording

- 37.29 You authorise *us* to record any telephone conversation between *you* (including *your* agents and employees) and *us* with or without an audible tone warning device.

MEANING OF WORDS

agreement means the *agreement* comprising of Parts I to VII (inclusive) of the Terms and Conditions in this booklet.

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

- *you* and the *Guarantor and/or the Third Party Mortgagor* were aware of the assignment or consented to it; or
- the assigned obligation was secured before the assignment; or
- the assignment takes place before or after the *Application Form* is signed.

Application Form means the form setting out details of, and signed by, the *Borrower* and the *Guarantor and/or the Third Party Mortgagor*, contained in the booklet titled Margin Loan Application Form.

authorised officer means each of *our* officers and each of *CommSec* whose title, in both cases, is or includes the word "manager" or the word "executive".

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532) and its successors.

ASX means Australian Securities Exchange Limited.

base loan-to-security ratio means, at any time, the weighted average of the total amount we will lend *you* against each *secured property* and the total *market value* of that *secured property*, expressed as a percentage.

borrowing limit means, at any time, the percentage of value that we will advance against a particular investment on *our* list of *securities*. Each of the *securities* has its own *borrowing limit*, which we may change at *our* absolute discretion.

business day means each day on which we are open for business in Sydney.

CHESS participant sponsored holding means an uncertificated holding of financial products on a Sub register for that class of financial products maintained by ASTC.

CHESS settlement facility means the Clearing House Electronic Sub register System operated by ASTC.

CommSec means Commonwealth Securities Limited (ABN 60 067 254 399).

costs includes any charges and expenses including but not limited to those in connection with legal and other advisers.

credit limit means the maximum amount of money that we will lend you over time. We may, at our discretion, increase the limit at any time.

current loan-to-security ratio means, at any time, the relationship between the amount owing and the total market value of the secured property, expressed as a percentage.

default rate means the interest rate as described in Clause 2.9.

Deposit Facility means an interest bearing at call deposit account for the holding of short term cash arising from margin loan activities.

deposited documents means the documents at any time deposited by you or the Guarantor and/or the Third Party Mortgagor with us or which are held by us or come into our possession for any reason, specified in the security notice.

equity contribution means the cash or securities that you or a Guarantor and/or the Third Party Mortgagor contribute at or prior to the first loan we make or to maintain the base loan-to-security ratio when we advance you the credit limit.

financial products means securities.

future security means:

- all securities you or the Guarantor and/or the Third Party Mortgagor (or a trustee, Nominee or agent for you or the Guarantor and/or the Third Party Mortgagor) acquire either directly or indirectly which are completely or partially funded by the money we lend under this agreement or by an equity contribution; and
- all deposited documents and securities we specify in a security notice which you or the Guarantor and/or the Third Party Mortgagor, as the case may be, do not reject within the time specified in Clause 7.3,

and all your and the Guarantor and/or the Third Party Mortgagor's rights and interest in connection with them.

Guarantor means the person or persons who provide a guarantee to us of your obligations under this agreement. If there is more than one, Guarantor means each of them separately, and every two or more of them jointly. Guarantor includes successors and any person who in the future provides a guarantee.

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

A person is **insolvent** or in **insolvency** if they are insolvent or an insolvent under administration or have a controller appointed (each as defined in the Corporations Act), in receivership, in receivership

and management, in liquidation, in provisional liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from any creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due.

instalment means each periodic advance that we make to you under a Regular Gearing Facility.

issuer means the entity which issues the relevant financial products whether in its own right or as trustee.

margin call means the circumstances set out in Clause 4.1 which require you to take any or all of the action set out in that clause.

margin call loan-to-security ratio means, at any time the base loan-to-security ratio at that time plus 10%.

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

Master Nominee Deed means the deed so entitled entered into between us and the Nominee prior to the date of this agreement (a copy may be inspected at our offices during business hours).

mortgage means:

- Part II of this agreement; and
- any mortgage created by you or a Guarantor and/or the Third Party Mortgagor containing terms similar to Clause 7 of this agreement and which we nominate as a mortgage by notice to you.

mortgagor means any person who gives us a mortgage.

new rights means:

- your and the Guarantor and/or the Third Party Mortgagor's rights in connection with any money, dividends, interest, allotments, offers, benefits, privileges, rights, bonuses, shares, stock units or units in the capital of a corporation, stock, debentures, distributions, or rights to take up securities; or
- your and the Guarantor and/or the Third Party Mortgagor's rights consequent on any conversion, redemption, cancellation, reclassification, forfeiture, consolidation or subdivision; or
- your and the Guarantor and/or the Third Party Mortgagor's rights consequent on a compulsory acquisition, reduction of capital, liquidation or scheme of arrangement, in connection with the secured property and property acquired with the proceeds of secured property.

Nominee means State Nominees Limited (ABN 14 000 677 350).

participant sponsored holding means a CHESS participant sponsored holding which:

- belongs to a Third Party Mortgagor;
- is secured property; and
- CommSec sponsors under the sponsorship agreement.

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

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

proscribed person means a person who appears to us either (a) to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth); (b) to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism; (c) to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or (d) act on behalf, or for the benefit of, a person listed in subclauses (a) – (c).

receiver means *receiver* or *receiver* and manager.

Rules means the ASTC Settlement Rules in force from time to time.

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

securities means those:

- shares, stock units or units in the capital of a corporation; and
- debentures, debenture stock, bonds, notes, convertible notes, units, warrants or other *securities* created, issued or granted by any corporation, government, unincorporated body or other *person*; and
- units in any property trust, equity trust, cash management trust or other trust; and
- options to purchase, subscribe for or acquire any of the foregoing; and
- other *securities* within the meaning of section 92(1) of the Corporations Act; and
- futures contracts, being a contract entered into on a futures exchange in Australia where one party purchases an option or a right to be paid or to pay an amount of money to be determined by reference to the Australian Securities Exchange All Ordinaries Index or a prescribed index,
- monies held in the *Cash Deposit Facility* which are included in our list of *securities* available for investment in connection with the Colonial Margin Loan. We may add to or take away from this list from time to time.

security means each *security interest* in the *secured property* and any substitute or additional *security interest* given for the payment of money or the performance of obligations under this *agreement*.

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

security notice means a notice from *us* specifying details of *deposited documents* or *securities* nominated by *us* as potential *future security*.

sponsorship agreement means any *agreement* which provides for the ownership and transfer of uncertificated *financial products*, in the form required by the ASX under its Business Rules.

subposition means a facility in the *CHESS settlement facility* by which:

- activity in relation to *financial products* held in a *CHESS participant sponsored holding* may be restricted; and
- access to those *financial products* for limited purpose may be given to a *CHESS settlement facility* participant other than the Controlling Participant.

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

transaction costs means all costs or fees incidental to buying *securities*, such as broker's fees or the percentages charged by fund managers.

transaction documents means this *agreement*, each *mortgage* referred to in the second paragraph of the definition of that term, any *sponsorship agreement* relating to any of the *secured property*, any guarantee which we have told you we require, and any document connected with them.

we or **us** or **our** means Commonwealth Bank of Australia (ABN 48 123 123 124), *our* successors and anyone we assign *our* rights to.

withdrawal instructions means instructions for withdrawal of *financial products* from a *participant sponsored holding* and includes instructions:

- for the conversion of *financial products* in the *participant sponsored holding* to any other mode of holding;
- to initiate a change of sponsorship for the *financial products*;
- to endorse or initiate an off market transfer of *financial products*; and
- to accept a takeover offer for the *financial products* on *your* behalf.

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

you or **Borrower** means the *person* who borrows money from *us*, whose details are set out in the *Application Form*. If there are more than one, **you** means each of them separately and every two or more of them jointly.

In Parts II, III, IV, and VII of this *agreement*, **you** also means any other person (whether a Guarantor and/or the Third Party Mortgagor) who agrees to provide a mortgage to *us* under this *agreement*.

You includes *your* successors.

The singular includes the plural and vice versa. A reference to:

- a document includes any variation or replacement of it;
- law means common law, principles of equity and laws made by parliament (and includes regulations and other instruments under laws made by parliament and or replacements of any of them); and
- any thing includes the whole and each part of it.

PART VIII – PRIVACY INFORMATION AND AUTHORISATION

Customer information and privacy

Collection and verification of customer information

"Customer information" is information about a customer. It includes personal information.

The law requires us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. The collection and verification of information helps to protect against identity theft, money-laundering and other illegal activities.

We use your customer information to manage our relationship with you, provide you with the products and services you request and also tell you about the products and services offered by the Commonwealth Bank

Group ("Group"), affiliated providers and external providers for whom we act as agent. If you have given us your electronic contact details, we may provide marketing information to you electronically.

The collection and verification of customer information may be carried out in different ways and we will advise you of the most acceptable methods of doing this. We may disclose your customer information in carrying out verification – e.g. we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes your full name, date of birth and residential address. If you are commonly known by two or more different names, you must give us full details of your other name or names.

For instance, if you are a company, we may collect and verify information, including company incorporation and registration details, as well as details of the company's officers and its major shareholders.

If you are acting as a trustee, we may ask you for, amongst other things, information on the beneficiaries of the trust and evidence of the existence of the trust.

If you are a partnership, we may require information including evidence of the fact that the partnership exists, as well as the full name of the partnership, the names of the partners and any business name owned by the partnership.

For other organisations, the kind of information we collect and verify will depend on the type of organisation you are.

In addition, during your relationship with us, we may also ask for and collect further information about you and about your dealings with us.

You must provide us with accurate and complete information. If you do not, you may be in breach of the law and also we may not be able to provide you with products and services that best suit your needs.

Protecting customer information

We comply with the National Privacy Principles as incorporated into the *Privacy Act 1988* (Cth).

We disclose customer information to other members of the Group (including overseas members), so that the Group may have an integrated view of its customers and to facilitate the integrated treatment of its customers. It also enables other members of the Group to provide you with information on their products and services.

Other disclosures

At common law, banks are permitted to disclose customer information in the following circumstances:-

- (a) where disclosure is compelled by law; or
- (b) where there is a duty to the public to disclose; or
- (c) where our interests require disclosure; or
- (d) where disclosure is made with your express or implied consent.

So that we can manage our relationships, customer information may be disclosed to:

- brokers and agents who refer your business to us;
- any person acting on your behalf, including your financial adviser, solicitor, settlement agent, accountant, executor, administrator, trustee, guardian or attorney;
- financial institutions who request information from us if you seek credit from them;
- if you have borrowed from the Bank to purchase property valuers and insurers (so that the Bank can obtain a valuation of your property, and confirm that it is insured);
- if you have insurance: medical practitioners (to verify or clarify, if necessary, any health information you may provide), claims investigators and reinsurers (so that any claim you make can be assessed and managed), insurance reference agencies (where the Bank is considering whether to accept a proposal of insurance from you and, if so, on what terms); and
- organisations to whom we may outsource certain functions.

In all circumstances where our contractors, agents and outsourced service providers become aware of customer information, confidentiality arrangements apply. Customer information may only be used by our agents, contractors and outsourced service providers for our purposes.

We may be required to disclose customer information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, anti-money laundering or counter terrorism financing.

We may send customer information overseas if:

- that is necessary to complete a transaction, or
- we outsource certain functions overseas.

We may also be permitted, as distinct from required, to disclose information in other circumstances. For more information, please refer to our Privacy Policy.

Access to your personal information

The law allows you (subject to permitted exceptions) to access your personal information. You can do this by contacting:

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

We may charge you for providing access.

Further information

For further information on our privacy and information handling practices, please refer to the Group's Privacy Policy, which is available at **commbank.com.au** or upon request from any branch of the Bank.

You authorise us:

- (a) to give any Guarantor and/or the Third Party Mortgagor or proposed Guarantor and/or the Third Party Mortgagor of your credit contract or other facility to which the guarantee or security extends ("Facility"), any information (including credit information) or record that has any bearing on your creditworthiness, credit

standing, credit history or credit capacity in connection with the Facility, including (without limitation) copies of:

- (i) the contract for the Facility;
 - (ii) the final letter of offer relating to the Facility, including details of conditions set out in any earlier version of that letter which *you* may have already met;
 - (iii) any related credit report from a credit reporting agency;
 - (iv) any financial accounts or statements of financial position given by *you* to *us* within the previous two years for the purpose of the Facility;
 - (v) the latest statement of account for the Facility;
 - (vi) a copy of the Loan Agreement and of any formal demand we send to *you*; and
 - (vii) advice as to whether the Facility will be cancelled if the Guarantee is not provided; and
- (b) to give to and/or receive from *your* stockbroker and/or authorised representative any record or personal information about *you*, *your* credit facilities and/or the securities in connection with the processing and accepting of any application to *us* for credit and/or the subsequent management of the credit provided and the securities

ALL BORROWERS

You authorise *us*:

- (a) to give any Guarantor or proposed Guarantor ("Guarantor" includes a "Third Party Mortgagor" ie any person other than a Borrower who provides property as *security* for *your* credit facilities) of *your* credit contract or other facility to which the guarantee or *security* extends ("Facility"), any information (including credit information) or record that has any bearing on *your* creditworthiness, credit standing, credit history or credit capacity in connection with the Facility, including (without limitation) copies of:
- (i) the contract for the Facility;
 - (ii) the final letter of offer relating to the Facility, including details of conditions set out in any earlier version of that letter which *you* may have already met;
 - (iii) any related credit report from a credit reporting agency;
 - (iv) any financial accounts or statements of financial position given by *you* to *us* within the previous two years for the purpose of the Facility;
 - (v) the latest statement of account for the Facility;
 - (vi) a copy of the Loan Agreement and of any formal demand we send to *you*; and
 - (vii) advice as to whether the Facility will be cancelled if the Guarantee is not provided; and
- (b) to give to and/or receive from *your* stockbroker and/or authorised representative any record or personal information about *you*, *your* credit facilities and/or the securities in connection with the processing and accepting of any application to *us* for credit and/or the subsequent management of the credit provided and the securities.

INDIVIDUAL BORROWERS

(not applicable to a Borrower that is a company)

You authorise *us*:

- (a) to give a credit reporting agency certain personal information about *you* including the fact that *you* have applied for credit and the amount, any payments which become overdue more than 60 days and, in specified circumstances, that in *our* opinion *you* have committed a serious credit infringement;
- (b) to obtain from a credit reporting agency, information relating to *your* commercial credit activities and a credit report containing personal and credit information about *you* to assess this application or for the purpose of collecting overdue payments in respect of any credit which *we* have provided to *you* or *your* company/firm;
- (c) to give to and obtain from any credit provider named in a credit report issued by a credit reporting agency or a commercial reporting agency respectively, information about *your* credit arrangements including *your* creditworthiness, credit standing, credit history and credit capacity. The information may be given and used for purposes that include assessing an application by *you* for credit, assisting *you* avoid defaulting on *your* credit obligations, notifying other credit providers of a default by *you*, assessing *your* creditworthiness, and, where the information is given to participants in a securitisation scheme, assessing the risk in purchasing any loan given to or applied for by *you* and/or the risk in undertaking credit enhancement of any such loan; and
- (d) when *we* are performing tasks reasonably necessary to the provision and management of securitised loans, to obtain from a credit reporting agency a credit report containing personal credit information about *you* for the securitisation purpose permitted by Section 18E(1)(b)(ia) of the Act.

ALL GUARANTORS AND THIRD PARTY MORTGAGORS:

We are authorised:

- (a) to give to a credit reporting agency such permitted particulars to allow the Guarantor and/or the Third Party Mortgagor to be identified, and to inform the agency that the Guarantor and/or the Third Party Mortgagor acts or has offered to act as Guarantor and/or the Third Party Mortgagor and to obtain from a credit reporting agency a credit report containing certain personal information about the Guarantor and/or the Third Party Mortgagor to assess whether to accept the Guarantee;
- (b) to give to and obtain from the Guarantor and/or the Third Party Mortgagor's bank and/or other credit provider (and/or parties to a securitisation scheme that are recorded as credit providers because of the application of Section 11B(4A) and (4B) of the Act), any record that has any bearing on the Guarantor and/or the Third Party Mortgagor's creditworthiness, credit standing, credit history or credit capacity for the purpose of:
- (i) assessing whether to accept the Guarantor and/or the Third Party Mortgagor for personal or commercial credit applied for or provided to the Borrower;
 - (ii) for any purpose related to the subsequent management of the personal or commercial credit that *we* grant; or

- (iii) for any purpose related to the enforcement or proposed enforcement of this Guarantee each as the case may be; and
- (c) when we are performing tasks reasonably necessary to the provision and management of securitised loans, to obtain from a credit reporting agency a credit report containing personal credit information about the Guarantor and/or the Third Party Mortgagor for the securitisation purposes permitted by Section 18E(1)(b) of the Act.

PART IX – COLONIAL MARGIN LENDING DIRECT DEBIT SERVICE AGREEMENT

Meaning of words

In this Part IX, words in italics are defined words which have the same meaning as defined above in Part VII "Meaning of Words".

Debit arrangements

1. We reserve the right to charge a transaction fee if any debit item already debited from *your* nominated account is returned as unpaid by the Financial Institution.
2. We will keep the information about *your* nominated account at the financial institution private and confidential unless this information is required by *us* to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
3. In the event of a debit returned unpaid we may attempt a redraw on *your* nominated account.
4. We will advise *you* 14 days in advance of any changes to the Direct Debit arrangements.

Your Rights

5. *You* may terminate the Direct Debit arrangement with *us*, however this termination must be in writing.
6. Please contact Colonial on 1800 252 351 during business hours for all matters relating to the Direct Debit arrangements, including to request a deferment of stopping of debits, questions regarding amounts or dates of credits or debits or altering or stopping the arrangement. *You* can also contact *your* nominated financial institution to request a stop or cancellation of the Direct Debit arrangement or to dispute a debit to *your* nominated account. We have a dispute resolution process available if *you* have a complaint which we do not resolve. Further information on that process is available online at www.colonialgearedinvestments.com.au or by calling 1800 252 351.

Your Responsibilities

7. It is *your* responsibility:
 - to check with the Financial Institution where *your* account is held before completing the Direct Debit Request (DDR) as Direct Debiting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of accounts. *You* should also complete *your* account details (including Bank State Branch (BSB) number) directly from a recent account statement from *your* Financial Institution;
 - to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of *your* transactions executed by Commonwealth Bank of Australia;
 - to ensure that the authorisation to debit the nominated account is in the same name as the account signing the instruction held by the financial institution where the account is held;
 - to advise *us* if the account *you* have nominated to debit is transferred or closed;
 - to ensure that suitable arrangements are made if the Direct Debit is cancelled; by yourself; by *your* nominated financial institution; or for any other reason.
8. *You* should check debit and credit transactions against recent account statements from *your* nominated financial institution. If *you* are in any doubt, speak to *your* nominated financial institution before completing this Direct Debit and Direct Credit Request.

