



Equipment Finance Specific Security Agreement

Terms & Conditions



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Delphi Bank – A Division of Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 AFSL / Australian Credit Licence 237879.

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Equipment Finance Specific Security Agreement
Terms and Conditions

Contents

1. What you undertake in this security agreement	6
2. Creation of <i>security interest</i>	8
<hr/>	
How this security agreement affects you and the collateral	9
<hr/>	
3. Attachment	9
4. Taxes and fees	9
5. Your obligations	9
6. Partnership	10
7. Dealing with the <i>collateral</i>	10
8. Other <i>security interests</i>	13
9. Administrative matters	14
<hr/>	
Costs, indemnities and interest	16
<hr/>	
10. What you agree to pay	16
11. Interest	18
12. Things we may do at any time	19
<hr/>	
Default	21
<hr/>	
13. When are you in default?	21
14. What can happen if you are in default?	22
15. <i>Receivers</i>	23
16. Exclusion of time periods	23

17. Disposal of the <i>collateral</i> is final	24
18. What happens to money we receive?	25
General	26
19. PPSA	26
20. Notices and other communications	27
21. Payment in full and set off	28
22. Certificates	28
23. Prompt performance	29
24. How we may exercise our rights	29
25. Your obligations and our rights are unaffected	30
26. Reinstatement of rights	30
27. Indemnities	30
28. Variation and waiver	31
29. Time of the essence	31
30. Power of attorney	31
31. Trustee provisions	32
32. Inconsistent law	33
33. Counterparts	34
34. Applicable law and serving documents	34
35. Disclosure of information	34
36. <i>Consumer credit legislation</i>	35
37. Meaning of words	36
Schedule – Aircraft, Motor Vehicle, Watercraft or Other Goods	42
1. Looking after the <i>collateral</i>	42
2. Insurance	43
3. Insurance claims	44
4. Dealing with the <i>collateral</i>	45
5. Ships	45

Schedule – Crops or Livestock 46

1. Looking after the <i>collateral</i>	46
2. Insurance	48
3. Insurance claims	49
4. Dealing with the <i>collateral</i>	50
5. <i>Licences</i>	50
6. <i>Livestock</i>	52
7. Meaning of words	52

Schedule – Investment Instruments and/or Intermediated Securities 53

1. Looking after the <i>collateral</i>	53
2. Obligation to deposit documents and give notices	54
3. Cash distributions and benefits	55
4. Registration as holder of the <i>collateral</i> and completion of documents	56
5. Meaning of words	56

Schedule – Intangible Property 58

Part A – Accounts 58

1. Looking after the <i>collateral</i>	58
2. What can happen if you are in default?	59
3. Meaning of words	59

Part B – Secured ADI accounts 60

1. Looking after the <i>collateral</i>	60
2. Meaning of words	60

Part C – Contract rights 61

1. Looking after the <i>collateral</i>	61
2. Obligation to deposit documents and give notices	61
3. Income and benefits	62
4. Meaning of words	63

Part D – Intellectual Property/Intellectual
Property Licences

64

1. Looking after the collateral	64
2. Obligation to give notices	64
3. Income and benefits	65

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

1. What you undertake in this security agreement

- 1.1 By signing the Details you grant this security agreement in favour of us and you undertake certain obligations. You also give us rights concerning you and the *collateral* – for example, if you do not comply with your obligations, we may take possession of the *collateral*, sell or otherwise deal with it, and sue you for any remaining money you owe to us.
- 1.2 You are liable for all of the obligations under this security agreement both individually and collectively with any one or more other persons named in this security agreement as grantor.
- 1.3 You must ensure that you are not in default under this security agreement. You also agree to carry out on time all your obligations to us under this security agreement and each *transaction document*, including the obligation to pay any of the *amount owing*.
- 1.4 You agree to give us prompt notice of any default and the steps taken to remedy it.
- 1.5 You agree to pay us on demand that part of the *amount owing* specified by us in the demand. These obligations and your other obligations under this security agreement (such as under clauses 10 and 11) continue even if we release the *collateral* from this security agreement.
- 1.6 You represent and warrant that:
 - (a) you have the power to enter into and observe your obligations under this security agreement;
 - (b) you have in full force and effect the authorisations necessary to enter into and observe obligations under this security agreement;

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

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

2. Creation of *security interest*

- 2.1 For the purpose of securing payment of the *amount owing*, you grant a *security interest* in the *collateral* to us. You do this as beneficial owner unless you have told us that you enter this security agreement as trustee of a trust. If you have told us that you enter this security agreement as trustee of that trust, you do this as sole trustee of the trust for all the *collateral* comprising the trust fund of the trust and you do this as beneficial owner for all the other *collateral*. If and to the extent the *collateral* includes any property or rights that is not personal property (as defined in the PPSA and to which the PPSA applies) the *security interest* granted by you in this security agreement takes effect as a mortgage in respect of that *collateral*.
- 2.2 You may require us to release the *collateral* from this security agreement if there is no *amount owing*. However, even if the *amount owing* is repaid, the *collateral* remains secured to us until we actually release it from this security agreement.
- 2.3 Where you hold the *collateral* jointly with one or more others, whether or not named in the Details, and whether in *partnership*, joint venture or otherwise, and we hold a *security interest* from all such other persons, whether under this security agreement or under any other security instruments, you acknowledge that such *security interests*, constitute a *security interest* over all the *collateral* held by the firm, *partnership* or joint venture.

How this security agreement affects you and the collateral

3. Attachment

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

4. Taxes and fees

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

5. Your obligations

You agree:

- (a) to obtain, renew on time and comply with the terms of each authorisation necessary to enter into this security agreement, observe obligations under it and allow it to be enforced;
- (b) if we ask, use your best efforts to obtain permission to use the *collateral* for any purpose we reasonably specify;
- (c) not to do anything that might lower the value of the *collateral*;
- (d) comply with all laws and directions, requests and requirements of authorities and your other obligations in connection with the *collateral*;
- (e) give to us a copy of any order or notice from an authority concerning the use or condition of the *collateral* as soon as you become aware of it;
- (f) not to change your corporate or individual name as shown in the Details without first notifying us of the new name not less than 15 business days before the change takes effect;

- (g) to perfect and continuously maintain perfection of any *security interest* that itself forms part of the *collateral* (including perfecting as a *purchase money security interest* if applicable);
- (h) to do everything necessary to ensure that a third person cannot acquire an interest in any *collateral* free of, or having priority over, our *security interest*;
- (i) to take steps to rectify any defect in your holding of the *collateral* as soon as you become aware of such defect;
- (j) to take or defend all legal proceedings that is advisable for the protection or recovery of the *collateral*;
- (k) to accept and act on any direction given in relation to the *collateral* by us;
- (l) if we ask, to give us a copy of all documents you receive as holder of, or in connection with the *collateral*; and
- (m) to comply with any conditions we attach to any approvals or consents we give you in connection with the *collateral*.

6. Partnership

You must obtain our consent before:

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

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

7. Dealing with the *collateral*

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

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

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

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

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

- (a) if the *chattel paper* is evidenced by a written instrument:
 - (i) if requested by us, deposit with us the written instrument for the *chattel paper*; or
 - (ii) if not deposited with us:
 - A ensure that the *chattel paper* includes a prominent and permanent notice of the *security interest* constituted by this security agreement. The notice on the *chattel paper* does not need to specify us as the secured party;
 - B keep the *chattel paper* in good condition to the extent that failure to do so may have a material adverse effect;
 - C protect the *chattel paper* from theft, loss or damage; and
 - D promptly rectify defects in the condition of the *chattel paper*.
- (b) if the *chattel paper* is evidenced by an electronic record you must ensure that:
 - (i) a single authoritative copy of the record exists which is unique, identifiable and unalterable;
 - (ii) the authoritative copy identifies us as the transferee of the record;
 - (iii) the authoritative copy is communicated to and maintained by us or our agent;
 - (iv) copies or revisions of the record that change the transferee of the authoritative copy can be made only with our consent;
 - (v) each copy of the authoritative copy (or any copy of such copy) is readily identifiable as a copy that is not the authoritative copy; and

- (vi) any revision of the authoritative copy is readily identifiable as an authorised or unauthorised copy; and
 - (c) maintain insurance over the *chattel paper*, including for loss or destruction of the *chattel paper* and insurance in respect of any other risk we reasonably ask.
- 7.4 If you lease or hire *collateral* to other persons in accordance with clause 7.2 (because you obtain our prior written consent), you must:
- (a) ensure any lease or hiring arrangement with those other persons is not a *PPS lease* or if it is you must comply with clause 5(g) at all times;
 - (b) have the terms on which you lease or hire the *collateral* approved by us before you enter into the lease or hiring arrangement; and
 - (c) require the other person to acknowledge our *security interest* in the *collateral* and that its interest in the *collateral* is subject to or subordinate to our *security interest*.

8. Other *security interests*

- 8.1 If we consent to another *security interest* in the *collateral* and if we ask, then you agree to get an agreement acceptable to us regarding the priority between this security agreement and the other *security interest*.
- 8.2 If you do not get our consent and any agreement or deed we ask for, we:
- (a) need not make funds available under any *transaction document*; and
 - (b) may exercise any other rights that arise because you do not do so, such as the right to take possession of the *collateral*, to sell it or to otherwise deal with it.
- 8.3 You agree to ensure that the amount secured under any other *security interest* in the *collateral* is not increased without our consent.

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

9. Administrative matters

- 9.1 You agree to deposit with us any documents evidencing title to any *collateral* (including *documents of title*), *chattel paper* or other documents we request relating to the *collateral*. But you need not deposit them with us if another person is holding them under a *security interest* in the *collateral* to which we have consented and which has priority over this security agreement.
- 9.2 You agree to do anything we ask you to do to perfect the *security interest* granted under this security agreement.
- 9.3 We may register this security agreement or a notification in respect of it or a *security interest* related to or constituted by this security agreement at your expense.
- 9.4 You agree to do anything we ask you to do (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed):
- (a) to provide more effective security over the *collateral* for payment of the *amount owing* or performance of an obligation; or
 - (b) to enable us to register this security agreement or a notice in respect of it or the *security interests* constituted by it with the agreed priority; or
 - (c) to enable us to exercise our rights in connection with the *collateral*; or
 - (d) to enable us to register the power of attorney in clause 30 or a similar power; or
 - (e) to show whether you are complying with this security agreement.

- 9.5 If requested by us you agree to promptly supply us with the correct serial numbers for the *collateral* in respect of *security interests* in that *collateral* that may be registered on the PPSR by serial number.
- 9.6 You agree that we may fill in any blanks in this security agreement or any document relating to this security agreement (such as transfers for the *collateral*).
- 9.7 If we ask, you agree to supply us with any information about or documents affecting:
- (a) the *collateral*; or
 - (b) this security agreement.

Costs, indemnities and interest

10. What you agree to pay

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

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

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

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

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

10.3 You agree that:

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

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

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

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

- 10.6 If GST has any application to any supply made under or in connection with this security agreement, we may, in addition to any other consideration expressed as payable elsewhere in this security agreement, recover from you an additional amount on account of GST, such amount to be calculated by multiplying the amount or consideration payable by you for the relevant supply by the prevailing GST rate. Any additional amount on account of GST recoverable from you under this clause will be calculated without deduction or set off of any other amount and is payable by you upon demand by us whether such demand is by means of an invoice or otherwise.
- 10.7 If we are unable to obtain a full input tax credit for an amount paid on account of GST by us to another person in respect of a supply made by another person to us in respect of this security agreement, then you shall be liable to pay us an amount equal to the input tax credit to which we are not entitled under the GST legislation.
- 10.8 Each of us agrees to do all things, including providing tax invoices or other documentation in such form and detail that may be necessary, to enable or assist the other party to claim or verify any GST input tax credit, set off, rebate or refund in relation to the amount attributed to any GST included in any amount payable under this security agreement.

11. Interest

- 11.1 You agree to pay interest calculated daily on daily balances on any part of the *amount owing* which is due for payment (or which is debited to your account with us) but which is not otherwise incurring interest.
- 11.2 The interest accrues daily from the date the amount becomes due or when it is debited to your account with us (whichever is earlier) until you pay it.
- 11.3 The rate of interest applying to each daily balance is the rate specified by us from time to time or (if no rate is specified) 3% above the highest interest rate applying to the *amount owing* on that day.

- 11.4 You agree to pay interest owing under this clause 11 when we specify.
- 11.5 Each month (or any other periods we choose), we may add to the amount you owe us any interest under this clause 11 which has not been paid. You will then be liable for interest under this clause 11 on the total amount.
- 11.6 If a liability becomes merged in a judgment, then you agree to pay us on demand interest on the amount of that liability as an independent obligation. This interest:
- (a) accrues from the date the liability becomes due for payment both before and after the judgment until the liability is paid; and
 - (b) is calculated at the rate that is the higher of the judgment rate and the rate in clause 11.3.

12. Things we may do at any time

- 12.1 We may assign or otherwise deal with our rights under this security agreement in any way we see fit and without the consent of any other person, including you. If we do this, you may not claim against any assignee (or any other person who has an interest in this security agreement) any right of set-off or other rights you have against us. You also agree that we may disclose any information or documents at any time to a person to whom we assign our rights under this security agreement.
- 12.2 Except to the extent that we are not permitted to do so by law, without first seeking your consent or court authority, we may enter land and buildings owned or occupied by you, any place where the *collateral* is located, your places of business and your registered office to:
- (a) inspect the *collateral*; or
 - (b) find out whether you are complying with this security agreement; or
 - (c) carry out our rights under this security agreement; or

- (d) inspect and copy records relating to you or the *collateral*; or
 - (e) investigate your financial affairs or business.
- 12.3 Unless there is an emergency, we agree to give you reasonable notice before entering under clause 12.2. You agree to help us to enter, such as by getting any consent necessary.
- 12.4 We may do anything which you should have done under this security agreement but which you have either not done or in our opinion have not done properly. If we do so, you agree to pay our costs when we ask.
- 12.5 We do not become a mortgagee in possession because we enter the land and buildings under clause 12.2 or exercise our rights under clause 12.4.
- 12.6 If we ask, you agree to ensure that rent and other income from the *collateral* are paid to us. If however, you continue to receive them, you must pay them to us.
- 12.7 If we reasonably believe you are or may be in default, we may appoint a person to investigate whether this belief is accurate. You must co-operate with and comply with every reasonable request made by this person. If you are or were in default at any time during the investigation, you must pay to us all costs in connection with the investigation.

Default

13. When are you in default?

You are in default if:

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

14. What can happen if you are in default?

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

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

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

- (a) sue you for the *amount owing*;
- (b) take or give up possession of the *collateral* as often as we choose;
- (c) if applicable, remove personal possessions from the *collateral* and either abandon them or store them (at your cost) without being liable to you. (If we store them and you do not reclaim the possessions within one month after we notify you that we intend to sell them, we may dispose of them and use the *proceeds* towards paying the *amount owing*);
- (d) do anything an owner of the *collateral* could do, including selling it or conducting your business;
- (e) enter any place we believe any of the *collateral* is held in order to do any of the above;
- (f) appoint one or more *receivers* to do anything the law allows a *receiver* to do and any of the things in clauses 14.2(a) to (e) inclusive; or
- (g) do anything that the *receiver* may do under clause 14.2(f).

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

15. Receivers

- 15.1 In exercising our power to appoint a *receiver* we may:
- (a) appoint any *receiver* to all or any part of the *collateral* or its income; and
 - (b) set a *receiver's* pay at any figure we determine as appropriate, remove a *receiver* and appoint a new or additional *receiver*.
- 15.2 If we appoint more than one *receiver*, we may specify whether they may act individually or must act collectively.
- 15.3 The *receiver* is your agent unless we notify you that the *receiver* is to act as our agent. You are solely responsible for anything done, or not done, by a *receiver* and for the *receiver's* remuneration and costs.
- 15.4 Unless the terms of appointment restrict a *receiver's* powers, the *receiver* may do anything the law allows a *receiver* to do and any of the things we may do under clause 14.2(a) to (e) inclusive. This clause applies as though you are a company even if you are not.
- 15.5 We may enforce this security agreement before we enforce other rights and remedies we have against any other person or under any other document or *encumbrance*.

16. Exclusion of time periods

- 16.1 Neither we nor any *receiver* need give you any notice or demand or allow time to elapse before exercising a right under this security agreement or conferred by law (including a right to sell) unless the notice, demand or lapse of time is required by law and cannot be excluded.
- 16.2 If law requires that a period of notice must be given or a lapse of time must occur or be permitted before a right under this security agreement or conferred by law may be exercised, then:

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

17. Disposal of the *collateral* is final

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

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

18. What happens to money we receive?

- 18.1 Money received under this security agreement is to be used towards paying the *amount owing* unless we are obliged to pay the money to anyone with a prior claim. However, if money received represents *proceeds* of an insurance claim, we may use it to reinstate the *collateral* or carry out work on it.
- 18.2 If, at the time we receive the money, any part of the *amount owing* is not then due for payment, we may retain an amount equal to that part. We may hold it in an interest bearing account. We may use it (and any net interest after tax - including income tax) to pay the *amount owing* when it becomes due for payment.
- 18.3 We may use any money received under this security agreement towards paying any part of the *amount owing* we choose, including by paying a later instalment before an earlier instalment or a non-purchase money security interest obligation before a purchase money security interest obligation. This applies even if that part falls due after we give a notice of demand.
- 18.4 We agree to pay any money remaining after the *amount owing* is paid either to you (which we may do by paying it into an account in your name) or to another person entitled to it (such as another person with a *security interest* in the *collateral*). We do not pay you interest on any money remaining after the *amount owing* is paid.
- 18.5 You are only credited with money from the date we actually receive it (including, where we have appointed a *receiver*, the date the *receiver* pays money to us).

General

19. PPSA

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

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

- (ii) section 129(2) and (3) (disposal by purchase);
- (iii) section 132 (secured party to give statement of account);
- (iv) section 134(2) (proposal of secured party to retain collateral);
- (v) section 135 (notice of retention of collateral);
- (vi) section 136(3), (4) and (5) (retaining collateral free of interest); and
- (vii) section 137 (persons entitled to notice may object to proposal).

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

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

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

20. Notices and other communications

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

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

- (a) left at the address set out in the Details; or
- (b) sent by prepaid post (airmail, if appropriate) to the address set out in the Details; or

- (c) sent by fax to the fax number set out in the Details; or
- (d) sent by email to the email address set out in the Details; or
- (e) given in any way permitted by law.

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

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

21. Payment in full and set off

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

22. Certificates

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

23. Prompt performance

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

24. How we may exercise our rights

- 24.1 We or a *receiver* may exercise a right or remedy or give or refuse our consent in any way we or a *receiver* considers appropriate, including by imposing conditions. You agree to comply with all conditions in any consent we or a *receiver* give in connection with this security agreement.
- 24.2 We may enforce this security agreement before we enforce other rights or remedies:
- (a) against any other person; or
 - (b) under another document, such as another *security interest*.
- If we have more than one *security interest*, we may enforce them in any order we choose.
- 24.3 If we or a *receiver* do or does not exercise a right or remedy fully or at a given time, then we or the *receiver* can still exercise it later.
- 24.4 Neither we or a *receiver* are or is liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by our or the *receiver's* negligence.
- 24.5 Our and any *receiver's* rights and remedies under this security agreement:
- (a) are in addition to other rights and remedies given by law independently of this security agreement; and
 - (b) may be exercised even if this involves a conflict of duty or we, or the *receiver* have a personal interest in their exercise.
- 24.6 Our rights and remedies under this security agreement may be exercised by any of our *authorised officers*.

25. Your obligations and our rights are unaffected

- 25.1 Subject to clause 36, rights given to us or any *receiver* under this security agreement and your liabilities under it are not affected by any law that might otherwise affect them. They are in addition to other rights and remedies given by law independently of this security agreement.
- 25.2 This security agreement does not merge with or adversely affect, and is not adversely affected by, any of the following:
- (a) another *security interest* or right or remedy to which we are entitled; or
 - (b) a judgment or order which we obtain against you in respect of any of the *amount owing*.

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

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

26. Reinstatement of rights

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

27. Indemnities

The indemnities in this security agreement are continuing obligations, independent of your other obligations under

this security agreement and continue after this security agreement ends. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this security agreement.

28. Variation and waiver

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

29. Time of the essence

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

30. Power of attorney

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

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

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

31. Trustee provisions

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

- (a) enter into this security agreement in your personal capacity and in your capacity as trustee, and are liable in each of those capacities;
- (b) represent and warrant that:
 - (i) this security agreement is for the benefit of the trust; and
 - (ii) you have the power as trustee of the trust to unconditionally enter into this security agreement and perform your obligations under it; and
 - (iii) you are authorised to enter into this security agreement as trustee; and
 - (iv) you are validly appointed as trustee and you are the only trustee of the trust; and
 - (v) you are not in breach of your obligations as trustee of the trust; and
 - (vi) the trust is duly constituted and no action has been taken to terminate the trust or revoke a power of the trustee; and
 - (vii) you have the right to be fully indemnified out of the trust assets for obligations incurred under this security agreement; and
 - (viii) even though you enter into this security agreement in your capacity as trustee, you are personally liable to us to the full extent of your obligations under this security agreement. Your liability is not limited to the assets of the trust; and
 - (ix) the trust has been validly created and is in existence at the date you sign this security agreement; and

- (x) a date has not been declared as the date on which the trust will be vested or come to an end.

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

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

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

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

32. Inconsistent law

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

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

33. Counterparts

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

34. Applicable law and serving documents

- 34.1 This security agreement is governed by the laws of the State and the laws of the Commonwealth of Australia. You and we submit to the non-exclusive jurisdiction of the courts of that place.
- 34.2 We may serve any document in a court action on you by delivering it to, or leaving it at, your address set out in the Details or such other address as you and we agree at any time. This clause does not prevent any other method of service.
- 34.3 By your execution of this security agreement, you invite, request and authorise us and our *related entities*, to provide to you from time to time, information and material as to the range of financial and other services provided by us or them.

35. Disclosure of information

Information you provide to us may be disclosed:

- (a) in connection with any person exercising rights under this security agreement (such as selling the *collateral* or assigning or otherwise dealing with our rights under this security agreement);
- (b) to our *related entities*, its and our officers and employees, to receivers and to legal advisers, auditors and other advisers;
- (c) to organisations that referred the transaction to us for which this security agreement was granted;
- (d) if the information is generally and publicly available;
- (e) if you consent (you may not unreasonably withhold your consent);

- (f) if required by any stock exchange or if allowed or required by law; or
- (g) to any person who gives a guarantee or grants a *security interest* in connection with the payment of the *amount owing*.

36. *Consumer credit legislation*

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

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

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

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

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

- (c) our rights and remedies under this security agreement are in addition to those given to a credit provider under the *consumer credit legislation*.

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

37. Meaning of words

37.1 In this security agreement:

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

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

agreement covered by this security agreement means:

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

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

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

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

This definition applies:

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

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

authorised officer means:

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

collateral means the property and rights described in the Details.

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

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

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

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

controller has the meaning it has in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

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

Details means the document headed Specific Security Agreement Details or Equipment Loan and Specific Security Agreement Details (as applicable) which is

executed by you and which forms part of the security agreement.

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

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

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

insolvent means

- (i) an individual who has either:
 - (a) committed an act of bankruptcy;
 - (b) entered into an assignment, arrangement, compromise or composition with his/her creditors; or
 - (c) is unable to pay any of his/her debts as and when they fall due,
- (ii) a body corporate, partnership, other entity or trustee of a trust in respect of which:
 - (a) (except for the purpose of a solvent reconstruction or amalgamation with *our* prior written consent), an order has been made to wind it up or a liquidator, provisional liquidator or controller has been appointed to it or any of its assets or a resolution has been passed for it to be wound up;
 - (b) an administrator has been appointed to it;
 - (c) it has entered, or a court has approved the terms of, an assignment, arrangement,

compromise or composition with any of its creditors or members;

- (d) an application has been made by ASIC to deregister or dissolve it;
- (e) it is insolvent within the meaning of section 95A of the Corporations Act 2001 (as disclosed in its accounts or otherwise); or
- (f) it is unable to pay its debts as and when they fall due.

partnership means, if applicable, the partnership described in the Details.

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

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

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

PPSR means the register established under the PPSA.

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

receiver includes receiver, or receiver and manager.

related entity has the meaning it has in the Corporations Act.

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

security interest:

- (a) in relation to any personal property (as defined in the PPSA) has the same meaning as in the PPSA; and
- (b) in relation to any other property to which the PPSA does not apply, means any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust or power.

Security interest also includes a guarantee or indemnity.

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

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

such as see **including**.

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

transaction documents means:

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

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

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

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

37.3 The singular includes the plural and vice versa.

37.4 A reference to:

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

37.5 Each Schedule forms part of this security agreement.

Schedule – Aircraft, Motor Vehicle, Watercraft or Other Goods

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

1. Looking after the *collateral*

1.1 You agree:

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

1.2 You agree to:

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

accession, becomes subject to this security agreement free of any *security interest* (other than a *security interest* held by us).

1.3 Unless we consent, you agree:

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

2. Insurance

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

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

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

2.3 Each policy under clause 2.1 of this Schedule must:

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

2.4 You agree:

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

2.5 You agree to ensure that:

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

3. Insurance claims

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

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

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

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

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

4. Dealing with the *collateral*

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

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

5. Ships

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

Schedule – Crops or Livestock

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

1. Looking after the *collateral*

1.1 You agree to:

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

1.2 You agree to:

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

1.3 Unless we consent, you agree:

- (a) to notify us if there is a *contaminant* on, in, under or migrating to or from the *collateral* or the *land*; and

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

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

- (a) sow, grow, cultivate, harvest, gather in, store, carry away and sell the *crop* using proper, efficient, recognised and approved methods and standards of operation in accordance with good industry practice; and
- (b) use all fertilisers, pesticides, irrigation and farming techniques using proper, efficient, recognised and approved methods and standards in accordance with good industry practice; and
- (c) subject to clause 7.2 of the Terms and Conditions, provide a copy of this security agreement to any purchaser of the *crop* before the sale of the *crop* to that purchaser; and
- (d) subject to clause 7.2 of the Terms and Conditions, collect the sale proceeds and any other amount payable to you in connection with the *crop* in a proper, orderly and efficient manner.

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

- (a) not, without our consent:
 - (i) change the general quality, character or description of the *livestock*; and

- (ii) remove any of the *livestock* from the *land*; and
- (b) ensure that all *livestock* are, if we ask, branded, marked or earmarked as directed by us and that all *livestock* other than *livestock* already bearing an existing brand, earmark or mark when purchased or acquired:
 - (i) bears the brands, earmarks and other marks approved in writing by us;
 - (ii) do not bear any other brand, earmark or mark; and
 - (iii) are and remain easily identifiable; and
- (c) maintain all *livestock* in a clean and healthy condition and ensure that all *livestock* are properly fed, sheltered and cared for; and
- (d) if we ask, give us a written statement containing details of all *livestock* and the location of that *livestock*, such statement to be in the form approved by us; and
- (e) provide all medicines and veterinary assistance to the *livestock* which, according to good husbandry, should be provided; and
- (f) keep separate certain parts of the *livestock* which according to good husbandry should be kept separate; and
- (g) immediately replace any of the *livestock* which die or become lost or stolen with other stock of similar nature and value; and
- (h) if we ask, at your expense and in the proper season, shear all sheep being part of the *livestock* and deliver the wool to us at the place we appoint.

2. Insurance

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

- 2.2 The insurance under clause 2.1 of this Schedule must be for the full insurable value of the *collateral* on a replacement and reinstatement basis.
- 2.3 Each policy under clause 2.1 of this Schedule must:
- (a) note our interest as the secured party; and
 - (b) be on terms and for an amount satisfactory to us; and
 - (c) be with an insurer appropriately licensed in Australia.
- 2.4 You agree:
- (a) to produce evidence of current insurance cover (including a certified copy of each policy) whenever we ask; and
 - (b) to pay all insurance premiums at least 3 business days before the due date for payment and if we ask, produce receipts for payment; and
 - (c) to remedy anything which may prejudice the insurance cover if it lapses.
- 2.5 You agree to ensure that:
- (a) the insurance cover is not reduced or cancelled, and you agree to notify us if it is or could be; and
 - (b) nothing happens that could permit an insurer to decline a claim or prejudice the insurance cover, and you agree to notify us if anything would permit an insurer to do this.

3. Insurance claims

- 3.1 You agree to ensure that *proceeds* from an insurance claim are:
- (a) used to reinstate the *collateral*; or
 - (b) paid to us (We agree to then use them as set out in clause 18 of the Terms and Conditions).

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

- 3.2 You agree to notify us if an insurance claim is refused either in part or in full.
- 3.3 If we notify you, we may take over your rights to make, pursue or settle an insurance claim. We may exercise those rights in any manner we choose.

4. Dealing with the *collateral*

- 4.1 You may not, without our prior written consent, do, or agree to do, any of the following in respect to the *collateral*:
 - (a) in respect to *livestock*, alter any identifying mark of the *collateral* (such as a brand); or
 - (b) allow the *collateral* to become *commingled* with any property that is not *collateral*.
- 4.2 Despite clause 7.2 of the Terms and Conditions, you may sell *crops* or *livestock* comprising *collateral* if:
 - (a) you do so in the ordinary course of your ordinary business and for fair market value; and
 - (b) you either apply the proceeds of sale to:
 - (i) if the *collateral* sold is *livestock*, purchase further *livestock* in substitution for the *livestock* sold; or
 - (ii) immediately pay the proceeds of sale to us.

5. Licences

- 5.1 If a *licence* is required for any activity carried out on the *land* or in connection with the *collateral* then you must:
 - (a) when carrying out that activity, do so in a proper and orderly manner; and

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

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

- (a) the holder complies with the obligations set out in clause 6.1 of this Schedule; and
- (b) the holder gives us an authority to apply for information from authorities and a power of attorney relating to the *licence*, each in a form satisfactory to us.

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

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

6. Livestock

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

7. Meaning of words

In this security agreement:

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

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

Schedule – Investment Instruments and/or Intermediated Securities

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

1. Looking after the *collateral*

1.1 You agree that you will:

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

- 1.2 You will not without our prior written consent:
- (a) consent to, vote in favour of or permit any variation or abrogation of the rights and privileges attaching to the *collateral* or any diminution of the benefits and privileges enjoyed by the holder of the *collateral*;
 - (b) take any action that will operate to convert a *certificated security* into an *uncertificated security* (or vice versa); or
 - (c) change the *controlling participant* in respect to any *intermediated security*.

2. Obligation to deposit documents and give notices

- 2.1 While this security agreement is in effect, you must give us possession of all documents of title to interests in the *collateral* or that evidence title to the *collateral*.
- 2.2 If the *collateral* includes *investment instruments*, you agree to deposit with us at the time of execution of this security agreement:
- (a) the *certificates* (if any) in respect of the *collateral*; and
 - (b) the number of *transfers* specified by us in respect to the *collateral* completed with the name of the transferee and the consideration and date left blank.
- 2.3 If we ask, you agree to immediately give to any issuer, broker, share registrar or other person specified by us, an irrevocable direction (in a form approved by us) to deliver to us any *certificates* held or issued by that person in respect of *certificated securities*. You agree to give to us a copy of the direction, immediately after giving it.
- 2.4 If any additional *investment instruments* become subject to this security agreement, you agree to deposit with us:
- (a) the *certificates* (if any) in respect of the *collateral*; and

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

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

- 2.5 You agree to deposit with us the *sponsorship agreement* for the *intermediated securities* and the *certificates* (if any) for the *intermediated securities*.
- 2.6 You agree to ensure that any additional *intermediated securities* that become subject to this security agreement, also become subject to the *sponsorship agreement*.

3. Cash distributions and benefits

- 3.1 If you are not in default of this security agreement:
 - (a) you are entitled to all dividends, cash returns of capital, or other income in respect of *investment instruments* or *intermediated securities*;
 - (b) you are entitled to all *proceeds* from the disposal or relinquishment of rights and all *proceeds* in relation to options or other rights granted to you;
 - (c) you may exercise your rights to take up further *investment instruments* or *intermediated securities*; and
 - (d) you may exercise any voting power in respect of the *investment instruments* or *intermediated securities*.
- 3.2 If you are in default of this security agreement, then all your rights in clause 3.1 of this schedule, immediately cease and:
 - (a) we are entitled to all distributions and other income in respect of the *collateral* referred to in clause 3.1(a) and (b) of this schedule; and
 - (b) we are entitled to exercise the rights referred to in clause 3.1(c) and (d) of this schedule.

3.3 We need not:

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

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

4. Registration as holder of the *collateral* and completion of documents

- 4.1 We may at any time procure the registration of ourselves as the registered holder of the *collateral*.
- 4.2 We, any of our *authorised officers*, any *receiver* or *attorney* may complete any document which is at any time executed by you or on your behalf and deposited with us, including any *transfer*. Such documents may be completed in favour of any person.

5. Meaning of words

- 5.1 In this security agreement:

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

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

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

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

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

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

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

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

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

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

5.2 Settlement Rules

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

Schedule – Intangible Property

Part A – Accounts

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

1. Looking after the *collateral*

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

1.2 You agree to:

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

1.3 You will not without our prior written consent:

- (a) withdraw the whole or any part of the funds held in the *collection ADI account* or grant or

allow to arise any third party rights over or against the whole or any part of the funds held in the *collection ADI account*;

- (b) authorise any payments from the *collection ADI account* or permit a set off or combination of accounts in respect of the *collection ADI account*; or
- (c) permit or attempt to do any of the things referred to in this clause.

2. What can happen if you are in default?

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

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

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

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

3. Meaning of words

In this security agreement:

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

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

Part B – Secured ADI accounts

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

1. Looking after the *collateral*

You will not without our prior written consent:

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

2. Meaning of words

In this security agreement:

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

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

Part C – Contract rights

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

1. Looking after the collateral

1.1 You agree that you will:

- (a) obtain, renew on time and comply with the terms of each authorisation necessary to enter into the *secured agreement*, observe obligations under the *secured agreement* and allow it to be enforced;
- (b) take the action that a prudent, diligent and reasonable person would take to ensure that each *third party* to the *secured agreement* complies with its obligations in connection with the *secured agreement*; and
- (c) if any default by a *third party* in connection with the *secured agreement* occurs , promptly notify us giving full details of the default and the steps taken by you or the *third party* to remedy it.

1.2 You will not without our prior written consent:

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

2. Obligation to deposit documents and give notices

2.1 You agree that you will:

- (a) deposit with us or our nominee, all documents comprising the *secured agreement*;

- (b) if we ask, procure that any *third party* to the secured agreement enter into a tripartite deed on such terms as we reasonably request.

2.2 You agree to:

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

3. Income and benefits

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

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

3.3 We need not:

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

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

4. Meaning of words

In this security agreement:

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

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

Part D – Intellectual Property/Intellectual Property Licences

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

1. Looking after the collateral

You will not without our prior written consent:

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

2. Obligation to give notices

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

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

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

3. Income and benefits

- 3.1 If you are not in default of this security agreement, you are entitled to all income and other monetary benefits in connection with the *intellectual property/intellectual property licences*.
- 3.2 If you are in default of this security agreement, then all rights under clause 3.1 of Part C of this schedule will immediately cease and you agree to procure that all income in respect of the *intellectual property/intellectual property licences* is paid directly to us.
- 3.3 We need not:
- (a) do anything to obtain payment of any income in respect of the *intellectual property/intellectual property licences*;
 - (b) exercise rights in respect of the *intellectual property/intellectual property licences*; or
 - (c) sell, licence or otherwise transfer the *intellectual property/intellectual property licences*, even if we have reason to believe that the value of the *intellectual property/intellectual property licences* may fall.

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



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