



GENERAL SECURITY AGREEMENT GENERAL CONDITIONS

ABOUT THIS DOCUMENT

This *document* forms part of your General Security Agreement with us.

Your General Security Agreement is made up of a number of documents:

- these *General Conditions*; and
- the *Schedule*.

These documents should be read together.

All these documents apply as amended from time to time. The most recent versions are available at www.boqspecialist.com.au or may be requested from us.

How to read this document

In this document a reference to 'we', 'us', 'our' or 'BOQ Specialist' is a reference to BOQ Specialist – a division of Bank of Queensland Limited ABN 32 009 656 740 AFSL and Australian Credit Licence No. 244616.

The meaning of words printed *like this* and some other key words are explained in these *General conditions*.

This document is divided into two parts.

Part A of the *General Conditions* applies to all grantors.

Part B (Large Business Transactions) of the *General Conditions* sets out additional conditions that apply for a *Large Business Transaction*.

We will tell you in the *Schedule* if Part B applies to you.

The Banking Code of Practice may also apply to your General Security Agreement.

The Banking Code of Practice applies to banking services provided to customers who are individuals or small businesses, each as defined in it.

We will comply with the Banking Code of Practice, where it applies to the banking services we provide to you.

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PART A

HOW TO INTERPRET THIS DOCUMENT

1. MEANING OF WORDS

ADI account has the meaning given to it in the *PPSA*.

arrangement with us means an arrangement (including an agreement or a *security interest*) under which a *debtor/guarantor* has or could in the future have obligations to us or any of our *related bodies corporate*. It includes any agreement or *security interest* assigned to us.

ASIC Act means the Australian Securities and Investments Commission Act 2001 (Cth).

attorney means each *attorney* appointed by you under clause 39.

business day means any day that is not a Saturday, a Sunday nor a day that is a national public holiday in either New South Wales or Victoria.

contaminant means anything (including a liquid, solid, gas, odour, temperature, sound, vibration or radiation) that presents or could present a risk of harm to human health or the *environment* but excluding contaminants of a type ordinarily used on land of the same type as the property (eg cleaning products) that are managed reasonably, appropriately and in accordance with applicable instructions.

controller has the meaning given to it in the Corporations Act.

costs includes charges and expenses. It also includes costs, charges and expenses in connection with advisers (in the case of legal advisers, on a full indemnity basis or solicitor and own client basis, whichever is higher).

debtor/guarantor means:

- a. you;
- b. any *person* who *guarantees* payment of any part of the *total amount owing*;
- c. if any part of the *total amount owing* includes obligations you owe under a *guarantee*, the *person* whose obligations you *guarantee* and any other *person* who *guarantees* that other *person's* obligations; and
- d. any other *person* you and we agree is to be a "*debtor/guarantor*" for the purpose of this *document*.

default means an event specified in clause 17.

disposable property means *PPSA* personal property which is not non-disposable personal property.

document means these *General Conditions* and the *Schedule* which together set out the terms of the general security agreement between you and us.

encumbrance means any:

- a. security interest;
- b. right of set-off, assignment of income, garnishee order or monetary claim;
- c. notice under section 255 of the Income Tax Assessment Act 1936 (Cth) or under division 260 of Schedule 1 of the Taxation Administration Act 1953 (Cth) or under any similar provision of any law;
- d. right that a person (other than the registered proprietor) has to remove something from land (known as a *profit à prendre*), easement, public

right of way or restrictive or positive covenant or lease, *licence* to use or occupy; or

- e. equity, interest or writ of execution,

or any agreement to create any of them or allow them to exist.

environment means components of the earth, including:

- a. land, air and water;
- b. any layer of the atmosphere;
- c. any organic or inorganic matter and any living organism; and
- d. human made or modified structures and areas,

and includes interacting natural ecosystems that include components referred to in (a), (b) and (c) above.

General Conditions means these General Conditions that form part of the *document*.

GST has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

guarantee includes an indemnity.

insolvent means a *person* who:

- a. is (or state that they are) an *insolvent* under administration or *insolvent* (each as defined in the Corporations Act);
- b. has a *controller* appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a *receiver* appointed to any part of their property;
- c. is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute, or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by us);
- d. has an application or order made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with them, which is preparatory to or could result in any of the things referred to above;
- e. is taken (under section 459F of the Corporations Act) to have failed to comply with a statutory demand;
- f. in the case of an individual, commits an act of bankruptcy, enters into a composition with its creditors, is declared or becomes bankrupt;
- g. is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or they make a statement from which we reasonably deduce they are so subject);
- h. is otherwise unable to pay their debts when they fall due; or
- i. has something substantially similar to any of the things referred to above happen to them under the law of any jurisdiction.

Large Business Transaction means where:

- a. your General Security Agreement is not subject to the unfair contract terms protections in the *ASIC Act* and is not regulated under the *NCCP Act*, nor under the Banking Code of Practice; and
- b. we tell you in the *Schedule* that your General Security Agreement is a Large Business Transaction.

licence means any right, *licence*, permit allocation, quota or authorisation (including to sell liquor, to discharge hazardous waste, to draw water or to develop and use the *secured property*) which allows activity to be carried out on or in connection with the *secured property*. It also includes a lease or any other allocation or right and any interest in a company, trust, joint venture, co-operative or irrigation scheme you use or hold in connection with the use or supply of water on or to the *secured property*.

monetary default means a *default* referred to in clause 17.a.

NCCP Act means the National Consumer Credit Protection Act 2009 (Cth).

non-monetary default means a *default* other than a *monetary default*.

non-disposable personal property means *secured property* which is:

- a. capital;
- b. goodwill, patents, trademarks, service marks, copyrights and registered designs;
- c. estates and interests in land, including each fixture, structure or improvement on land or fixed to it;
- d. plant, equipment and machinery;
- e. securities, documents of title and any other documents (whether or not negotiable), that you deposit with us at any time and for any reason;
- f. books of account, invoices, statements, ledger cards, computer software and records and other media relating to your business transactions;
- g. *licences* connected with your business;
- h. interests in *personal property* that are not acquired by you for disposal by you in your ordinary course of business;
- i. negotiable or other instruments;
- j. the benefit of any *guarantee* or *security interest* held by you;
- k. insurance policies and proceeds;
- l. any right to recover money or property (other than book debts) by legal proceedings;
- m. your interest in any partnership or joint venture;
- n. any *ADI account* (including the *specified account*);
- o. the benefit of any contract or agreement to which you are a party;
- p. any *specified circulating asset*; and
- q. if any *default* has occurred, any property which but for the *default* you are entitled to deal with under clause 10.3 in the ordinary course of business.

other property means:

- a. all of your present and after-acquired (and other future) undertaking, assets, *licences* and rights including all real and *personal property*, things in

action, goodwill, uncalled and called but unpaid capital wherever located other than *personal property*; and

- b. all of your present and after-acquired (and other future) undertaking, assets, rights and interests to which the *PPSA* does not apply.

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 strata corporation, a body corporate, an unincorporated association and an authority.

personal property means all of your present and after-acquired *PPSA personal property*, but excluding interests in *PPSA personal property* to which the *PPSA* does not apply.

PPSA means the Personal Property Securities Act 2009 (Cth).

PPSA law means:

- a. the *PPSA*;
- b. any regulation made pursuant to the *PPSA*; and
- c. any other legislation or regulation made to implement, or contemplated by, any *PPSA law* referred to in paragraph a or b.

PPSA personal property means "personal property" as defined in the *PPSA* and includes any "PPSA retention of title property" as defined in section 51F of the Corporations Act.

PPSA security interest means a "security interest" as defined in the *PPSA*.

principal debtor means you or any other *person* whose obligations you have *guaranteed*.

receiver includes receiver, or receiver and manager and has the meaning given to it in the Corporations Act.

related bodies corporate has the meaning given to it in the Corporations Act.

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

sales proceeds means all the proceeds of any sale, disposal or other dealing with any asset comprised in *other property* which is subject to a fixed charge under this *document* or in *non-disposable personal property*.

Schedule means the Schedule that forms part of this *document*.

secured property means your *personal property* and *other property* excluding:

- a. if you are a partner in a partnership specified in the *Schedule*, your assets which are not partnership assets or your interest in the partnership;
- b. if you are an individual who is a trustee of a trust, your assets which are not *trust property* and which are not held in the course of or furtherance, to any degree, of an enterprise to which an ABN has been allocated;
- c. if you are a sole trader, your assets which are not held in the course of or furtherance, to any degree, of an enterprise to which an ABN has been allocated; and
- d. any property excluded from the *secured property* specified in the *Schedule*.

security interest means:

- a. any security for the payment of money or performance of obligations including a mortgage,

charge, lien, pledge, trust or power, title retention arrangement or *guarantee*;

- b. a *PPSA security interest*; or
- c. any *document* to grant or create anything referred to in either paragraphs a or b of this definition and any other thing which gives a creditor priority to any other creditor with respect to any asset or an interest in any asset.

specified account means the *account* opened by you with us in accordance with clause 10.5.

specified circulating assets means:

- a. the specified account;
- b. any other ADI account you have with us;
- c. any other ADI account you have over which we have control;
- d. any inventory which cannot be dealt with in the ordinary course of your business in accordance with clause 10.3; and
- e. each amount which must be deposited in the specified account in accordance with clause 10.6.

taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on our overall net income or if they arise as a result of our mistake, error, fraud, negligence or wilful misconduct or the mistake, error, fraud, negligence or wilful misconduct of our employees, officers, contractors and agents or any receiver we appoint.

total amount owing means, at any time, all money which one or more of you owe us, or will or may owe us in the future, including under this *document* or an *arrangement with us*.

A reference to the *total amount owing* also includes any part of it.

These definitions apply:

- a. irrespective of the capacity in which you or we became entitled to the amount concerned;
- b. irrespective of the capacity in which you or we became liable in respect of the amount concerned;
- c. whether you or we are liable as *principal debtor*, as surety, or otherwise;
- d. whether you are liable alone, or together with another *person*;
- e. even if you owe an amount or obligation to us because it was assigned to us, whether or not:
 - i. the assignment was before, at the same time as, or after this *document* is executed;
 - ii. you consented to or were aware of the assignment; or
 - iii. the assigned obligation was secured;
- f. even if this *document* was assigned to us, whether or not:
 - i. you consented to or were aware of the assignment; or
 - ii. any of the *total amount owing* was previously unsecured;
- g. if you are a trustee, whether or not you have a right of indemnity from the trust fund;

- h. whether or not the money is due for payment at that time;
- i. even if the money is owing only on a contingency; and
- j. whether the relevant transaction took place before or after you executed this *document*.

trust property means, in respect of a trust, all of the present and after acquired property of the trust wherever situated and your right to be indemnified out of the assets of the trust.

“we,” “us” and “our” means Bank of Queensland Limited ABN 32 009 656 740 and its successors and assigns.

works means building works, excavation or earthworks on the *secured property*, work demolishing, removing or materially altering any part of the *secured property*, or any building or development work required by an authority in connection with the *secured property*.

“you” and “your” means the *person* or *persons* named in the *Schedule* as grantor. If there are more than one, you means each of them separately and every two or more of them jointly. You includes your successors and assigns. In the description of the *total amount owing* it also refers to you as so defined whether alone or jointly or jointly and separately and whether as the *principal debtor* or as a surety.

2. INTERPRETATION

The following rules apply to the interpretation of the *document*.

Reference to:

- a. a *person* includes the *person's* successors and assigns;
- b. a thing includes all or part of that thing;
- c. a document includes that document as changed or replaced from time to time;
- d. a statute includes a statute as amended, repealed or replaced from time to time;
- e. individuals includes corporations and the other way around;
- f. a gender includes all other genders;
- g. currency is to Australian dollars;
- h. the *document* is a reference to this *document* (as varied from time to time) between you and us;
- i. clauses are references to clauses in this *document*;
- j. the singular includes the plural and the other way around;
- k. the Corporations Act means the Corporations Act 2001 (Cth); and
- l. the Banking Code of Practice is a reference to the 2019 version of the Australian Banking Association Banking Code of Practice including any amendments from time to time which have been published by the Australian Banking Association and formally adopted by us.

Headings for clauses are included for guidance only and must not be used for interpretation.

A day ends at midnight for all purposes under this *document*.

The use of the word “may” about any right or power we have under this *document* indicates that the right or power may be exercised or not exercised, at our discretion acting reasonably.

The use of words "including," "such as" or "for example" 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.

If you agree not to do something, you will also not attempt to or permit or cause the thing to be done.

If two or more people are the grantor, the fact that one *person* is released from their promises does not mean that any of the others are also released.

Unless defined in this *document*, a term or expression which is used in this *document* and which is defined in the *PPSA* has the meaning given to that term or expression in, or in the context of, the *PPSA*.

Unless the context requires otherwise, words or phrases derived from a defined term have a corresponding meaning to the defined term.

To the extent there is any inconsistency between these *General Conditions* and the *Schedule*, the *Schedule* prevails.

NATURE OF THIS DOCUMENT

3. WHAT YOU UNDERTAKE IN THIS DOCUMENT

3.1 By signing this *document* you undertake certain obligations. You also give us rights concerning you and the *secured property* - for example, if you do not comply with your obligations, we may take possession of the *secured property*, sell or otherwise deal with it, and sue you for any remaining money you owe us.

3.2 You are liable for all of the obligations under this *document* both separately on your own and jointly with any one or more other *persons* named in this *document* as grantor.

3.3 You must ensure that you are not in *default* under this *document*. You must also carry out on time all your obligations to us.

You agree to pay us on demand that part of the *total amount owing* specified in the demand. However, as long as you are not in *default*, this is subject to any contrary agreement in writing between you and us.

These obligations and your other obligations under this *document* (such as under clauses 13, 14, 15 and 16) continue even if we release the *secured property* from this *document*.

3.4 You declare that:

- a. you own the secured property;
- b. you have told us about all rights that affect, or are proposed or likely to affect, the secured property (such as easements, leases, security interests, the rights of a beneficiary under a trust or proposals to compulsorily acquire the secured property);
- c. you have the power and authority to enter into this document;
- d. all the information you have given us is correct and not misleading to the best of your knowledge and belief;
- e. no consents are required to allow you to own or continue to own the secured property or to enter into this document;
- f. you have told us about any structure on adjoining land that encroaches on the secured property and any structure on the secured property that encroaches on adjoining land;
- g. you have told us about any contaminant on, in, under or migrating to or from the secured property;
- h. you are not in default (see clause 17);
- i. the information in the *Schedule* is true and correct to the best of your knowledge and belief. This includes any details of all of your motor vehicles, aircraft, watercraft and other goods which have, or are required to have, a serial number;
- j. except to the extent disclosed by you to us in writing, all of the *secured property* is in your or our possession and is situated in Australia, and you will promptly notify us in writing of any *secured property* that becomes located outside Australia or is, or is to be, moved from the jurisdiction in which it was located when the *security interest* created by this

document attached to it (except in relation to inventory disposed of in the ordinary course of business);

k. none of the *secured property* is, nor will be, used predominantly for personal, domestic or household purposes; and

l. you have not placed any *person* other than us in control, and no *person* other than you or us has control or possession, of any of the *secured property*.

3.5 You must tell us whenever anything happens which would mean you could not truthfully repeat all the declarations in clause 3.4.

3.6 If you are an individual, you must promptly tell us if you change your name.

4. SECURITY

4.1 For the purpose of securing to us payment of the *total amount owing*, you grant to us as security for the due and punctual payment of the *total amount owing*:

- a. a *security interest* in the *personal property* and all of your present and future rights and interests in the *personal property*; and
- b. a charge over all your present and future rights and interests in the *other property*.

4.2 The *security interest* granted by you is taken in all of your present and after-acquired property.

4.3 You acknowledge granting this *security interest* and charge and incurring obligations and giving rights under this *document* for valuable consideration received from us (including financial accommodation agreed to be provided under any *arrangement with us*).

4.4 You agree that the *security interest* and charge in clause 4.1 in respect of any *secured property* which you do not own at the date of this *document* takes effect immediately as soon as you become the owner of, or have a right or interest in, that *secured property*.

4.5 You may request that we release the *secured property* from the *security interest* or charge when there is no *total amount owing*. However, even if the *total amount owing* is repaid, the *secured property* remains subject to a *security interest* and/or charge in favour of us if we have reasonable grounds for believing that the *document* secures or will secure an obligation owed by a *debtor/guarantor*.

4.6 If we release *PPSA personal property* from a *security interest* registered on the personal property securities register established under the *PPSA*, we will, if required by the *PPSA*, register a financing change statement in respect of the released property.

5. FIXED OR FLOATING?

5.1 The charge created in clause 4.1b is fixed over all of your present and future interest under any *non-disposable personal property* which forms part of the *other property*.

5.2 The charge created in clause 4.1b is floating over all of your present and future interest in that part of the *other property* which is not subject to a fixed charge.

- 5.3 Where the charge is floating (whether under the terms of this *document* or at law), it immediately and automatically becomes fixed:
- a. over any *other property* when we notify you that it is to be subject to a fixed charge;
 - b. without the need for any notice or act by us, over any *other property* affected if:
 - i. you breach an obligation under clause 10;
 - ii. a judgment, order or *encumbrance* is:
 - A. enforced;
 - B. becomes enforceable; or
 - C. can be rendered enforceable by the giving of notice, lapse of time or fulfilment of a condition,in respect of that *other property*;
 - c. over all the *other property* if you or a *debtor/guarantor* are or become *insolvent* or steps are taken to make you or the *debtor/guarantor* *insolvent*;
 - d. over the *other property* that is money or rights to money if any *person* takes any step, or attempts or agrees to do any thing, which may result in *taxes* or an amount owing to an authority, ranking ahead of the floating charge (including issuing a notice or direction that has the effect of giving an authority a preference, priority or advantage over creditors);
 - e. over all the *other property* if you cease carrying on business;
 - f. over any *other property* over which the charge is floating if you deal with it other than in the ordinary course of your business; and
 - g. if the law provides that a floating charge created by this *document* becomes fixed.

- 5.4 We can give you a notice stating that from a date specified in the notice the *other property* specified in the notice is released from the fixed charge and subject to a floating charge. You charge to us by way of floating charge the *other property* specified in the notice as security for payment of the *total amount owing* on the same terms as the charge given under clause 4.1b. *Secured property* can become subject to a floating or a fixed charge under this clause and clause 5.3 any number of times.

HOW THIS DOCUMENT AFFECTS YOU AND THE SECURED PROPERTY

6. LOOKING AFTER THE SECURED PROPERTY

6.1 You must:

- a. keep the *secured property* in good working order and condition and correct any defect;
- b. protect the *secured property* from theft, loss or damage;
- c. not do nor allow any *person* to do anything that might lower the value of the *secured property* or affect our rights as secured party or chargee;
- d. tell us if the *secured property* is stolen, lost, destroyed, defective or seriously damaged;
- e. give us a copy of any order or notice from any *person* about the *secured property* as soon as you become aware of it;
- f. comply with all laws and requirements of authorities and your other obligations in connection with the *secured property*;
- g. whenever requested by us, take or defend such legal proceedings as we may consider advisable for the protection or recovery of the *secured property*;
- h. ensure that each *person* who uses or occupies the *secured property* complies with all laws and requirements of authorities in connection with the *secured property*;
- i. get our consent before you conduct major *works* relating to land or any fixture, structure or improvement on land or fixed to it forming part of the *secured property* or enter into a contract to carry them out;
- j. give us details about all land and interests in land (such as leases) you acquire;
- k. until we otherwise direct, procure the prompt collection of your book debts. We appoint you as our agent for this purpose; and
- l. pay on time all amounts for which you are liable as owner of the *secured property* (including rates, rents, *taxes*, registration fees and *licence* fees) or relating to the premises where the *secured property* is kept.

6.2 You must:

- a. tell us if there is a *contaminant* on, in, under or migrating to or from the *secured property*;
- b. not have a *contaminant* on, in, or under the *secured property* or release a *contaminant* from the *secured property* or allow a *contaminant* to escape or migrate to or from it;
- c. immediately remove any *contaminant* from the *secured property* and make good any damage caused by the *contaminant* or its removal;
- d. if a *contaminant* is released, escapes or migrates from the *secured property*, minimise its impact on the *environment* and make good any damage it causes; and

- e. not deal with the *secured property* or any *contaminant* in such a way as to increase the risk of harm from any *contaminant*.

7. YOUR BUSINESS

You must:

- a. conduct your business in a proper, orderly and efficient manner;
- b. not, without our consent, cease conducting your business and not significantly change the general character of any business you conduct;
- c. obtain, renew on time and comply with the terms of each authorisation necessary to enter into this *document*, comply with obligations under it and allow it to be enforced;
- d. if we ask, use your best efforts to obtain permission to use the *secured property* for any purpose we reasonably specify;
- e. not, without our consent:
 - i. provide financial accommodation to; or
 - ii. permit financial accommodation to remain owing to you by, a *related entity* or satisfy any financial accommodation you now or in the future owe to a *related entity*;
- f. not deposit money with a *person* in circumstances where the money is not repayable unless you perform obligations (including to pay money) to that *person*;
- g. ensure that your capital is not reduced or made capable of being called up only in certain circumstances; and
- h. not, without our consent, approve or register a transfer of shares in your capital or change your directors or company secretary.

8. INSURANCE

8.1 You must maintain the following insurance over the *secured property*:

- a. if the *secured property* is a motor vehicle or watercraft - insurance over the *secured property* against fire and other usual risks and compulsory third party insurance; and
- b. in any other case - insurance over the *secured property* against risks usually insured against, including fire, theft, accident and any other usual risks.

8.2 The insurance under clause 8.1 must be for the full insurable value of the *secured property* and any *works* on a replacement and reinstatement basis (if the *secured property* is capable of replacement or reinstatement).

8.3 You must maintain insurance against public liability risk, workers compensation, loss of rent and other income and any other risk we reasonably require, in connection with the *secured property*.

8.4 Each policy under clauses 8.1 and 8.3 must:

- a. note our interest as secured party and chargee;
 - b. be on terms and for an amount satisfactory to us; and
 - c. be with an insurer approved by us acting reasonably.
- 8.5 You must produce evidence satisfactory to us of current insurance cover that complies with this clause 8 whenever we ask for it.
- 8.6 You must do your best to ensure that:
- a. the insurance cover is not reduced or cancelled and you must notify us if it is or could be; and
 - b. nothing happens which is under your control that could permit an insurer to decline a claim and you must notify us if anything would permit an insurer to do this.
- ## 9. INSURANCE CLAIMS
- 9.1 You must do your best to ensure that proceeds from an insurance claim of more than \$5,000 are paid to us.
- We must then use them as set out in clause 298. All other proceeds must be used to reinstate the *secured property*.
- 9.2 However, if we direct you to use or hold any insurance proceeds in a particular way, you must use or hold them as we direct.
- 9.3 You must notify us if you have a right to make an insurance claim, if a claim is made and about the progress of any claim.
- 9.4 Where we consider it reasonably necessary in order to protect our interest in the *secured property*, we may take over your rights to make, pursue or settle an insurance claim. We will notify you if we choose to do this. We may exercise those rights in any manner we choose acting reasonably.
- 9.5 You agree that you do not have any right to a claim against us in relation to any insurance claim, the manner in which we deal with an insurance claim or in relation to insurance of the *secured property* generally.
- ## 10. DEALING WITH THE SECURED PROPERTY
- 10.1 Without our consent you may not, and may not agree to, do any of the following:
- a. create or allow to exist another *encumbrance* in connection with the *secured property*;
 - b. acquire any asset which is, or upon acquisition, will be subject to a *security interest*;
 - c. create any trust, power or lien in connection with the *secured property* or allow one to arise;
 - d. give any *person* other than us control or possession of any *secured property* other than to the extent expressly permitted by clause 10.3; or
 - e. deal in any way with this *document*, or allow any interest in it to arise or be varied.
- 10.2 Without our consent you may not, and may not agree to, do any of the following in respect of the *non-disposable personal property* and the *other property* over which the charge created under clause 4.1 is fixed:
- a. sell, transfer or dispose of any of that non-disposable personal property or other property;
 - b. lease or license that non-disposable personal property or other property, or allow a surrender or variation of any lease or *licence*;
 - c. part with possession of that non-disposable personal property or other property;
 - d. allow a set-off or combination of accounts;
 - e. change the nature of that non-disposable personal property or other property;
 - f. waive any of your rights or release any person from its obligations in connection with that non-disposable personal property or other property;
 - g. deal in any other way with that non-disposable personal property or other property or any interest in it, or allow any interest in it to arise or be varied;
 - h. allow that non-disposable personal property or other property to be moved from the jurisdiction in which it is situated as at the date of this document;
 - i. allow other goods or personal property to become commingled with, or accessions to, the non-disposable personal property or other property or allow the non-disposable personal property or other property to become an accession to any other goods or personal property; or
 - j. affix that non-disposable personal property or other property to any land or building other than any land or building you own.
- 10.3 Without our consent you may not, and may not agree to, do anything in clauses 10.2a to j in respect of the disposable *personal property* and *other property* over which the charge is floating except in the ordinary course of your business as long as no *default* has occurred.
- 10.4 You must give us possession or control of the *non-disposable personal property* or *other property* over which the charge created under clause 4.1 is fixed when required by us, by doing such things and executing such documents as we require including so as to evidence that we are in possession and control for the purposes of the *PPSA*.
- 10.5 We may at any time require you to open and maintain a *specified account* with us and, if we so require before or at any time after the opening of the *specified account*, on terms that:
- a. officers nominated by us must be signatories to the *specified account*; and
 - b. no withdrawals can be made from the *specified account* without the signature of one of those officers.
- 10.6 You must immediately and until notified otherwise by us deposit in the *specified account*:
- a. any proceeds you receive under any insurance policy in relation to the *secured property*;
 - b. any proceeds of any *account* or book debt or other debt forming part of the *secured property*;
 - c. all *sales proceeds*; and
 - d. all other proceeds of the *secured property* in the nature of currency or money.
- 10.7 Clause 10.6a does not apply to proceeds received from any workers' compensation or public liability policy or reinstatement policy to the extent that the proceeds are paid to a *person*:
- a. entitled to be compensated under the workers' compensation or public liability policy; or
 - b. under a contract for the reinstatement of the *secured property*.
- 10.8 So long as no *default* subsists, you may withdraw from the *specified account* an amount equal to all proceeds paid into that *specified account* and deal with such withdrawn amounts as you think fit if, and only if:

- a. the proceeds paid in were not *sales proceeds*;
- b. clause 10.2 does not apply to the funds standing to the credit of the *specified account* at the time of the withdrawal; and
- c. no *arrangement with us* provides otherwise.

10.9 If a *default* subsists, you must not withdraw any amount from the *specified account* without our prior consent.

11. OTHER SECURITY INTERESTS

11.1 If a law entitles you to create another *security interest* in connection with the *secured property* without our consent, clause 10 does not operate to require you to obtain our consent before creating that other *security interest*. However:

- a. if you intend to create another *security interest*, you agree to notify us at least 7 days before you propose to do so; and
- b. if we request an agreement under clause 11.2 and you have not complied with that request by the time the *security interest* is created:
 - i. we need not make funds available under any *arrangement with us*; and
 - ii. we may exercise any other rights which arise because you do not do so, such as the right to take possession of the *secured property* and sell it.

11.2 If we ask, you must enter into an agreement acceptable to us regulating the priority between the *security interest* and/or charge created under this *document* and any other such *security interest* over or proposed to be created over the *secured property*.

11.3 You must ensure that the amount secured under any other such *security interest* over the *secured property* is not increased without our written consent.

11.4 You must comply on time with any obligation in connection with any other such *security interest* over the *secured property*.

12. LICENCES

12.1 If a *licence* is required for any activity carried out on or in connection with the *secured property*, then you must:

- a. when carrying out that activity, do so in a proper and orderly manner;
- b. comply with the terms of the *licence*;
- c. comply with all laws and requirements of authorities in connection with the *licence*;
- d. 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*;
- e. not, without our written consent:
 - i. remove or apply to remove the *licence* from the *secured property*;
 - ii. surrender or attempt to surrender the *licence*;
 - iii. deal in any way with any interest in the *licence*;
 - iv. amend the *licence*;
 - v. do anything which could cause the *licence* to be forfeited or cancelled; or
 - vi. allow a *security interest* to arise over the *licence*; and

- f. give us a copy of each notice, order, summons or conviction in connection with the *licence*.

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

- a. the holder complies with the obligations set out in clause 12.1 as if it were you; 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.

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

12.4 You acknowledge that, despite the *security interest* and charge created under this *document*:

- a. you remain liable to perform your obligations under the *licence*; and
- b. we have no obligations under the *licence* and no liability under the *licence* if you are in *default* under it.

ADDITIONAL AMOUNTS YOU MUST PAY

13. COSTS

You must pay us for:

- a. Our reasonable *costs*, and any *receiver's* reasonable *costs* and remuneration, in arranging, administering and terminating this *document* or another *arrangement with us* (including giving and considering consents, variations, discharges and releases, producing title documents, or enforcing, attempting to enforce or taking any other action in connection with our or any *receiver's* rights); and
- b. any *taxes payable* in connection with this *document* or any other *arrangement with us*.

You must pay us these amounts within 10 *business days* after we ask for them.

14. GST

You agree to compensate us on demand if we determine that, as a direct or indirect result of the imposition of *GST*, our *costs* in connection with this *document* are increased.

If we:

- a. reasonably decide that we are liable to pay *GST* on a supply made in connection with this *document*; and
- b. certify that we have not priced the supply to include *GST*,

then you agree to pay us an additional amount equal to the consideration *payable* for the supply multiplied by the prevailing *GST* rate.

15. INDEMNITY

15.1 You indemnify us against, and must pay us on demand for any liability, direct loss or reasonable *costs* we suffer or incur:

- a. if you *default* under this document (in which case you will also be liable for any loss arising because we require repayment of the *total amount owing* earlier than its due date); or
- b. if you do not pay us the *total amount owing*,

Your liability under this indemnity excludes any liability to the extent caused by our mistake, error, fraud, negligence or wilful misconduct or the mistake, error, fraud, negligence or wilful misconduct of our employees, contractors or agents or any receivers we appoint in respect of any *secured property*.

You have to pay these amounts within 10 business days after we ask.

16. INTEREST

If a liability under this *document* becomes merged in a judgment or court order, then you, as an independent obligation, must pay interest on the amount of that liability from the date it becomes payable until it is paid, both before and after the judgment or court order, at a rate being the higher of the rate payable under the judgment or court order and the rate payable on the *total amount owing*. You must pay interest under this clause on demand from us.

DEFAULT

17. WHEN YOU ARE IN DEFAULT

You are in *default* if:

Monetary defaults

- a. you do not pay the *total amount owing* when it becomes payable;

Non-monetary defaults

- b. you are, or a *debtor/guarantor* is, in *default* under any *arrangement with us* or an event of *default*, however described, occurs under an *arrangement with us*;
- c. you give, or a *debtor/guarantor* gives, us materially incorrect or misleading information (including through your declarations under clause 3.4 and clause 41) in connection with this *document* or another *arrangement with us* in any material respect and in circumstances which may materially increase our risk under this *document*;
- d. you are or become, or a *debtor/guarantor* is or becomes, *insolvent* or steps are taken to make you or the *debtor/guarantor* *insolvent*;
- e. you are or become deregistered, or a *debtor/guarantor* (if it is a corporation) is or becomes deregistered, or steps are taken to deregister you or the *debtor/guarantor*;
- f. a *controller* or a *receiver* is appointed to any part of your or a *debtor/guarantor's* property;
- g. legal or beneficial ownership, or management control, of you or a guarantor changes without our consent;
- h. this *document* does not have or loses the priority it is intended to have;
- i. anything happens which in our reasonable opinion may affect your, or a *debtor/guarantor's*, ability to pay us the *total amount owing*, or to fulfil your, or a *debtor/guarantor's*, obligations under this *document* or any other *arrangement with us*, or our rights under any *security interest* or our ability to recover the *total amount owing*;
- j. we believe on reasonable grounds that urgent action is necessary to protect any *secured property* where we have requested you to take such action and you have failed to do so within a reasonable time as specified by us;
- k. the value of the *secured property* materially decreases which may materially increase our risk under this *document*;
- l. a *person* is appointed to investigate or manage your affairs or the affairs of a *debtor/guarantor*;
- m. you do not, or a *debtor/guarantor* does not, meet all your or their monetary obligations (whether present or future) on time or within any applicable grace period or any of these obligations become, or can be rendered, *payable* early otherwise than at your or the *debtor/guarantor's* election and which may materially increase our risk; or
- n. we reasonably believe someone acted fraudulently in connection with this *document* or an *arrangement with us*.

Where a *default* is able to be remedied, we will only act on that *default* after we:

- a. give you notice describing the *default*; and
- b. give you a reasonable time (not being less than 30 days) to remedy the *default* except where it is reasonable for us to give you no notice or a shorter notice period in order to manage a material and immediate risk relating to:
 - i. the *default*;
 - ii. your particular circumstances; or
 - iii. the value of a security,

18. WHAT HAPPENS IF YOU ARE IN DEFAULT

18.1 If you are in *default* and we can act on that *default*, we may do one or more of the following in addition to anything else the law allows us to do as mortgagee, chargee or as a secured party:

- a. require that you pay the *total amount owing* to us immediately;
- b. sue you for the *total amount owing*;
- c. appoint one or more *receivers*;
- d. do anything that a *receiver* could do under clause 19.5; and
- e. exercise any other rights we have under this *document* or any *arrangement with us*.

18.2 We will give you notice or comply with certain conditions before we require you to immediately pay all amounts you owe us or take enforcement proceedings or other action. For example, if a *default* has occurred, we will give you 30 days' notice before we require you to immediately pay the *total amount owing* or take enforcement proceedings (however, we can give you a shorter notice period or no notice in certain circumstances).

19. RECEIVERS

19.1 In addition to our powers under clause 18.1, we may appoint a *receiver*.

- a. if you or your directors request us to do so; and
- b. to any part of the *secured property*.

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

- a. appoint any *receiver* to all or any part of the *secured property* or its income; and
- b. set a *receiver's* remuneration at any figure we determine as appropriate, remove a *receiver* and appoint a new or additional *receiver*.

19.3 If we appoint more than one *receiver*, they may act independently unless we specify that they must act together.

19.4 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*.

19.5 Unless the terms of appointment restrict a *receiver's* powers, the *receiver* may do one or more of the following:

- a. take or give up possession of the *secured property* as often as it chooses;
- b. sever, remove and sell fixtures and fittings; and

- c. anything else the law allows an owner or a *receiver* of the *secured property* to do, including improving, selling or leasing it.

19.6 The *receiver* may exercise its powers without your consent and without giving you notice.

20. DISPOSAL OF THE SECURED PROPERTY IS FINAL

You agree that if we or a *receiver* sell or otherwise dispose of the *secured property*:

- a. you will not challenge the acquirer's right to acquire the *secured property* (including on the ground that we or the *receiver* were not entitled to dispose of the *secured property* 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 *secured property* need not check whether we or the *receiver* had the right to dispose of the *secured property* or whether we or the *receiver* exercised that right properly.

GENERAL

21. DEALING WITH RIGHTS UNDER THIS DOCUMENT

21.1 We may assign or otherwise deal with our rights under this *document* in any way we consider appropriate acting reasonably. If we do this, we do not have to tell you and you may not claim against any assignee (or any other *person* who has an interest in this *document* or the *arrangement with us*) any right of set-off or other rights you have against us, provided that any such assignment or dealing does not in our reasonable opinion materially prejudice your rights or obligations under this *document*.

21.2 If we do assign or otherwise deal with our rights under this *document*, you agree that you are still liable for the *total amount owing* under this *document*.

21.3 Your rights are personal to you and may not be assigned without our written consent.

22. DISCLOSURE OF INFORMATION

22.1 Information you provide to us may be disclosed:

- a. if you consent (you may not unreasonably withhold your consent);
- b. if required by any security exchange or if allowed or required by law;
- c. to any *person* in connection with our exercising rights or dealing with rights or obligations (including preparatory steps such as negotiating with any potential assignee of our rights or other *person* who is considering contracting with us or a *receiver* in connection with this *document*);
- d. to our officers, authorised agents and employees, to receivers and to legal advisers, auditors and other advisers;
- e. to any of our *related bodies corporate*;
- f. where we think it is necessary to protect our position;
- g. if the information is generally and publicly available;
- h. to any other *debtor/guarantor*; or
- i. for the purposes of the securitisation of any *arrangement with us*.

22.2 We and you agree not to disclose any information of the kind referred to in section 275(1) of the *PPSA* that is not publicly available. You agree not to authorise the disclosure of any information as contemplated under section 275(7)(c) of the *PPSA*.

22.3 Clause 23.2 does not prevent disclosure of any information by us:

- a. permitted under clause 23.1 or under any *arrangement with us*; or
- b. where required under section 275 of the *PPSA* because of the operation of section 275(7) of the *PPSA*.

23. THINGS WE MAY DO

23.1 We may enter land and buildings owned or occupied by you, any place where the *secured property* is located and your places of business to:

- a. inspect the *secured property* or any works;

- b. find out whether you are complying with this *document*;
- c. carry out our rights under this *document*;
- d. inspect and copy records relating to you or the *secured property*; or
- e. investigate your financial affairs or business or those of any *debtor/guarantor*.

You must also obtain for us the right to enter for these purposes land and buildings owned by another *person* or over which another *person* has a *security interest*.

23.2 Unless there is an emergency or we reasonably believe the *secured property* may be moved beyond our control, we must give you reasonable notice before entering under clause 23.1 and we may only enter during normal business hours. You must help us to enter, such as by getting any consent necessary.

23.3 We may do anything which you should have done under this *document* but which you have either not done or in our opinion have not done properly. If we do so, you must pay our reasonable *costs* when we ask in accordance with clause 13.

23.4 We do not become a mortgagee in possession because we enter the *secured property* under clause 23.1 or exercise our rights under clause 23.3.

23.5 If we ask, you must ensure that rent and other income from the *secured property* is paid to us. If, despite this, they are paid to you, you must pay them to us. In each case, we must then use the money we receive as set out in clause 28.

23.6 If we reasonably believe you are or may be in *default* or we reasonably believe that circumstances exist which could lead to you being 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*. You must pay to us all reasonable *costs* in connection with the investigation.

24. CONSENTS

24.1 Whenever a provision of this *document* specifies that our consent or approval is required or that we may direct or require you to do or not do some act or thing, or that we will determine whether an event has occurred or not occurred, we will act reasonably and without unreasonable delay in determining whether or not to give that consent or approval (which will not be unreasonably withheld), determining whether that event has occurred or directing you to take some action or satisfy a requirement of ours.

24.2 We may impose reasonable conditions on any consent or approval we give under this *document* in order to protect our legitimate business interests. You must comply with all conditions and requirements in any consent or approval we give.

24.3 Our consent or approval will not be effective unless it is in writing. We may charge a fee for giving our consent or approval.

25. MANAGER

We may appoint a *person* to manage this *document* for us. We will tell you if we do so. Any such manager is authorised to exercise all of our rights under this *document*. Until we tell you otherwise, you must deal with that manager in relation to all matters arising in connection with this *document*.

26. CURRENCY CONVERSIONS

- 26.1 You must make each payment in the currency in which it is due.
- 26.2 If we receive an amount in a currency other than that in which it is due:
- we may convert the amount received into the due currency (to do this it might be necessary to convert through a third currency) on the day and at such rates as we consider appropriate taking into account market exchange rates available to us. We may deduct our usual *costs* in connection with the conversion; and
 - you satisfy your obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the *costs* of the conversion.

27. SETTING OFF MONEY

- 27.1 Except to the extent you have a right of set-off granted by law which we cannot exclude by agreement, you must pay us the *total amount owing* in full without setting off amounts you believe we owe you and without counter claiming amounts from us. This does not prevent you making a separate claim against us for amounts you believe we owe you.
- 27.2 We may set off against the *total amount owing* any money we owe you.

28. WHAT HAPPENS TO MONEY WE RECEIVE?

- 28.1 Money, property or proceeds received by or on our behalf from enforcement is to be applied in the following manner and order:
- first, in payment of claims of all *persons* (if any) holding an interest (other than a security interest) ranking in priority to the *security interest* created by this *document*;
 - second, in payment of all *costs* and *taxes* relating to the exercise of our enforcement powers or the *receiver's* powers;
 - third, in payment of claims of all *persons* (if any) holding a security interest ranking in priority to the *security interest* created by this *document*;
 - fourth, in payment to us of the *total amount owing* in such manner and order as we determine, including in accordance with clause 28.4;
 - fifth, in payment of claims of all *persons* (if any) holding an interest or a security interest having a lower priority to the security interest created by this *document*; and
 - last, in payment of any surplus to you or any other *person* entitled to it.

However, if money received represents proceeds of an insurance claim, we may use it to reinstate or replace the *secured property* or carry out work on it.

- 28.2 If, at the time we receive the money, any part of the *total 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 *taxes* - including income tax) to pay the *total amount owing* when it becomes due for payment.
- 28.3 Subject to clause 28.1, we may use any money received under this *document* towards paying any part of the *total amount owing* we choose, such as by:
- paying a later instalment before an earlier instalment. (This applies even if that later

instalment falls due after we give a notice of demand); or

- applying the payment to one *arrangement with us* before another.

- 28.4 Subject to clause 28.1, if any part of the *total amount owing* is secured by a purchase money *security interest* granted by you to us, we must use any money received under this *document* or any *arrangement with us* in the following order:
- first, to pay claims relating to obligations that are secured but which are not secured by a purchase money *security interest*; and
 - second, to pay claims relating to obligations that are secured by a purchase money *security interest*.

- 28.5 Subject to clause 28.1, we must pay any money remaining after the *total amount owing* is paid either to you or to another *person* entitled to it (such as another *person* with a *security interest* over the *secured property*). In particular, we may pay it to a *person* whom we consider on reasonable grounds has a subsequent registered or unregistered *security interest* without incurring liability to you. We do not pay you interest on any money remaining after the *total amount owing* is paid.

- 28.6 We will credit payments as soon as practicable after we receive them (including, where we have appointed a *receiver*, as soon as practicable after we receive the payment from the *receiver*).

29. MULTIPLE ACCOUNTS

- 29.1 If there is a *monetary default* we can use any money in any of your accounts held with us to pay any amount that is due and payable but has not been paid.

We do not have to do so, nor do we have to tell you before we do so. However, we will provide you with details of such amounts if you request.

30. CERTIFICATES

- 30.1 We may rely on certificates provided by any other *person* with a *security interest* as to the amount that is owed to them, in the absence of a clear error.

31. PROMPT PERFORMANCE

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

32. HOW WE MAY EXERCISE OUR RIGHTS

- 32.1 We may exercise a right or remedy in any way we consider appropriate acting reasonably.

- 32.2 We may enforce our rights under this *document* before we enforce other rights or remedies:

- against any other *person*; or
- 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.

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

- 32.4 Neither we nor a *receiver* are liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy except for any loss to the extent caused by our mistake, error, fraud, negligence or wilful misconduct or the mistake, error, fraud, negligence or wilful misconduct of our employees, officers, contractors or agents, or any *receivers* we appoint in respect of any *secured property*.

32.5 If we or a *receiver* exercise any right under this *document* or at law to enter or take possession of any *secured property*, we or the *receiver*:

- a. have complete and unfettered discretion as to how the *secured property* is managed; and
- b. are liable to account only for rents and profits actually received by us or the *receiver*.

32.6 Our and any *receiver's* rights and remedies under this *document*:

- a. are in addition to other rights and remedies given by law independently of this *document*; 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.

32.7 Our rights and remedies under this *document* may be exercised by any of our directors, any of our employees or any other *person* we authorise.

32.8 Whenever you fail to comply with any of your obligations under this *document*, we may (without prejudice to any of our other rights, powers and remedies) pay all amounts and do all such other things as we deem necessary or desirable to remedy that *default* or otherwise protect the *security interest* created by this *document*.

33. ADMINISTRATIVE MATTERS

33.1 You must deposit with us any document of title, negotiable instrument, lease, chattel paper or any other *document* we request relating to the *secured property*.

But you need not deposit them with us if another *person* is holding them under another *security interest* over the *secured property* to which we have consented and which has priority over the *security interests* created under this *document*.

33.2 You must do anything we reasonably ask (such as obtaining consents, signing and producing documents, replying to questions, producing receipts and getting documents completed and signed to reflect what is intended or agreed between you and us):

- a. to provide more effective security over the *secured property* for the payment of the *total amount owing*;
- b. to enable us to register this *document* with the agreed priority (and, if required, renew its registration);
- c. to enable us to exercise our rights in connection with the *secured property*;
- d. to ensure that each agreement which is intended to be covered by this *document* becomes an *arrangement with us*;
- e. to enable us to register the power of *attorney* in clause 39 or a similar power;
- f. to protect the *secured property* or fix any defect in it;
- g. to show whether you are complying with this *document*; or
- h. to ensure that this *document* is binding on you.

33.3 If we ask, you must supply us with any information or documents we reasonably require about or affecting:

- a. the *secured property*, any works or any *licence*;
- b. any lease, tenancy or other arrangement connected with the *secured property*;
- c. this *document*;

d. your financial affairs or business, the financial position of any *debtor/guarantor* or the *secured property*;

e. a valuation or other expert report about the *secured property* from an expert nominated by us.

33.4 You must pay for anything that you must do under this *document*.

33.5 You authorise us or any *person* we authorise to make any changes to this *document* so that it can be stamped and registered (but only if the changes do not change its meaning).

33.6 You agree that we may fill in any blanks in this *document* or any blanks in any document related to this *document* to complete that document to reflect what is intended or agreed between us.

34. CHANGES

Except where a change to this *document* is administrative or minor or corrects a mistake or omission, a term of this *document*, or right or obligation created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

35. IF ANY PART OF THIS GENERAL SECURITY AGREEMENT IS UNENFORCEABLE

If a court decides that any clause or part of a clause of this general security agreement is illegal, void or unenforceable, then the rest of this general security agreement is to be interpreted as if that clause or that part of the clause is not part of this general security agreement.

36. YOUR OBLIGATIONS AND OUR RIGHTS ARE UNAFFECTED

36.1 This *document* 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 *total amount owing*.

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

36.2 This *document* 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.

37. REINSTATEMENT OF RIGHTS

Under a law relating to insolvency a *person* may claim that a transaction (including a payment) in connection with the *total amount owing* is void or voidable. If a claim is made and upheld, conceded or compromised, then:

- a. we are immediately entitled, as against you, to the rights in respect of the *total amount owing* to which we were entitled immediately before the transaction; and
- b. on request from us, you agree to do anything to restore to us any *encumbrance* we held from you immediately before the transaction.

38. INDEMNITIES

The indemnities in this *document* are continuing obligations, independent of your other obligations under this *document*. They continue even after we have released the *secured property* from this *document*.

39. POWER OF ATTORNEY

39.1 You appoint us, each of our directors, each of our employees whose job title includes the word "manager," each of our solicitors, each other *person* we authorise, and each *receiver* under this *document*, separately as your *attorney*. If we ask, you must formally approve anything they do under clause 39.2. You may not revoke these appointments.

39.2 If we are entitled to enforce this *document* each *attorney* may:

- a. do anything which you can lawfully authorise an *attorney* to do in connection with this *document*, a *licence* or the *secured property* and do anything which you can do as owner of the *secured property* or which the *attorney* believes is expedient to give effect to any of our rights or a *receiver's* rights (these things may be done in your or the *attorney's* name and they include signing and delivering documents (including deeds), selling, transferring or leasing the *secured property*, selling, transferring or surrendering any lease, lodging or withdrawing caveats, otherwise dealing with the *secured property* and starting, conducting and defending legal proceedings, and dealing with a *licence*);
- 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.

39.3 Where permitted by law the *attorney* may exercise its powers in clause 39.2 without your consent and without giving you notice.

39.4 You acknowledge that any *person*, including the Registrar of Titles of Western Australia or any other registration authority in Australia or elsewhere dealing with any *attorney* or a *person* purporting to be an *attorney* under this power, is:

- a. entitled to rely on execution of any *document* by that *person* as conclusive evidence that:
 - i. the *person* holds the office set out in the power;
 - ii. that the power of attorney has come into effect;
 - iii. that the power of attorney has not been revoked; and
 - iv. that the right or power being exercised or being purported to be exercised is properly exercised and that the circumstances have arisen to authorise the exercise of that right and power; and
- b. not required to make any enquiries in respect of any of the matters set out in paragraph a.

40. PARTNERSHIP

If this *document* is given to secure the *total amount owing* by a firm or partnership or joint venture:

- a. this *document* continues to be in full force and effect despite any changes which may from time to time take place in its members or participants, whether by the death or retirement or the receivership, insolvency, administration or liquidation of any member or participant or the admission of any new member or participant or otherwise, and even though the firm, partnership or joint venture no longer carries on business; and
- b. this *document* is binding on you even though you are not or having once been a member of or

participant in the firm, partnership or joint venture are no longer one of its members or participants.

41. TRUSTEE PROVISIONS

41.1 You make the following declarations if you enter into this *document*, or own any of the *secured property*, as trustee of any trust or settlement (unless you have advised us in writing, before entering into this *document*, that one of more of the declarations cannot be made and we have agreed to waive the requirement that you make that declaration or declarations):

- a. this *document* is for the benefit of the trust;
- b. this *document* does not conflict with the operation or terms of the trust;
- c. you are the sole trustee of the trust;
- d. you have the power as trustee of the trust to unconditionally enter into this *document* and perform your obligations under it;
- e. the trust has not been terminated and no beneficiary is presently entitled to any assets of the trust;
- f. you have the right to be fully indemnified out of the trust assets for obligations incurred under this *document* and the trust assets are sufficient to satisfy that right of indemnity;
- g. no action has been taken or proposed to terminate the trust;
- h. true copies of the trust deed and other documents relating to the trust have been provided to us and disclose all the terms of the trust;
- i. you have not delegated any of your powers as trustee or exercised any power of appointment;
- j. no property of the trust has been resettled or set aside or transferred to any other trust;
- k. the trust documents comply with all applicable laws;
- l. by entering into this *document* and performing your obligations under it you are properly performing your obligations to the beneficiaries of the trust;
- m. you have taken all steps necessary to allow you to enter into and perform your obligations under this *document*;
- n. no action has been taken to remove you as trustee or to appoint an additional trustee; and
- o. you have not breached your obligations as trustee.

You must tell us whenever anything happens which would mean you could not truthfully repeat all these declarations (unless we consent to that thing happening).

41.2 If you are a trustee unless we have consented in writing, you must not:

- a. do anything in connection with the trust;
- b. deal with any property of the trust; or
- c. otherwise act in connection with the trust,

in any way which adversely affects your ability to pay the *total amount owing*. This includes making any distribution of capital or resigning as trustee.

41.3 If you are a trustee, this *document* binds you in your personal capacity and in your capacity as trustee of the trust.

41.4 If you are a trustee and you are in *default* you:

- a. must not exercise your powers or discretions under the trust unless we have consented in writing; and
- b. must not exercise your right to be paid from the assets of the trust on demand.

C. has the priority required by us; or

- ii. enabling us to prepare and register a financing statement or financing change statement; or
- iii. enabling us to exercise any of our rights or powers in connection with any such *security interest*; and

42. NOTICES AND OTHER COMMUNICATIONS

42.1 Notices, certificates, consents, approvals and other communications in connection with this *document* must be in writing, unless we agree otherwise.

42.2 Communications from us may be signed by any of our employees or authorised agents.

42.3 Communications to you may be:

- a. given personally to one of your directors;
- b. left at your residential or business address last known to us;
- c. sent by post to your postal or residential or business address last known to us;
- d. sent by email or other electronic communication to your or your approved person's email or other electronic address last known to us;
- e. given in any other way permitted by law.

42.4 Communications to us must be:

- a. given personally to one of our employees at our registered office and no other place;
- b. sent by prepaid post to our registered office and no other place; or
- c. given by any other means permitted by law.

42.5 A communication is taken to be given (whether or not you actually receive it):

- a. in the case of a communication given *personally* - on the date it bears or the date it is received by the *person* to whom it is addressed, whichever is the later;
- b. in the case of a communication sent by post - on the date it bears or the date when it would have been delivered in the ordinary course of post, whichever is the later;
- c. in the case of a communication sent by email or other electronic form - on the date it bears or, if delivery is outside business hours, 9am on the next *business day*, provided the sender does not receive a non-delivery communication within 2 hours after sending.

42.6 If you change your address, you must promptly tell us in writing.

43. PPSA LAW

43.1 You must promptly upon our request:

- a. do anything (including obtaining consents, giving notices or directions to any *person*, making amendments to this *document* or executing a new *document*) for the purpose of:
 - i. ensuring that, any *security interest* created under, or provided for by, this *document*:
 - A. attaches to the collateral that is intended to be covered by that *security interest*; and
 - B. is enforceable, perfected and otherwise effective; and

43.2 You acknowledge and agree that:

- a. you must not cause or permit any *person* to take a *security interest* over, or to register a financing statement in relation to, any of the *secured property* unless it is taken with our prior written consent and you must immediately notify us if you become aware of any *person* taking steps to register, or registering, a financing statement in relation to the *secured property*;
- b. you must take any action necessary to register, perfect, preserve and maintain any *security interest* which you hold, or have the benefit of, under and in accordance with the *PPSA law*.

43.3 You agree with us that:

- a. the provisions of chapter 4 of the *PPSA* do not apply to a *controller* of the *secured property* under section 116(2) of the *PPSA*;
- b. we are under no obligation to dispose of or retain any *secured property* we seize within a reasonable time under section 125 of the *PPSA*;
- c. following a *default*, you have no rights to redeem the *secured property* under section 142 of the *PPSA*; and
- d. you have no rights to reinstate this *document* following a *default* under section 143 of the *PPSA*.

43.4 You waive your rights to receive:

- a. a notice of our proposal to remove *PPSA personal property* which has become an accession under section 95 of the *PPSA*;
- b. a notice of our proposal to exercise our rights in accordance with land law under section 118(1)(b) of the *PPSA*;
- c. a notice of our proposal to enforce our *security interest* in an *account*, chattel paper or negotiable instrument under section 121(4) of the *PPSA*;
- d. a notice of our proposal to dispose of any *PPSA personal property* under section 130 of the *PPSA*;
- e. a notice of our proposal to retain *PPSA personal property* under section 135 of the *PPSA*;
- f. details of the amounts paid to other secured parties in a statement of *account* provided by us under section 132(3)(d) of the *PPSA*;
- g. a statement of *account* under section 132(4) of the *PPSA*; or
- h. a copy of, or notice of, any verification statement confirming registration of a financing statement or a financing change statement relating to any *security interest* under, or provided for by, this *document*.

Anything that you are required by us to do under this clause must be done by you at your own expense. You agree to

reimburse on demand our reasonable *costs* in connection with any action taken by us under or in connection with this clause.

44. GOVERNING LAW AND SERVING DOCUMENTS

44.1 This *document* is governed by the laws of the State of Queensland. You and we submit to the non-exclusive jurisdiction of the courts of that place.

44.2 We may serve any *document* in a court action (including a writ of summons, other originating process or third or other party notice) on you by delivering it to, or leaving it at, your address set out in the *Schedule*, the last place known to us where the *secured property* is kept or such other address as you and we agree at any time. This clause does not prevent any other method of service.

45. AGREEMENT

This *document* is an agreement.

PART B - LARGE BUSINESS TRANSACTIONS

The terms in Part B will only apply if we tell you in the *Schedule* the General Security Agreement is a *Large Business Transaction*.

1. INDEMNITY

You must indemnify us against, and you must therefore pay us on demand for, liability, direct loss or reasonable *costs* we suffer or incur:

- a. if you *default* under this *document* (in which case you will also be liable for any loss arising because we require repayment of the *total amount owing* earlier than its due date);
- b. in connection with us or any *person* acting on our behalf or instruction exercising, or not exercising, rights under this *document*;
- c. in connection with the *secured property*, the monitoring of *works* or this *document*;
- d. as a result of anything that we agree to under this *document*;
- e. under any indemnity we give a *controller* or administrator appointed:
 - i. in respect of you; or
 - ii. over any of the *secured property*.

This includes any liability, loss or *costs* of a kind referred to above suffered or incurred by:

- a. any *receiver* or *attorney* appointed under this *document*;
- b. any of our or our related entities' employees, officers and agents; or
- c. any lessee, purchaser or occupier of the *secured property*.

Your liability under this indemnity excludes any liability to the extent caused by our or their mistake, error, fraud, negligence or wilful misconduct.

We don't need to incur an expense or make a payment before enforcing this right of indemnity.

You agree to pay these amounts within 10 *business days* after we ask for them.

2. WHEN YOU ARE IN DEFAULT

2.1 You are in *default* if:

- a. you do something you agree not to do under this *document*, or you do not do something you agree to do under this *document*;
- b. you do not, or another person does not, carry out in full an undertaking given in connection with this document or another *arrangement with us*, within the period specified, or within 7 days if no period is specified;
- c. this *document* is, becomes or is claimed to be void or unenforceable;
- d. any of the following occur without our consent:
 - i. a change takes place in your directors or company secretary;
 - ii. a transfer of shares in your capital is registered;
 - iii. new shares, convertible notes or options for shares in your capital are issued; or

iv. your capital is reduced or made capable of being called up only in certain circumstances;

e. you cease to be a subsidiary of the company which is your holding company at the date of this document or a company ceases to be your subsidiary.

3. MULTIPLE ACCOUNTS

If you have more than one account with us (either alone or with any other person) we may treat your accounts as one account.

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