

# **CALIA+**

# **Terms and Conditions**

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**CommSec**  
Adviser Services



EFFECTIVE DATE 1 May 2021



# CALIA+ TERMS AND CONDITIONS

These are our Terms and Conditions for CALIA+ including Loans for investment purposes. CALIA+ includes the Line of Credit Bundle, CALIA+ Variable Loan, CALIA+ Fixed Loan and Investment Loan. The Contract for each Loan is made up of these CALIA+ Terms and Conditions (CTC) and a Schedule setting out the current particulars of the Loan.

They do not contain all the information we are required to give you before you enter into the Contract. The rest of the information is contained in the Schedule. Please read the Schedule first before reading the terms and conditions. If your loan is regulated by the National Credit Code please also read the Information Statement – Part I.

## LINE OF CREDIT BUNDLE

The Line of Credit Bundle includes one or both of the following Contracts:

The first Contract is made up of Parts A and B of the CTC and Part 1 of a two part Schedule. Part 1 of the Schedule sets out the current particulars of credit not provided wholly or predominantly for business or investment purposes (excluding residential investment purposes).

The second Contract is made up of Parts A and B of the CTC and Part 2 of the Schedule. Part 2 of the Schedule sets out the current particulars of credit provided wholly or predominantly for business or investment purposes (excluding residential investment purposes).

## CALIA+ VARIABLE LOAN AND CALIA+ FIXED LOAN

The Contract for a CALIA+ Variable Loan or CALIA+ Fixed Loan is made up of Parts A and B of the CTC and a Schedule setting out the current particulars of the credit provided.

By signing and returning the Schedule, you agree to be bound by the Contract. The Contract is made on the day the Bank processes the Schedule signed by the Borrower.

## INVESTMENT LOAN

Where we agree to provide you with an Investment Loan, with or without regular gearing, the CTC (Parts A, C, D and E) and a Schedule are the terms and conditions on which we make the Investment Loan available and on which we accept offers to provide Security for the Investment Loan.

Other terms and conditions may also apply to the Loan Account by operation of law. For example, legislation such as the Corporations Act 2001 and the Australian Securities and Investments Commission Act 2001 apply to the provision of financial services and impose a number of obligations on us with regard to things such as product disclosure, dispute resolution and so on. A number of common law provisions also govern the banker/customer relationship. Further, the Banking Code of Practice, Electronic Funds transfer Code Of Conduct, or the ePayments Code, may also apply. It is not possible to set out in the CTC all of the legislative, common law or Code provisions which may apply to a banking or financial service provided to you. If you need advice about any aspect of these, you may ask us. We will answer your queries where we are able to do so, otherwise we will ask you to seek advice from your own sources.

**WARNING: The CTC do not contain all the information we are required to give you before you enter into the Contract. The rest of the information is contained in the Schedule. This document must be read with the Schedule. Please read the Schedule first.**

If you are both a retail client (as defined in the Corporations Act 2001) and an individual or small business (as small business is defined in the Banking Code of Practice) then the relevant provisions of the Banking Code of Practice will apply to the Loan provided under the Contract.

**NOTE:** Information on the Banking Code of Practice is available on the Commonwealth Bank website.

**WARNING: Changes to the Contract cannot be made by writing on this document.**

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## PART A ALL LOANS

## A1. MEANINGS OF WORDS

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| <b>Adviser</b>                             | (a) the person who <i>you</i> nominate as your adviser or agent in <i>your</i> Application Form or from time to time by <i>Notice to us</i> ; and<br>(b) any person (including but not limited to a dealer group) for which the person referred to in the preceding paragraph is an authorised representative from time to time.   |
| <b>Approved Deposit Account</b>            | Any deposit account that <i>we</i> approve in writing and which is opened with <i>us</i> to secure obligations under any of the Terms and Conditions.  |
| <b>Approved Limit</b>                      | The total amount of credit specified in the <i>Schedule</i> which <i>we</i> are prepared to advance to the <i>Borrowers</i> .  |
| <b>ASIC</b>                                | Australian Securities and Investment Commission.   |
| <b>ASX</b>                                 | ASX Limited ABN 98 008 624 691 and its successors.   |
| <b>ASX Clear</b>                           | ASX Clear Pty Limited ABN 48 001 314 503 and its successors (previously known as Australian Clearing House Pty Limited).   |
| <b>ASX Settlement</b>                      | ASX Settlement Pty Limited ABN 49 008 504 532 and its successors (previously known as ASX Settlement and Transfer Corporation).  |
| <b>Authorised Officer</b>                  | Each of <i>our</i> officers and each officer of <i>CommSec</i> whose title, in both cases, is or includes the word “manager” or the word “executive”.  |
| <b>Authorised Operator</b>                 | The <i>Financial Adviser</i> named in your CALIA+ application, any other financial Adviser notified to us from time to time and any other officer or employee of your current financial Adviser nominated in writing, email or facsimile by them from time to time.  |
| <b>Bank Account</b>                        | The <i>Bank Account</i> , building society account or credit union account <i>you</i> nominate on the Direct Debit/Direct Credit Request form.   |
| <b>Base LVR</b>                            | <i>Portfolio Lending Value</i> divided by <i>Portfolio Market Value</i> (disregarding any <i>Financial Product</i> with a <i>Borrowing Limit</i> of 0%) and expressed as a percentage.   |
| <b>Borrower(s)</b>                         | How <i>we</i> refer to the applicant for a <i>Loan</i> and whose application is accepted by <i>us</i> .  |
| <b>Borrowing Limit</b>                     | The percentage of the <i>Market Value</i> of a particular <i>Financial Product</i> that <i>we</i> are prepared to lend against and may vary depending on how the <i>Financial Product</i> is held.   |
| <b>Buffer</b>                              | A percentage relating to the difference between <i>Base LVR</i> and <i>Margin Call LVR</i> as determined by <i>us</i> from time to time and notified by being placed by <i>us</i> on <i>our Online Banking System</i> .  |
| <b>Business Day</b>                        | A day that is not:<br>(a) a Saturday or Sunday; or<br>(b) a public holiday, special holiday or bank holiday in the place in which any relevant act is to be done or may be done, except that in relation to an <i>Investment Loan Sub-account</i> it means each day on which <i>Commonwealth Securities</i> is open for business in Sydney.  |
| <b>CHES Participant Sponsored Holding</b>  | An uncertified holding of <i>Financial Products</i> on a sub register for that class of <i>Financial Products</i> maintained by ASX Settlement.  |
| <b>CHES Settlement Facility</b>            | The Clearing House Electronic Sub register System operated by <i>ASX Settlement</i> .  |
| <b>Commonwealth Securities</b>             | <i>Commonwealth Securities</i> Limited ABN 60 067 254 399.   |
| <b>CommSec</b>                             | Commonwealth Securities Limited ABN 60 067 254 399   |
| <b>CALIA+ Terms and Conditions and CTC</b> | The terms and conditions set out in this document and any variation to them.   |
| <b>Consumer Credit Code</b>                | The National Consumer Credit Protection Act 2009 (including the National Credit Code), and the regulations made under that Act (all as amended from time to time).   |
| <b>Contract</b>                            | The CTC and the <i>Schedule</i> .  |
| <b>Credit Limit</b>                        | The amount, as approved from time to time, that <i>we</i> are prepared to lend to the <i>Borrower</i> under this <i>Loan</i> .   |
| <b>Current LVR</b>                         | <i>Loan Balance</i> divided by the <i>Portfolio Market Value</i> (disregarding any <i>Financial Product</i> with a <i>Borrowing Limit</i> of 0%) and expressed as a percentage.  |
| <b>Default Event</b>                       | For the purpose of Part C (Investment Loans), any event of default set out in clause A13.1 or A13.3.   |
| <b>Disclosure Date</b>                     | The date stated at <i>Item A</i> (which <i>we</i> use to calculate the particulars of the <i>Loan</i> stated in the <i>Schedule</i> ) or the date <i>we</i> send a <i>Letter of Variation</i> .  |
| <b>Early Repayment Adjustment</b>          | The adjustment <i>we</i> may make when <i>you</i> prepay the <i>Loan Account</i> in full or make a permitted partial <i>Prepayment</i> of a fixed <i>Interest Rate Loan</i> .  |
| <b>Electronic Notice</b>                   | (a) primarily conducted using electronic means; and,<br>(b) made in accordance with, or in connection with, anything anticipated by the Terms and Conditions or the <i>Online Banking System</i> , and it includes any and all information that <i>you</i> lodge through or <i>we</i> display on the <i>Online Banking System</i> from time to time that relates to <i>your Loan</i> and <i>Loan Account</i> . |
| <b>Enforcement Event</b>                   | Any <i>Enforcement Event</i> set out in clause D8 in Part D ( <i>Financial Products Mortgage</i> ).  |

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| <b>Equity Contribution</b>                   | The cash or <i>Financial Products</i> that <i>you</i> contribute at or prior to the first <i>Investment Loan</i> we make, <i>you</i> contribute monthly thereafter or <i>you</i> contribute as requested by <i>us</i> to reduce the <i>Current LVR</i> .  |
| <b>Facility</b>                              | CALIA+ or any part of it including the Line of Credit Bundle, CALIA+ Variable Loan, CALIA+ Fixed Loan and Investment Loan.  |
| <b>Financial Products</b>                    | (a) a share or unit in the capital of a corporation;<br>(b) an <i>Instalment</i> receipt;<br>(c) a unit in any trust;<br>(d) any debenture, debenture stock, bonds, notes, convertible notes, units, warrants or other <i>Financial Products</i> created, issued or granted by any corporation, government, unincorporated body or other person;<br>(e) options to purchase, subscribe for or acquire any of the <i>Financial Products</i> mentioned above; and<br>(f) any interest in a <i>Financial Product</i> ;<br>(g) such other kind of <i>Security</i> (or interest in a <i>Security</i> ) as <i>we</i> may from time to time agree to accept.   |
| <b>Financial Products Mortgage</b>           | The <i>Mortgage</i> in Part D ( <i>Financial Products Mortgage</i> ) of the CTC supporting the obligations of the <i>Borrower</i> which is created when <i>we</i> accept the <i>Borrower's</i> application for a <i>Loan</i> or a Third Party <i>Security Provider's</i> offer to give a <i>Financial Products Mortgage</i> .   |
| <b>Funding Date</b>                          | The date (or if the <i>Loan</i> is funded by progressive <i>Loan</i> drawings, the first date) on which <i>we</i> debit any amount to a <i>Loan Account</i> other than for the payment of a credit fee or charge.   |
| <b>Guarantee</b>                             | The <i>Guarantee</i> referred to in the application form and given to <i>us</i> in return for approval of the <i>Loan</i> .   |
| <b>Guarantor</b>                             | Any person whose offer <i>we</i> accept to <i>Guarantee</i> the <i>Borrower's</i> obligations under the <i>Loan Agreement</i> .   |
| <b>Insolvent</b>                             | A person is insolvent or an insolvent under administration or has a controller appointed (each as defined under the Corporations Act), in receivership, in receivership and management, in liquidation, in provisional liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from any creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due.  |
| <b>Instalment</b>                            | Each periodic advance that <i>we</i> make to <i>you</i> under Part C ( <i>Investment Loans</i> ) matching <i>your</i> monthly <i>Equity Contribution</i> (paid to <i>us</i> by direct debit and each of at least \$250 or such other amount as the Bank may require from time to time) enabling <i>you</i> to purchase <i>Financial Products</i> that <i>we</i> may from time to time agree to accept.  |
| <b>Interest in Advance Commencement Date</b> | The first day of the period in which interest is payable in advance, which also may be the <i>Funding Date</i> .  |
| <b>Interest Rate</b>                         | The <i>Interest Rate</i> <i>we</i> charge on the <i>Loan Account</i> .  |
| <b>Issuer</b>                                | The entity which issues the relevant <i>Financial Products</i> whether in its own right or as trustee.  |
| <b>Item</b>                                  | An <i>Item</i> of the <i>Schedule</i> .   |
| <b>Lending Ratio</b>                         | The percentage of the <i>Market Value</i> of a particular <i>Financial Product</i> that <i>we</i> are prepared to lend against.   |
| <b>Lending Value</b>                         | The amount <i>we</i> are prepared to lend against a particular <i>Financial Product</i> calculated by multiplying its <i>Market Value</i> by its <i>Borrowing Limit Lending Ratio</i> .   |
| <b>Letter of Variation</b>                   | Any <i>Letter of Variation</i> varying the <i>Contract</i> including any variation to or addition of a <i>Sub-account</i> .   |
| <b>Loan</b>                                  | The credit, described in the <i>Schedule</i> , <i>we</i> give <i>you</i> under the <i>Contract</i> or the credit <i>we</i> give <i>you</i> under an <i>Investment Loan</i> .  |
| <b>Loan Account</b>                          | The account or accounts <i>we</i> keep in <i>your</i> name for each <i>Sub-account</i> to which <i>we</i> debit the <i>Loan</i> or any part of the <i>Loan</i> .  |
| <b>Loan Balance</b>                          | At any time, the balance on the <i>Loan Account</i> at that time.   |
| <b>Loan Agreement</b>                        | The <i>Loan Agreement</i> of these Terms and Conditions created when <i>we</i> accept the <i>Borrower's</i> application for a <i>Loan</i> .   |
| <b>Loan Portability</b>                      | Allows <i>you</i> to vary the <i>Security Property</i> without repaying the <i>Loan</i> (subject to clause A14.6).  |
| <b>Margin Call</b>                           | Means the circumstances described in clause C12(a) of Part C ( <i>Investment Loans</i> ).   |
| <b>Margin Call LVR</b>                       | The <i>Base LVR</i> plus the <i>Buffer</i> .  |
| <b>Investment Loan</b>                       | An <i>investment Loan</i> under Part C ( <i>Investment Loans</i> ).   |
| <b>Investment Loan Sub-account</b>           | The <i>Loan Account</i> <i>we</i> keep in <i>your</i> name to which <i>we</i> debit the <i>Investment Loan</i> or any part of that <i>Investment Loan</i> .   |
| <b>Market Operator</b>                       | A holder of an Australian Market License who operates as per ASIC Market Integrity Rules.   |
| <b>Market Value</b>                          | (a) for <i>Financial Products</i> which are listed on the stock market, the last sale price on that day;<br>(b) for unlisted <i>Financial Products</i> , the redemption price for the <i>Financial Products</i> and in the absence of a redemption price such value that <i>we</i> decide in <i>our</i> discretion reasonably exercised; and<br>(c) for <i>Mortgaged Real Property</i> means the lesser of the <i>Market Value</i> that <i>we</i> ascribe (in <i>our</i> discretion reasonably exercised) to that <i>Mortgaged Real Property</i> and the amount which <i>you</i> (or the <i>Mortgagor</i> if <i>you</i> are not the <i>Mortgagor</i> ) have agreed will be secured by the <i>Real Property Mortgage</i> . |
| <b>Maximum Gearing Level</b>                 | The lower of the <i>Maximum Gearing Ratio</i> and the <i>Margin Call LVR</i> .  |

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| <b>Maximum Gearing Ratio</b>         | The maximum level of gearing we will allow, expressed as a percentage against <i>your Portfolio</i> (disregarding any <i>Financial Product</i> with a <i>Lending Ratio</i> of 0%) as determined by us from time to time and notified by being placed by us on our <i>Online Banking System</i> .   |
| <b>Mortgage</b>                      | The <i>Mortgage</i> in Part C,D,E of these Terms and Conditions supporting the obligations of the <i>Borrower</i> and which is created when we accept the <i>Borrower's</i> application for a <i>Loan</i> or a third party <i>Mortgagor's</i> offer.   |
| <b>Mortgaged Property</b>            | Any or all of the <i>Financial Products</i> which are secured by the <i>Mortgage</i> and includes:<br>(a) any <i>Financial Products</i> we accept to be <i>Mortgaged Property</i> under clause D2 in Part D of the <i>Mortgage</i> ;<br>(b) any <i>Financial Products</i> the <i>Borrower</i> purchases wholly or partly using a drawing on the <i>Investment Loan Sub-account</i> ;<br>(c) all rights and privileges (including rights issues, bonus shares, dividends and profits under a dividend reinvestment plan) accruing as a result of having an interest in those <i>Financial Products</i> ; and<br>(d) all moneys payable or to become payable to the <i>Mortgagor</i> under or by virtue or in respect of those <i>Financial Products</i> . |
| <b>Mortgaged Real Property</b>       | Any real property or leasehold property in respect of which a <i>Real Property Mortgage</i> has been executed.   |
| <b>Mortgagor</b>                     | In Parts C ( <i>Investment Loans</i> ), D ( <i>Financial Products Mortgage</i> ) and E ( <i>Sponsorship Agreement</i> ), any person who gives us a <i>Financial Products Mortgage</i> .  |
| <b>Nominated Account</b>             | The account that you nominate to which we debit interest and fees relating to a fixed rate <i>Sub-account</i> .  |
| <b>Nominee</b>                       | State Nominees Limited ABN 14 000 677 350.   |
| <b>Nominee Financial Products</b>    | The <i>Financial Products</i> held by the <i>Nominee</i> as a result of a transfer to the <i>Nominee</i> or an acquisition by the <i>Nominee</i> under clause F3 in Part F ( <i>Nominee Agreement</i> ).   |
| <b>Notice</b>                        | <i>Electronic Notice</i> or a <i>Written Notice</i> .  |
| <b>Notice of Margin Call</b>         | <i>Notice</i> from us to you or your <i>Adviser</i> which notifies you that your <i>Loan</i> is in <i>Margin Call</i> .  |
| <b>Online Banking System</b>         | Any of the <i>Online Banking Systems</i> and related services (whether provided to you through electronic means or otherwise) we make available to you as part of your <i>Loan</i> , whether through the Commonwealth Bank of Australia, one of its subsidiaries, or agents, and their associated websites and other digital channels.   |
| <b>Our</b>                           | Belonging to us.   |
| <b>Participant Sponsored Holding</b> | A <i>CHESS Participant Sponsored Holding</i> which:<br>(a) belongs to a <i>Mortgagor</i> ; and<br>(b) is <i>Mortgaged Property</i> ; and<br>(c) <i>CommSec</i> sponsors under the <i>Sponsorship Agreement</i> .   |
| <b>Parties</b>                       | You and us.  |
| <b>Portfolio</b>                     | Collectively, the <i>Financial Products</i> which we have accepted as <i>Mortgaged Property</i> .  |
| <b>Portfolio Lending Value</b>       | For a particular <i>Facility</i> , the amount calculated in accordance with clause A12.  |
| <b>Portfolio Gearing Ratio</b>       | <i>Loan Balance</i> (plus any unsettled transactions) divided by <i>Portfolio Market Value</i> and expressed as a percentage.  |
| <b>Portfolio Market Value</b>        | The total of the <i>Market Value</i> of all <i>Financial Products</i> which we have accepted as <i>Mortgaged Property</i> .  |
| <b>PPS Act</b>                       | The <i>Personal Property Securities Act 2009</i> (Cth).  |
| <b>Prepayment</b>                    | A payment that you make before it is due to be made.   |
| <b>Proscribed Person</b>             | A person who appears to us either (a) to be a <i>Proscribed Person</i> or entity under the <i>Charter of United Nations Act 1945</i> ; (b) to be in breach of the laws of any jurisdiction relating to money laundering or counter terrorism; (c) to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority or any jurisdiction; or (d) to act on behalf, or for the benefit of, a person listed in subclauses (a)-(c).   |
| <b>Real Property Mortgage</b>        | Any <i>Mortgage</i> or charge over land (including leasehold land) which secures the payment of money or performance of obligations due to us under this <i>Contract</i> .   |
| <b>Regular Loan Advance</b>          | Each periodic advance that we make to you under the Terms and Conditions.  |
| <b>Rules</b>                         | The <i>ASX Settlement Operating Rules</i> as in force from time to time.   |
| <b>Schedule</b>                      | The <i>Schedule</i> (including any <i>Schedule</i> or <i>Letter of Variation</i> replacing an earlier <i>Schedule</i> signed by us) which records the particulars of the <i>Contract</i> or of the <i>Contract</i> as varied.  |
| <b>Secured Moneys</b>                | Any money payable by the <i>Borrower</i> under the Terms and Conditions.   |
| <b>Security</b>                      | Any <i>Security</i> (including any <i>Guarantee</i> ) stated at <i>Item K</i> or in a <i>Letter of Variation</i> (including any existing <i>Mortgage</i> which you acknowledge secures your liability under the <i>Contract</i> or any <i>Guarantee</i> ) or any <i>Security</i> substituted for it at our request or with our prior written consent, any <i>Guarantee</i> of an <i>Investment Loan</i> and any <i>Financial Products Mortgage</i> and any amount deposited in an <i>Approved Deposit Account</i> .  |
| <b>Security Interest</b>             | An interest arising under a <i>Mortgage</i> , charge, pledge or other encumbrance of any nature and an interest arising from any reservation of title.   |
| <b>Security Property</b>             | The property <i>Mortgaged</i> or charged to us by the <i>Security</i> .  |



|                                      |  |
|--------------------------------------|--|
| <b>Security Ratio</b>                | The ratio determined by <i>us</i> by adding the <i>Lending Value</i> of all <i>Mortgaged Real Property</i> to the amount (if any) in any <i>Approved Deposit Account</i> and dividing that total by the <i>Portfolio Lending Value</i> .   |
| <b>Security Review</b>               | A <i>Security Review</i> under clause B3.  |
| <b>Sub-account</b>                   | Each CALIA+ <i>Variable Loan</i> , CALIA+ <i>Fixed Loan</i> and <i>Investment Loan</i> (if any) established under this <i>Contract</i> .   |
| <b>Sub-account Limit</b>             | The amount of the limit or credit specified in the <i>Schedule</i> for each <i>Sub-account</i> .<br>Note: The total of the <i>Sub-account Limits</i> might exceed the <i>Approved Limit</i> but <i>you</i> are not permitted to allow the total balances of the <i>Loan Accounts</i> for the <i>Sub-accounts</i> to exceed the <i>Approved Limit</i> .   |
| <b>Sub-position</b>                  | A <i>Facility</i> in the <i>CHESS Settlement Facility</i> by which:<br>(a) activity in relation to <i>Financial Products</i> held in a <i>CHESS Participant Sponsored Holding</i> may be restricted; and<br>(b) access to those <i>Financial Products</i> for limited purposes may be given to a <i>CHESS Participant</i> other than the controlling participant.  |
| <b>Third Party Security Provider</b> | Any individual or company, other than <i>you</i> , providing the <i>Security</i> .   |
| <b>Unused Borrowing Capacity</b>     | In Part C (Investment Loans), subject to the <i>Sub-account Limit</i> of the <i>Investment Loan</i> , the amount of the <i>Portfolio Lending Value</i> less the sum of the <i>Loan Balance</i> and any drawings which have been requested but not yet debited to <i>your Investment Loan Sub-account</i> .   |
| <b>we, us and our</b>                | Commonwealth Bank of Australia ABN 48 123 123 124, Australian credit licence number 234945, <i>our</i> successors and anyone <i>we</i> assign <i>our</i> rights to and in Part G includes <i>our</i> agents.   |
| <b>Withdrawal Instructions</b>       | Instructions for withdrawal of <i>Financial Products</i> from a <i>Participant Sponsored Holding</i> and includes instructions:<br>(a) for the conversion of <i>Financial Products</i> in the <i>Participant Sponsored Holding</i> to any other mode of holding;<br>(b) to initiate a change of sponsorship for the <i>Financial Products</i> ;<br>(c) to endorse or initiate an off market transfer of <i>Financial Products</i> ; or<br>(d) to accept a takeover offer for the <i>Financial Products</i> on <i>your</i> behalf.  |
| <b>Written Notice</b>                | Any physical, paper based communication in legible form, delivered by <i>you</i> to <i>us</i> , or by <i>us</i> to <i>you</i> in that form that is:<br>(a) conducted using written means; and,<br>(b) made in accordance with, or in connection with, anything anticipated by the Terms and Conditions.  |
| <b>you and Borrower</b>              | (a) in Part A (All Loans), any person who agrees to be bound by any part of the CTC;<br>(b) in Part B (Loan Accounts (other than Investment Loans)), any person named in the <i>Schedule</i> as <i>Borrower</i> and in respect of each <i>Sub-account</i> any <i>Borrower</i> named in the <i>Schedule</i> for that <i>Sub-account</i> ;<br>(c) in Part C (Investment Loans), the applicant for the <i>Investment Loan</i> and any person whose application is accepted by <i>us</i> ;<br>(d) in Part D ( <i>Financial Products Mortgage</i> ), Part E (Sponsorship Agreement) and Part F ( <i>Nominee Agreement</i> ), the person who gives <i>us</i> the <i>Financial Products Mortgage</i> ; and<br>(e) in Part G ( <i>Privacy Information and Authorisation</i> ), <i>you</i> includes individual <i>Borrowers and Guarantors</i> , and any person who holds office in an entity which is a <i>Borrower or Guarantor</i> .<br>If there are more than one, <i>you</i> means each of them separately and every two or more of them jointly. <i>You</i> includes <i>your</i> executors, administrators and assigns. As joint account holders, <i>you</i> irrevocably appoint each other to be <i>your</i> attorney in connection with the Terms and Conditions, with the powers to do anything that <i>you</i> are able to do under these Terms and Conditions. If <i>we</i> require, <i>you</i> must approve any act that <i>your</i> attorney does in connection with these Terms and Conditions, the <i>Loan</i> , the <i>Loan Account</i> , and the <i>Mortgaged Property</i> by notifying <i>us</i> in writing prior to this act occurring.<br><i>You</i> acknowledge that <i>we</i> are not obliged to accept from <i>you</i> certain notices (as determined by <i>us</i> from time to time) submitted to <i>us</i> in <i>your</i> capacity as attorney unless that notice has been signed by any and all joint account holders.<br><i>You</i> indemnify <i>us</i> and each of <i>your</i> attorneys appointed under these Terms and Conditions against any loss or damage <i>we</i> or they incur when acting in accordance with the powers granted to that attorney under this power of attorney. <i>You</i> also release <i>us</i> from liability for acting upon any instruction given to <i>your</i> attorney in accordance with the Terms and Conditions, except in the case of <i>our</i> fraud, negligence or wilful misconduct.<br>When two or more of <i>you</i> are named in the <i>Schedule</i> as <i>Borrowers</i> to a <i>Sub-account</i> , <i>your</i> undertakings and agreements in the <i>Contract</i> bind <i>you</i> jointly and each of <i>you</i> separately. For example, <i>we</i> may ask any one of <i>you</i> to pay the full amount owing under the <i>Contract</i> in respect of that <i>Sub-account</i> .<br>If <i>you</i> are not named in the <i>Schedule</i> as a <i>Borrower</i> to a <i>Sub-account</i> , <i>your Contract</i> does not include that <i>Sub-account</i> but <i>you</i> may be liable under a <i>Guarantee</i> and/or <i>Mortgage</i> <i>you</i> give <i>us</i> to secure the obligations of the <i>Borrower/s</i> of that <i>Sub-account</i> . |

The singular includes the plural and vice versa.

If we use an example to show the meaning of a word, the meaning of the word is not limited to that one example or to examples of a similar kind.

A reference to:

- (a) a person includes a reference to a body corporate;
- (b) a paragraph, sub-clause or clause is a reference to a paragraph, sub-clause or clause of the *Contract*;
- (c) a document or the *Contract* is a reference to the document or the *Contract* as varied or replaced from time to time. Where the *Contract* says something must be done on or by a particular day, and that day is not a *Business Day*, then that thing must be done on or by the next *Business Day*.

When the *Contract* says a payment or repayment must be made one month from or one month after a particular day, and that day is the 29th, 30th or 31st day of a month, the expressions “one month from” and “one month after” do not mean the 29th, 30th or 31st day of the next month, but mean the first day of the month after that.

Unless the *Contract* says otherwise, numbers, values and amounts for a day are estimated, calculated or determined immediately before close of business on that day.

## **A2. CONDITIONS TO BE MET BEFORE WE WILL PROVIDE THE LOAN**

A2.1 We will provide the Loan to you only if:

- (a) you and any person authorised to operate on your Loan have provided us with the necessary identification we require; and we have carried out any necessary verification check(s).
- (b) we are satisfied that the valuation of and title to the Security Property will be adequate for the Loan in accordance with our usual credit standards;
- (c) we are satisfied that you have complied with all requirements for providing the Loan that we have told you about in writing;
- (d) you or the Third Party Security Provider do all things and pay or arrange to pay all moneys (including all government land titles office discharge and transfer registration fees listed in Item F) necessary to give us the Security Interest we require in the Security Property noted in the Schedule;
- (e) you open a suitable Nominated Account with us or with a bank or financial institution acceptable to us and give us a written authority (Direct Debit Request) to draw or obtain by direct debit from that account, as required, the amounts you must pay us under the Contract; (For all matters relating to direct debit arrangements on your account, including requests for deferment of debits, alteration of debit arrangements or stopping or cancelling direct debit requests, contact CommSec Adviser Services on 13 15 20 during business hours.)
- (f) any representations and warranties you make in relation to the Contract (for example, those made under clause A5) are correct and not misleading;
- (g) where we have asked for a Guarantee:
  - (i) the Guarantee or the offer to Guarantee has not been withdrawn or otherwise invalidated; and
  - (ii) the Guarantor is not an undischarged bankrupt;
- (h) where we require lenders' Mortgage insurance, the insurer accepts the insurance risk; (Lenders' Mortgage insurance protects us, not you. If the Security Property is sold before the Loan is repaid, we may incur a loss if the proceeds are insufficient to fully repay the Loan. We may recover this loss under our lenders' Mortgage insurance policy. However, you are still legally responsible for repaying the amount outstanding under the Contract, because you are not protected by the lenders' Mortgage insurance.)
- (i) you have obtained an advice from the Commonwealth Government (if required under the Foreign Acquisitions and Takeovers Act 1975) that it does not object to you acquiring an interest in the Security Property and if that advice is conditional, the condition/s is/are acceptable to us.

A2.2 You must pay any costs we reasonably incur relating to any of the matters referred to in clause A2.1, whether or not we provide you with the Loan. The costs may be ours, or they may be costs that we have to pay to a third party, or that we retain in reimbursement of an amount we have paid to a third party. The costs are due and payable on the date we incur them.

## **A3. WHAT WE REQUIRE FROM YOU**

- A3.1 When we reasonably consider it necessary to ask you, you must fully and truthfully tell us your current financial position.
- A3.2 Your obligations under the Contract are to be secured by the Security stated at Item K or in a Letter of Variation. The Security must be in the form or forms we require.
- A3.3 Except in regard to Investment Loans (in which case clause D2(b) applies):
  - (a) if the Security is in existence at the date of the Contract, you agree to give us a written acknowledgment that the Security extends to cover your obligations under the Contract; or
  - (b) if the Security is not in existence at the date of the Contract, you agree to give us the Security.
- A3.4 The value of and title to the Security Property must be to our reasonable satisfaction at all times during the term of the Contract. We may obtain a new valuation of any Security Property at your cost.
- A3.5 You must comply with any other conditions and requirements stated at Item L. If a condition or requirement stated at Item L is inconsistent with any of these CTC, both the CTC and Item L conditions or requirements operate, but if and to the extent that they are inconsistent, the condition or requirement at Item L prevails.
- A3.6 You must arrange for any necessary repayment or reduction of other Loan/s, whether owing by you or other Borrower/s, so that the total amount of credit we make available to you including the amount stated at Item B does not exceed the Approved Limit. You must sign, or arrange to have signed, any documents which we may reasonably require to reflect any partial repayment or reduction of such other Loan/s and the consequent Sub-account Limits to apply.
- A3.7 If required by us, you must sign our usual form of authority before you can operate on the Loan Account. When you sign the authority, you may be automatically registered for any related service we offer from time to time through a communication network (for example, telephone and internet banking).

**A4. COMMITMENT PERIOD**

- A4.1 If any of the conditions stated in clauses A2 and A3 are not satisfied within three months of the *Disclosure Date* because of something *you* have done or have not done but were required to do, *our* obligation to provide the *Facility* lapses.
- A4.2 If a commitment fee is stated at *Item F* and *you* pay *us* that fee before the *Facility* lapses, *we* keep the *Facility* available for a further three months. If the conditions stated at clauses A2 and A3 are not satisfied within the further three months commitment period because of something *you* have done or have not done but were required to do, *our* obligation to provide the *Facility* lapses.
- A4.3 If *our* obligation to provide the *Facility* lapses, *we* may terminate the *Contract* without *Notice* to *you* and retain so much of the annual fee and all other fees and charges *you* have paid to *us* under the *Contract* that is equal to any expenses *we* have incurred with third *Parties* for purposes of this *Loan* and *our* reasonable average costs of determining *your* *Loan* application.

**A5. REPRESENTATIONS AND WARRANTIES**

On *your* own behalf and on behalf of any Third Party *Security Provider*, *you* make the following representations and warranties to *us*, and *we* rely on them, each time *you* ask for credit under the *Contract* (references to *you* in paragraphs (a)-(f) are taken to include any Third Party *Security Provider*):

- (a) *you* are not an undischarged bankrupt;
- (b) *you* have not assigned *your* estate or entered into any arrangement or composition for the benefit of *your* creditors;
- (c) (if *you* are a company) a liquidator, receiver or an administrator has not been appointed, and no such appointment has been threatened or proposed;
- (d) *you* have told *us* and any *Guarantor* if *you* are under eighteen years of age;
- (e) where *you* are obtaining the *Loan* or providing the *Security* as a trustee, that:
  - (i) *you* have full power and are legally entitled to enter into and perform *your* obligations under the *Contract* and the *Security*;
  - (ii) *you* have taken every necessary action to authorise *your* entry into the *Contract* and the *Security*, to authorise *you* to execute the *Schedule* and to authorise *you* to perform *your* obligations under the *Contract* and the *Security*; and
  - (iii) *your* execution and delivery of the *Schedule* and of the *Security* to *us* does not involve any breach of trust by *you*; and
- (f) *you* are not in default (being a default that is material to the *Contract* or the *Security*) under any agreement or undertaking to which *you* are a party, or any court order which binds *you*. Also, nothing has occurred in relation to any *Contract*, undertaking or court order, which would constitute a default by *you* (being a default material to the *Contract* or *Security*) upon a *Notice* being given or a period of time lapsing.

**A6. INTEREST ON LOANS – VARIABLE RATE**

- A6.1 *You* must pay *us* interest in accordance with clause B2.1. At the *Disclosure Date*, the *Interest Rate* applying to the *Loan* is the annual percentage rate stated at *Item C* or in a *Letter of Variation*. Interest:
- (a) begins to accrue from the date *we* first debit an amount to the *Loan Account*;
  - (b) accrues daily; and
  - (c) is calculated on the unpaid daily balance of the *Loan Account* at the daily percentage rate then applying to the *Loan Account*. *We* calculate the daily percentage rate by dividing the *Interest Rate* then applying to the *Loan* by 365. *We* calculate interest at the *Interest Rate* applying to the *Loan* on all amounts *we* debit to the *Loan Account* until those amounts are paid. A higher *Interest Rate* may be applied to overdue amounts (see clause A9.1).
- A6.2 *We* set the *Interest Rate* for the *Loan* by adding a margin to or subtracting a margin from a reference *Interest Rate*. The reference *Interest Rate* and margin applying to the *Loan* are stated at *Items C(i)* and *C(ii)* or in a *Letter of Variation*.

**A7. INTEREST ON LOANS – FIXED RATE**

- A7.1 *You* must pay *us* interest on all fixed *Interest Rate Loan Accounts*. *We* will debit the *Nominated Account* with the interest due on *your* fixed rate *Sub-account* and *you* must ensure there is sufficient credit available in the *Nominated Account* to pay the interest so debited.
- A7.2 The fixed *Interest Rate* period *you* choose for a *Sub-account* is stated at *Item C(ii)* or in a *Letter of Variation*. At the commencement of the fixed *Interest Rate* period *you* must draw down the full amount of the credit available under the *Sub-account Limit* specified at *Item B* for that *Sub-account*.
- A7.3
  - (a) *We* may set the *Interest Rate* on the *Loan* for any fixed *Interest Rate* period by adding a margin to or subtracting a margin from *our* reference *Interest Rate* for a fixed *Interest Rate* period current at the beginning of that period. The reference *Interest Rate* and margin applying to the *Loan* are stated at *Item C* or in a *Letter of Variation*. The reference *Interest Rate* may change between the *Disclosure Date* and the *Funding Date*.
  - (b) *You* may select to “rate lock” *your* fixed *Interest Rate* for the *Loan*. If *we* agree to *your* request, *we* will hold the fixed rate for three months from the date of *your* request. Where *your* *Loan* has not been drawn, clause A7.6 applies.
- A7.4 At *Items C(iv)* and *C(v)* or in a *Letter of Variation* *we* state the *Interest Rates* on the *Loan* for the fixed *Interest Rate* period as at the *Disclosure Date*.
- A7.5 If the entries regarding fixed *Interest Rates* at *Item C* or in a *Letter of Variation* have “currently” against them, then:
  - (a) *we* set the *Interest Rates* for the fixed *Interest Rate* period by adding a margin to or subtracting a margin from *our* reference *Interest Rate* in accordance with clause A7.3; and
  - (b) if, at the *Funding Date*, the amount of any reference *Interest Rate* has changed, the *Interest Rates* on the *Loan* change accordingly, but then are fixed on the *Funding Date* for the chosen fixed *Interest Rate* period subject to *our* right to vary the margin under clause A14.3(a).

(See clause A14 on *our* right to vary reference *Interest Rates*.)

A7.6 If the entries regarding fixed *Interest Rates* at *Item C* or in any *Letter of Variation* do not have “currently” against them and provided the *Funding Date* occurs within three months from the *Disclosure Date*, then:

- (a) the *Interest Rates* on the *Loan* do not change if the amount of the reference *Interest Rate* has changed since the *Disclosure Date*; and
- (b) the *Interest Rates* for the chosen fixed *Interest Rate* period are the rates stated at *Items C* as at the *Disclosure Date* or in any *Letter of Variation*, subject to our right to vary the margin under clause A14.3(a).

A7.7 At the end of a fixed *Interest Rate* period, the *Interest Rate* on the *Loan* changes to a variable *Interest Rate* (see clause A7.8) unless we agree to your request for another fixed *Interest Rate* period.

A7.8 We set the variable *Interest Rate* for the *Loan* by adding or subtracting the margin stated at *Item C* or in any *Letter of Variation* to or from the reference *Interest Rate* applying at the end of the fixed *Interest Rate* period. That reference *Interest Rate* is named at *Item C* or in any *Letter of Variation*.

- A7.9 (a) During an interest in advance period you must pay us or have paid us interest on or before the *Interest in Advance Commencement Date* and annually thereafter. Interest accrues and is charged on the *Interest in Advance Commencement Date* for the whole of the next 12 months and thereafter on the anniversary of the *Interest in Advance Commencement Date* for the whole of the succeeding 12 months during the interest in advance period. We will debit the *Nominated Account* with the interest due and you must have sufficient credit available in the *Nominated Account* to pay the interest so debited.
- (b) If at any time during an interest in advance period you fail to have sufficient credit available in the *Nominated Account* to pay us interest when due we may immediately terminate both the interest in advance period and the interest only period without *Notice* to you. We will then charge interest at the reference *Interest Rate* stated in *Item C* or in any *Letter of Variation* and any margin calculated in accordance with clause A6. We may treat the cancellation of an interest in advance period as if you had prepaid the *Loan* for the purpose only of making an *Early Repayment Adjustment*. We may debit the *Loan Account* or the *Nominated Account* with any *Early Repayment Adjustment*.
- (c) Following the end, or termination, of an interest in advance period we may issue you with a new *Loan Account* number for our own internal account keeping purposes only. The issuing of a new *Loan Account* number has no effect on your rights and obligations under the *Contract* and is in no way to be treated as a repayment or re-financing of the *Loan*.

## **A8. PREPAYMENT OF FIXED INTEREST RATE LOANS**

A8.1 You may make a partial *Prepayment* on a *Sub-account* that is being conducted at a fixed *Interest Rate* only if you have our consent. (We may impose conditions on giving our consent in accordance with clause A8.2). Unless we agree, partial *Prepayments* are not permitted on *Loans* where interest is payable in advance.

A8.2 You must not make a partial *Prepayment* without our consent. In accordance with section 24(3)(b) of the *Consumer Credit Code*, we tell you now that if you attempt to do so, the amount is not credited to the *Loan Account* before the due date for payment. If you attempt to do so and we decide not to allow the partial *Prepayment*, we return the amount to you within 10 Business Days. We do not pay interest on the returned amount.

A8.3 On *Prepayment* in full or on any permitted partial *Prepayment* if there is a loss to us we may make an adjustment (the *Early Repayment Adjustment*) which we debit to the *Loan Account* of that *Sub-account*.

A8.4 We make an *Early Repayment Adjustment* after working out whether there is a loss to us because you made the *Prepayment*. We estimate that loss to be the difference between what we would have earned if you had repaid the fixed *Interest Rate Sub-account* only by making our required fixed *Interest Rate* repayments, and our reasonable estimate of what we would earn from re-investing or re-lending the amount prepaid at a fixed *Interest Rate*, and assuming such new *Loan* is with the same concession (if any) on *Interest Rates* granted to you, for the balance of the fixed *Interest Rate* period. We make an allowance because you pay us an amount you owe us on the *Sub-account* earlier than we expected and to take account of any previous permitted partial *Prepayments* you have made.

A8.5 If you or a signatory appears to be a *Proscribed Person*, we will provide you with a *Notice* in reasonable detail setting out the calculation of the *Early Repayment Adjustment* payment on termination of a *Loan* where the *Interest Rate* is fixed.

## **A9. DEFAULT INTEREST**

- A9.1 You must pay us default interest on any amount you fail to pay on the due date in relation to the *Loan* (including the amount of any *Margin Call* which is not satisfied according to clause C12). Default interest:
- (a) is charged with the frequency stated at *Item H* or in any *Letter of Variation*; and
  - (b) is calculated daily on the overdue amount from the due date for payment of the amount until the amount is paid, is debited to your *Loan Account* monthly (and on the date your *Loan Account* is repaid in full and the account is closed) and is due for payment on the date it is debited to your *Loan Account* at the rate stated in *Item C*.
- A9.2 We debit the *Loan Account* for each *Sub-account*:
- (a) with the frequency stated at *Item H* or in any *Letter of Variation*; and
  - (b) on the day the *Loan Account* is repaid in full, with the interest including any default interest accrued up to the end of the day prior to the debiting.  
(For information on current *Interest Rates* contact your Adviser or call CommSec Adviser Services on 13 15 20 during business hours.)

## **A10. FEES AND CHARGES**

A10.1 You must pay the fees and charges stated at *Item F* or in any *Letter of Variation* as soon as they are due and payable. If applicable, you must also pay government debits tax relating to any transaction on the *Loan Account*. The fees and charges are either for us (for example, the Annual Fee) or for someone else (for example, stamp duty). Except during a

fixed *Interest Rate* period, including an interest in advance period, if the fee or charge is for us, we debit it to the *Loan Account* and you must pay us. During a fixed *Interest Rate* period, including an interest in advance period, if the fee or charge is for us, we debit it to the *Nominated Account*. If the fee or charge is for someone else, you authorise us to pay it to that other person from the *Loan Account* or *Nominated Account* at our discretion. You must also pay the fees listed in our "CALIA+ Fees and Charges" Schedule that we debit to the *Loan Account* or *Nominated Account*. Fees referable to the *Facility* as a whole, for example the annual fee, will be charged equally between all variable rate and Investment *Loan* Sub-accounts, or between such *Loan Accounts* as we may determine in our discretion acting reasonably. Fees referable to a particular *Sub-account* or a number of *Loan Accounts*, for example a *Security Valuation Fee* may be charged to the applicable *Sub-account* or equally across the applicable *Loan Accounts* or as we may determine in our discretion acting reasonably.

(For a Schedule of current fees and charges, contact your Adviser or call CommSec Adviser Services on 13 15 20 during business hours.)

#### **A11. CANCELLATION AND REDUCTION OF LIMIT**

- A11.1 We may reduce or cancel the *Approved Limit* and/or the *Credit Limit* on a *Sub-account* at any time.
- A11.2 You may reduce or cancel the *Approved Limit* and/or the *Credit Limit* on a *Sub-account* at any time.
- A11.3 Any reduction or cancellation of the *Approved Limit* and/or the *Credit Limit* on any *Sub-account* under this clause does not affect your obligations under the *Contract* for credit made available on the *Loan Accounts* before the date on which the *Credit Limit* is reduced or cancelled.
- A11.4 We tell you in writing if we reduce or cancel the *Credit Limit* on the *Approved Limit* and/or the *Sub-account* as soon as possible after the reduction or cancellation. You cannot obtain any further credit on the *Sub-account* after we cancel the *Credit Limit*.
- A11.5 If we cancel the *Credit Limit* of a *Sub-account*, we may require you to repay the *Sub-account* by monthly *Instalments* of principal and interest. If we require monthly *Instalments* of principal and interest we will issue you with a new *Loan Account* number and reference rate. The issuing of an account number and reference rate is in no way to be treated as a repayment or re-financing of the *Sub-account*. We will tell you in writing what your repayments will be. Your first repayment of principal and interest is due one month after the date of our notification to you. We may change, at any time, the repayments which you will then be required to pay us monthly or the method by which we calculate those repayments. We will tell you in writing of these changes at least 20 days prior to those changes taking effect. Our rights under this clause are in addition to those under clauses A11.1 and B2.2 (if applicable).

#### **A12. PORTFOLIO LENDING VALUE**

- A12.1 From time to time we will determine the *Portfolio Lending Value* as:
- the amount we are willing to lend against the *Mortgaged Property* (calculated by adding the *Lending Values* of all *Financial Products* in your *Portfolio* that we, at our complete discretion, accept as *Financial*

*Products* for the purpose of determining your *Portfolio Lending Value*);

- the amount deposited in an *Approved Deposit Account* held in your name with us; and
- the lesser of the *Lending Value* that we ascribe (in our discretion acting reasonably) to *Mortgaged Real Property* or the amount which you (or the *Mortgagor*, if you are not the *Mortgagor*) have agreed to be secured by the *Mortgaged Real Property*.

A12.2 Your *Portfolio Lending Value* may change at any time without us providing you with any *Notice* depending on:

- any change in stock market prices and/or redemption prices for the *Financial Products* in your *Portfolio*; and/or
- any change in the *Borrowing Limits* we set on the *Financial Products* in your *Portfolio*.

A12.3 *Borrowing Limits* vary between *Financial Products* comprising the *Mortgaged Property*. We may vary our *Borrowing Limits* at any time without giving you a *Notice* to this effect.

A12.4 We will give you a *Notice* or *Notices* containing a list of our then current *Borrowing Limits* on accepted *Financial Products* and which will tell you the *Loan Balance* of your *Loan Account*, *Portfolio Lending Value* and the amount of *Unused Borrowing Capacity* available on your *Loan Account*, at the time you:

- open a *Loan Account*; or
- give us a *Notice* requesting any or all of this information

#### **A13. DEFAULT**

- A13.1 You are in default under the *Contract* if:
- you do not pay on time any amount payable under the *Contract*;
  - you do not keep to the other terms of the *Contract* or the terms of any *Security*;
  - we are not reasonably satisfied with the value of or the title to the *Security Property*, or both;
  - any Third Party *Security Provider* does not keep to the terms of the *Security*;
  - you give us incorrect or misleading information in connection with the *Contract* before or after you sign the *Contract* and that information was or is material to our decision whether to provide you credit or to continue to provide you credit;
  - you surrender to us goods *Mortgaged* by the *Security* in accordance with any rights you have under the *Consumer Credit Code* and you do not make a written request for return of the goods within the time allowed by the *Consumer Credit Code*;
  - a power of sale arises under the *Security* or under any other *Security* over the *Security Property*; or
  - you fail to ensure there is sufficient credit available in the *Nominated Account* to satisfy your obligations under the *Contract*;
  - you, any person authorised to operate on your *Loan* or a Third Party *Security Provider* appears to us to be a *Proscribed Person*.
- A13.2 If Part B (*Loan Accounts* (other than *Investment Loans*)) applies to the *Contract*, you are also in default under the *Contract* if you fail to satisfy a *Security Review*.

A13.3 If Part C (Investment Loans) applies to the *Contract*, you are also in default under the *Contract* if:

- (a) you fail to clear a *Margin Call* under the *Loan Agreement*;
- (b) at any time on any day your *Current LVR* exceeds 95%;
- (c) in our reasonable opinion a materially adverse change occurs to your financial position, or to the financial position of any *Guarantor* or *Mortgagor*, which change may be assessed by reference to (but such assessment is not limited to) the *Market Value* of the *Mortgaged Property*;
- (d) you or any *Mortgagor*, without our prior written consent, create or purport or attempt to create any *Security Interest* over or affecting *Mortgaged Property* or any part of that property in favour of any person other than us; or
- (e) a judgment of any court or any order of an authority is executed against any *Financial Products* secured by the *Mortgage*.
- (f) for any reason any sponsorship agreement in Part E of these terms and conditions is terminated.
- (g) your *Loan Balance* exceeds your *Loan Limit* on our investment lending sub-account(s) and you fail to reduce your *Loan Balance* to the level of or below your *Loan Limit* within 30 days.

A13.4 In most circumstances we give you a *Notice* telling you what the default is and requiring you to fix the default (if the default can be fixed) within 30 days of the date of the *Notice*. We do not have to give you a *Notice* if:

- (a) a court excuses us from giving a *Notice*;
- (b) we have made reasonable attempts to locate you but without success; or
- (c) we believe on reasonable grounds that:
  - (i) urgent action is necessary to protect the *Security Property*; or
  - (ii) we were induced by fraud on your part to enter into the credit *Contract*.

A13.5 If you are in default and:

- (a) you do not fix the default in the time allowed by the *Notice* we give you under clause A13.4;
- (b) the default cannot be fixed, and the time stated in the *Notice* we give you under clause A13.4 elapses; or
- (c) we do not have to give you a *Notice* under clause A13.4, THEN:
  - (d) provided in the *Notice* (if any) we give you under Clause A13.4 we have told you the amount required to pay out the *Contract* and that we can exercise our rights under this Clause A13.5 if you do not remedy the default, we may decide, without further *Notice*, that all money owing by you under the *Contract* is due and payable immediately;
  - (e) we may sue you for payment of the money you owe us;
  - (f) we may exercise rights under the *Security*, including our right to sell the *Security Property*; and
  - (g) we will not be required to make available to you any undrawn portion of the *Loan* (if applicable) nor will we be required to comply with any other of our obligations under the *Contract*.

We can do any or all of the above things in any order.

A13.6 In addition to any other amount you must pay, after we make

a declaration under clause A13.5(d) and on our demand, you must pay our estimate of the loss we will incur due to the *Loan* not being conducted for the whole of the then current period for which the *Interest Rate* is fixed (if any). We estimate our damage in the same way we calculate an *Early Repayment Adjustment* under clause A8.4, as if:

- (a) the date of the declaration under clause A13.5(d) were the date you proposed to repay the *Loan*; and
- (b) the amount of the *Prepayment* was the money due and payable under CTC at the date of the declaration

A13.7 You must pay us any reasonable expenses we reasonably incur in enforcing our rights under the *Contract* or a *Security*. These expenses are:

- (a) debited to the *Sub-account*; and
- (b) due and payable on the date when debited.

We will give you reasonable advance *Notice* of our intention to debit these expenses to the *Sub-Account*.

A13.8 If we exercise our rights under clause A13.5 and we later agree to defer payment of the amount you owe us, we will tell you in writing what your new repayments are.

A13.9 If any obligation to pay us an amount under the *Contract* becomes merged in a court order, you must pay interest on that amount as a separate obligation. The *Interest Rate* we apply from time to time is no higher than the rate payable under the court order. We accrue the interest daily and debit the *Loan Account*:

- (a) monthly; and
- (b) on the day the *Loan Account* is repaid in full, with the interest accrued up to the end of the day prior to the debiting.

## A14. VARIATION

A14.1 Changing Interest Rates

From time to time we may reduce or increase our reference *Interest Rates*. Our reference *Interest Rates* are published on our website [www.commsecadviserservices.com.au](http://www.commsecadviserservices.com.au)

During a fixed or *Guaranteed Interest Rate* period we may vary the margin or *Interest Rates* on termination of concessions applying to the *Loan*, only if we are entitled to do this under *Item C* of the *Schedule*. Otherwise we will not change the *Interest Rate* applying to a fixed or *Guaranteed Interest Rate Loan* during a fixed or *Guaranteed Interest Rate* period.

From time to time we may change the *Interest Rate* or margin applying to a variable *Interest Rate Loan*. One way that this can happen is if the variable *Interest Rate* is based on a reference rate that changes.

We advertise any reduction or increase in the reference *Interest Rates* in leading daily newspapers in each State and Territory no later than the day on which the change takes effect.

If the *Interest Rate* is not set by reference to a reference *Interest Rate*, we either:

- give you written *Notice* of any increase no later than the day the change takes effect; or
- advertise the increase in national media no later than the day on which the change takes effect. We confirm the advertised *Interest Rate* to you with the next statement of account we give you under the *Contract*.

#### A14.2 Notifying you of changes

We will give you written *Notice* of any change to the margin or *Interest Rate* no later than the day on which the change takes effect.

#### A14.3 Changing the *Loan* features

We may from time to time:

- (a) change any *Interest Rate* we pay;
- (b) add, change or remove fees or charges or the frequency of charging of any fee or charge;
- (c) change the frequency of repayments; and
- (d) change your *Loan Account* number (For example, we may change the number when the type of *Interest Rate* applying to the *Loan* or the *Loan Type* changes).

Each of the changes in paragraphs (a) to (d) is a separate right and this clause is to be read as if such change was a separately expressed right.

#### A14.4 Changes to your account terms and conditions

We may from time to time change any terms and conditions to:

- (a) change the basis on which interest is charged or paid;
- (b) replace any reference *Interest Rate* with any other reference *Interest Rate*;
- (c) change the frequency with which interest is charged or paid;
- (d) change the link to any reference *Interest Rate* or how we describe it;
- (e) change the minimum balance to which an account keeping fee applies;
- (f) add change or remove any concessions or benefits;
- (g) adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman service or regulator;
- (h) accommodate changes in the needs or requirements of our customers, such as new product features or services;
- (i) correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities;
- (j) bring us into line with our competitors, industry or market practice or best practice in Australia or overseas; or
- (k) reflect changes in technology or our processes including our computer systems.

Each of the changes in paragraphs (a) to (k) is a separate right and this clause is to be read as if such change was a separately expressed right.

Without limiting our rights under paragraphs (a) to (k), we may from time to time change any of the terms and conditions for reasons other than the ones mentioned above (e.g. due to unforeseen events).

#### A14.5 Notifying you of changes

We will notify you of changes to the Terms and Conditions by national media or by giving you a written notice no later than the day the change(s) take effect or, if unfavourable to you, at least 30 days prior notice. However if the change only:

- (a) reduces your obligations;
- (b) extends the time for payment of any amount under the *Contract*; or

- (c) is to the *Loan Account* number and does not otherwise change the *Contract*

we will instead notify you of the change before or when we send you the next statement of account we give you under the *Contract*.

Also if the change is to a credit fee or charge, our prior written *Notice* may take the form of an advertisement in national media.

We will confirm any newspaper *Notice* before or when we send you the next statement of account we give you under the *Contract*.

**Note:** If we make a change which you do not like, you can cancel the *Contract* by repaying the *Loan* but, depending on your *Contract*, fees and charges may be payable, including an *Additional Account Fee*, *Early Repayment Adjustment*, and *Settlement Fee*. Please refer to your *Loan Schedule* and clauses A8.3, A8.4, and A10.1 as applicable. To obtain a copy of all of our fees and charges call **13 15 20**.

A14.6 We notify you of the introduction of or any change to government debits tax after the date of the *Contract* by written *Notice* to you or by advertisement via national media only if the government does not publicise the introduction or change of the tax.

A14.7 You may request us to invoke *Loan Portability* using the procedures set out below. You may only make such request if you are not in default, you pay any applicable fee and sign any new documentation where appropriate. We will only invoke *Loan Portability* if:

- (a) all of you (if there is more than one) ask for the change;
- (b) settlement for the discharge of the existing *Security* must occur either simultaneous with or prior to the granting of the substitute *Security*;
- (c) we are satisfied with the valuation of and title to the substitute *Security Property*; and
- (d) there is no change of *Borrower/s* or *Third Party Security Provider/s*.

### A15. GENERAL

A15.1 Provided We act reasonably We may exercise any right, remedy or power in any way we consider appropriate in our discretion. If we do not exercise a right, remedy or power fully or at a given time, we can still exercise it later.

A15.2 Whenever you ask for our consent, if we reasonably consider it necessary to protect our interests under the *Contract* or a *Security* we may refuse our consent or give it subject to reasonable conditions.

A15.3 If you terminate the *Contract* before obtaining or attempting to obtain any credit under the *Contract*, we may retain or require payment of the fees and charges we incurred before the termination and which would have been payable under the *Contract*.

A15.4 If any of our officers, or any person engaged by us, carries out any inspection or valuation of the property offered or taken as *Security*, they do so for our purposes only and not on your behalf. This is the case even if the *Contract* says you must pay us a valuation fee. Any reports made as a result of the inspection or valuation are our exclusive property and will not be disclosed to you.

A15.5 (a) *You* represent that *you* have considered *your* options and if necessary, obtained independent financial and legal advice before deciding:

- (i) to enter into the *Contract*;
- (ii) to obtain the *Loan*;
- (iii) about the kind of *Interest Rate* (for example, fixed or variable *Interest Rate*) *you* want under the *Contract*; or
- (iv) to accept the purchase price for the property *you* intend to purchase using the *Loan* funds.

(b) *Our* employees and agents do not have *our* authority to:

- (i) make any predictions about what might happen to *our* or anyone else's *Interest Rates*;
- (ii) tell *you* what kind of *Interest Rate* would best suit *you*; or
- (iii) make any other representation, prediction or statement of opinion about any other matter or thing affecting the *Contract* or the *Security*.

If *you* have any doubt at all about any of these matters *you* should seek help from a financial counsellor or obtain legal advice or do both.

A15.6 *You* must ensure that there is enough credit available in the *Nominated Account* for *us* to draw the amounts *you* must pay *us* under the *Contract*. If there is not enough credit available in the *Nominated Account* at the required times, *you* authorise *us* to charge a dishonour fee on the *Nominated Account* under the terms and conditions applying to the *Nominated Account*. If *you* do not make a repayment, but later have money in *your Nominated Account*, or in another banking account with *us* which *you* have authorised *us* to debit, *we* will debit these accounts with all or part of the unpaid repayment. If *we* choose to do this *we* are not obliged to inform *you* before *we* debit the amount but *we* will show the debit in the next statement of account *we* send *you*.

A15.7 Proceeds of cheques, whilst credited to the *Loan Account*, are subject to clearance, which generally takes three days. If *you* pay by cheque and the cheque is not honoured then *we* treat the payment as if it had never been made. If *you* require faster clearance, known as special clearance, inform *us* when *you* deposit the cheque. This may incur a fee. *You* may ask *us* to stop a cheque by contacting *us* with the cheque number. Stopping a cheque may incur a fee. Crossing a cheque, i.e. drawing two parallel vertical lines on the cheque, acts as an instruction to accept the cheque only into a bank account. Including the words "Not Negotiable" helps protect the owner in case of lost or stolen cheques. Including the words "Account payee only" means the cheque can only be deposited into an account in the name of the payee. Deleting the words "or bearer" from the cheque directs the bank to pay the cheque only to the payee or in accordance with the written endorsement of the payee.

To reduce the risk of unauthorised changes to a cheque make sure that *you* write only in non-erasable pen, complete the cheque carefully and fully, do not sign blank cheques, add appropriate crossings and make sure there are no spaces left before or after the amount.

Cheques may be dishonoured if they are irregular in some way, including but not limited to, if the cheque is not signed by the drawer or with the drawer's authority, has been altered without authority from the drawer, is older than 15

months (stale) or if the cheque bears a date in the future (post-dated). The Bank may at any time withdraw *your* cheque facility in the event of any improper conduct of the account. If *you* try to make any withdrawal transaction which would cause the balance of the account to be overdrawn, *we* are not required to honour *your* cheque or allow the withdrawal transaction.

A15.8 For the purposes of *your* payments at electronic terminals, *our* day ends at 3pm. *We* may process electronic transactions (for example, transactions by automatic telling machine or electronic funds transfer at point of banking) made after 3pm on a *Business Day* or made on a day which is not a *Business Day*, under the date of the next *Business Day*. The terms and conditions governing electronic access to *your* account (including the use of electronic terminals) are set out in the brochure "Electronic Banking General Information and Terms and Conditions."

A15.9 *You* must notify *us*, by telephone or electronic communication, as soon as practical of any loss, theft or misuse of any credit or debit card, cheque or cheque book. If *you* do not do so, *you* may be liable for any associated loss where, had *you* notified *us* as soon as practical, *you* may not have been liable.

A15.10 For *Security* reasons *we* may place a hold on funds transferred to or from *your* account through NetBank or CommBank app. The hold may apply:

- (a) For 24 hours;
- (b) In some circumstances, where the transaction takes place after 7:30pm (Sydney/Melbourne time), until the second following day; or
- (c) For as long as *we* reasonably need to investigate the transaction.

A15.11 Where *Electronic Notices* to *us* have been permitted by *us* and an election has been made by *you* to send specified *Notices* as *Electronic Notices* to *us*, *we* may give *you* a subsequent *Written Notice* that states that *you* must provide some or all of the specified *Notices* as *Written Notices* rather than as *Electronic Notices* from a specified date, and *you* must take the steps necessary to ensure that all such specified *Notices* from that date are given as *Written Notices*.

A15.12 *Notices* may be:

- (a) given personally (if they are for *us*, to one of *our* employees at the place *we* tell *you*);
- (b) left at the address last notified;
- (c) sent by prepaid post to the address last notified;
- (d) sent by facsimile transmission to the fax number last notified;
- (e) unless prohibited to do so by law, sent by electronic communication by:
  - (i) sending the information to *your* device or electronic equipment or to an electronic address nominated by *you*; or
  - (ii) making the information available for retrieval at an electronic address nominated by *us*; or (Prior to *our* using any electronic communication as provided, *we* will advise *you* of the implications of electing to utilise electronic communications, and *we* will seek *your* specific consent to receiving information electronically.)
- (f) given in any other way permitted by law.



A15.13 *Notices* take effect from the time they are received unless a later time is specified in them.

A15.14 If *Notices* are sent by post, they are taken to be received on the day they would be received in the ordinary course of post.

A15.15 If *Notices* are sent by a facsimile machine which produces a transmission report, they are taken to be received at the time shown in a transmission report which indicates that the whole facsimile transmission was sent.

A15.16 If *Notices* are sent electronically (including via the *Online Banking System*), unless otherwise provided for in the Terms and Conditions, they are taken to be received at the time that they are transmitted by the sender.

A15.17 *You* must tell *us* as soon as possible if *you* change *your* name or address.

A15.18 The term of the *Loan* is fixed only if the *Interest Rate* is fixed for the whole of the term. Otherwise the term may be longer or shorter than the period (if any) stated at *Item E(iv)*. *We* only use the period (if any) stated at *Item E(iv)* to calculate repayment amounts at the *Disclosure Date*, whenever *we* exercise *our* right to re-set repayments and when *we* work out whether or not to make an *Early Repayment Adjustment*.

A15.19 If there is no specific provision in the *Contract* for payment of an amount owing under the *Contract*, then *you* must pay *us* that amount when *we* ask for it.

A15.20 *We* may assign or otherwise deal with *our* rights under the *Contract* in any way *we* consider appropriate provided that *you* then have and may exercise the same rights under the *Contract* against the assignee as *you* have against *us*.

A15.21 Under law, a trustee in bankruptcy or a liquidator may ask *us* to refund a payment *we* have received in relation to the *Loan*. To the extent *we* are obliged to, or *we* agree to, make a refund, *we* may treat the original payment as if it had not been made. *We* are then entitled to *our* rights against *you* under the *Contract* as if the payment had never been made.

A15.22 (a) All payments to be made by *you* under the *Contract* must be made in Australian dollars without set-off or counter claim and free and clear of any withholding or deduction, unless prohibited by law.

(b) Should *you* be required by law to deduct or withhold any tax, duty or other impost of any kind (*Taxes*) from any amount payable by *you* to *us* under the *Contract*, *you* must pay:

- (i) to the relevant authority, those *Taxes* before the date on which penalties attach to them;
- (ii) to *us*, such additional amount as is necessary to ensure that the net amount received by *us* from *you*, in satisfaction of *your* obligations under the *Contract*, is equal to the full amount *we* would have received had no such deduction or withholding been made; and
- (iii) to *us*, such further amount equal to the amount of any *Taxes* imposed on or payable by *us* in respect of any additional amount paid by *you* under (ii) above, including any *Taxes* payable by reason of a previous application of this clause.

If *you* have made a deduction or withholding from any amount paid by *you* to *us* under the *Contract* and *you*

have complied with the requirements of (i), (ii) and (iii) above, then if *we* are able to apply for a credit to offset against *our* Australian tax liability in respect of all or part of such deduction or withholding *we* will use *our* best endeavours to make such application and, if a credit is obtained, *we* will pay to *you* the sum equal to the amount of any such credit.

A15.23 *We* may pay commission to any financial planner or finance broker or other financial intermediary who introduces *you* to *us*.

## A16. INSURANCE

At *your* request and cost *we* will arrange buildings, or buildings and contents or contents insurance with *our* insurance company, including the renewal of any such insurance. In doing so *we* will act as the insurer's agent, not *yours*. Where *we* act as an agent for *our* insurance company, *we* receive a commission from them. Alternatively, *you* may arrange any such insurance.

When *we* arrange any such insurance, or *we* arrange for the renewal of any such insurance, the premium may be debited to the *Loan Account*. While *our* insurance company is wholly owned by *us* it is a non-Guaranteed subsidiary.

## A17. LINE OF CREDIT SUB-ACCOUNTS

At least one *Sub-account* in the *Facility* must be at a variable rate.

## A18. REFUSAL OF SERVICE

A18.1 Despite anything contained in these Terms and Conditions, in the event that *you* or a signatory appears to be a *Proscribed Person*, then *we* may immediately:

- (a) refuse to process or complete any transaction or dealing of yours;
- (b) suspend the provision of a product or service to *you*;
- (c) refuse to allow or to facilitate any of *your* assets held by *us* to be used or dealt with;
- (d) refuse to make any asset available to *you* or to any other *Proscribed Person* or entity; or
- (e) terminate these arrangements with *you*.

*We* will be under no liability to *you* if *we* do any or all of these things.

A18.2 If *we* exercise *our* rights under clause A18.1, *you* must pay *us* any losses, costs or expenses that *we* incur in relation to any action taken under clause A18.1 including interest adjustments, administrative costs and/or costs of sale or purchase of any transaction or deal put in place for the purposes of meeting *our* obligations under these CTC.

## A19. TRUSTEE PROVISIONS

If *you* enter into any of the Terms and Conditions as a trustee:

- (a) *You* acknowledge that the relevant Terms and Conditions bind *you* personally and in *your* capacity as trustee of the trust:
- (b) Conditions:
 

If *you* are a trustee, *you* must:

  - be the sole trustee of the trust or if there is more than one trustee, be all the trustees of the trust;
  - have the power under the trust deed to enter into

and observe *your* obligations under the Terms and Conditions;

- enter into the Terms and Conditions in *your* personal capacity and in *your* capacity as trustee of the trust and for the benefit of the beneficiaries of the trust;
- have all the authorisations required to sign the Terms and Conditions and perform *your* obligations;
- have a right to be fully indemnified for all *your* obligations under the Terms and Conditions out of the property *you* hold on trust.

*You* also confirm that:

- the trust is validly constituted and has not been terminated;
- there is either:
  - no conflict of interest affecting *you* as trustee (or *your* related parties or directors) which prevents *you* from entering into or performing *your* obligations under the Terms and Conditions; or
  - the trust deed permits *you* to enter into and perform *your* obligations under the Terms and Conditions despite any conflict of interest that may affect *you* (or *your* related parties or directors)
- the trust fund is big enough to satisfy *your* right of indemnity;
- *you* are not in breach under the trust deed and no action has been taken or proposed to terminate the trust;
- *you* have complied with *your* trust obligations (as have any directors or officers if the trustee is a corporation);
- *you* have taken every necessary action to authorise *you* to execute the Terms and Conditions and perform *your* obligations under the Terms and Conditions;
- executing the Terms and Conditions is not a breach of trust on *your* part;
- our rights under the Terms and Conditions have priority over the interest of the beneficiaries of the trust;
- none of the current unit holders or beneficiaries are Superannuation Funds.

(c) What *you* agree to do

Where requested by us, *you* agree to provide correct and complete copies of the trust deed and any other documents that disclose all the terms of the trust,

When *you* sign the Terms and Conditions as a trustee, *you* agree to:

- at our request, exercise or hold for us *your* right of indemnity from the trust fund and the beneficiaries in order to pay us any money owed under the Terms and Conditions;
- observe and perform *your* obligations as trustee of the trust;
- cause any successor trustee to abide by these Terms and Conditions.

(d) What *you* agree not to do

Without our consent *you* will not do anything to:

- retire or be removed or replaced as trustee of the trust or allow additional trustees of the trust to be appointed;
- terminate the trust, vary the trust deed or re-settle the trust fund or determine a vesting date;

- limit *your* right of indemnity from the trust fund for obligations under the Terms and Conditions.

(e) Continuance of conditions and agreements

*You* acknowledge that:

- we rely on these conditions and agreements being true each time the *Loan* is used;
- *you* repeat these conditions and agreements every time *you* request a Credit Limit increase;
- these conditions and agreements also apply to any *Guarantor*. (f) Additional reporting obligations:

(f) Additional reporting obligations:

As part of Australia's international obligations in relation to combating tax evasion, we may require *you* to provide additional information. Until *you* provide us with this information, we may be unable to complete the opening of *your* account.

For example, if *you* are the trustee of a *trust*, *you* need to tell us if the settlor or any beneficiary of the *trust* is a tax resident of a country other than Australia. If the settlor or any beneficiary is itself an entity, this requirement applies to all individuals who are an ultimate beneficial owner of that entity. We may then require *you* to obtain (and/or provide on their behalf) each individual's name, address, date of birth and tax residency details. Where *you* are a trustee, *you* do not have to give us this information in relation to the settlor if their identity is not known or, if they have no ongoing involvement with the *trust* and their tax residency is not known. In this case, *you* confirm that after reasonable enquiry, *you* have no reason to believe that the settlor is a tax resident in a country outside Australia.

*You* must keep this information up to date, and notify us promptly of any change. If *you* need to get in touch with us:

- From Australia call 1300 077 141 between 9am – 5pm, Monday – Friday (Sydney Time)
- From overseas call +61 2 9283 6096 between 9am – 8pm, Monday – Friday (Sydney Time).  
Call charges may apply.

## PART B LOAN ACCOUNTS (OTHER THAN INVESTMENT LOANS)

### B1. LOAN FUNDING

B1.1 We fund the *Loan* when *you* or anyone *you* authorise asks for credit in a manner approved by us (for example, by having a cheque presented to us for payment or by a withdrawal at an electronic terminal). At the same time, we record *your* debt to us by debiting the *Loan Account*. If we have agreed that the *Loan* or part of the *Loan* will be provided at a fixed *Interest Rate*, *you* must request that we advance to *you* at the one time the whole amount that we have agreed to be at a fixed *Interest Rate*.

(Clause A8 applies to any full or partial *Prepayment* of a *Loan*, or part of a *Loan* we have advanced at a fixed *Interest Rate*.)

B1.2 We make credit available to *you* from time to time on the *Loan Account* if:

- (a) the sum of the amount of credit for which *you* ask and the debit balance on the *Loan Account* does not exceed the limit stated at *Item B* or in any *Letter of Variation*;

- (b) the sum of the amount of credit for which you ask and the debit balances on the *Loan Accounts* of that *Sub-account* and all other *Sub-accounts* does not exceed the *Approved Limit*. We do not take into account any credit balances in this calculation;  
(If you obtain credit under one or more of the *Sub-accounts* up to the *Approved Limit* we will not advance credit under the other *Sub-accounts* until the amount of credit we have advanced to you is less than the *Approved Limit* and then we will only advance credit up to the *Approved Limit*.)
- (c) you satisfy our conditions in clauses A2.1 and A2.2; and
- (d) you have kept to the terms of the *Contract*.
- B1.3 If we provide any credit in excess of the *Credit Limit* stated at *Item B* or in any *Letter of Variation* (which we are not obliged to do, but may do at our discretion):
- (a) that credit and any interest charged on that credit is debited to the *Loan Account*;
- (b) is charged at the *Interest Rate* then applying to your *Loan Account* plus a margin which we set from time to time and which reflects our reasonable costs incurred as a result of your failure to pay;
- (c) you must repay that credit and any interest charged on it within 30 days of the credit being provided; and
- (d) despite any other clauses of the *Contract*, we apply any payments you make to the *Loan Account* first to that credit and any interest charged on that credit.
- B1.4 You authorise us to:
- (a) act on instructions received by telephone, email or facsimile apparently from an *Authorised Operator* to transfer funds between accounts in the name of one of more of the *Borrowers* within the *Facility*, vary nominal limits of *Sub-accounts* (but not the *Approved Limit*), stop payment of cheques, order cheque books, deposit books and/or *KeyCards* for one or more *Sub-account* and to make recurring direct debit or periodic payments from *Sub-accounts*
- (b) provide the *Authorised Operators* with statements of, and information concerning individual transactions on, *Loan Accounts*
- B2. CONDUCTING THE LOAN ACCOUNT**
- B2.1 If we tell you in writing, you must pay within one calendar month of the date of your three monthly account statement, any interest, fees and charges debited to your *Loan Account* or otherwise when we demand it.
- B2.2 You must repay the debit balance on the *Loan Account* when we demand it. Unless you are in default under the *Contract*, we will not demand repayment of the whole or part of a *Loan Account* in respect of which the *Interest Rate* has been fixed. Wherever possible we will give you *Notice*, but we may require you to repay without *Notice*.
- B2.3 If we reduce the *Credit Limit* on a *Loan Account*, when we demand it you must reduce the debit balance on the *Loan Account* to an amount equal to or less than the reduced *Credit Limit*.
- B2.4 Otherwise, you may repay all or part of the debit balance of the *Loan Account* at any time except that where the *Interest Rate* has been fixed in respect of the whole or part of a *Loan Account* clause A8 will apply.
- B2.5 You must ask to set a nominal limit for each *Loan Account* in the *Facility*. Subject to clause B1.2, where a withdrawal from a *Loan Account* would result in the balance of that *Loan Account* exceeding the nominal limit for the *Loan Account* we may refuse to provide further credit, other than by presentment of a cheque, until, at your request, we have increased the nominal limit (subject also to clause B2.3). You may request a change to the nominal limit of a *Loan Account* and if we agree we will change the nominal limit to the new agreed nominal limit. If we pay a cheque which results in the balance of a *Loan Account* exceeding the nominal limit for that *Loan Account* we may re-set the nominal limit for each *Loan Account* in the *Facility*. The combined nominal limits for all *Loan Accounts* in a *Facility* cannot exceed the *Approved Limit*.
- B2.6 You may conduct a *Loan Account* with a credit balance. Our *Streamline Account* terms and conditions apply to the conduct of the *Loan Account* with a credit balance. You should refer to those terms and conditions for information relating to the conduct of the *Loan Account* with a credit balance.
- B2.7 Electronic access to your *Loan Account*, including the use of electronic terminals, is governed by the "Electronic Banking Conditions of Use".
- B2.8 We send you a statement of the *Loan Account* every three months.
- B2.9 If we are reasonably satisfied that funds have been paid into your *Loan Account* due to another party's mistake and there are sufficient credit funds in your *Loan Account*, we may debit your *Loan Account* with the amount of the mistaken payment and return it to the other party without giving you notice. In some instances we may prevent you from withdrawing the amount claimed to be a mistake while we investigate.
- B3. SECURITY REVIEW**
- B3.1 This clause applies if you offer *Financial Products* as *Security Property* for your *Loan Account/s* other than for *Investment Loan Sub-accounts*. The *Market Value* of *Financial Products* you offer as *Security Property* may change at any time without *Notice* depending on changes in stock market prices and/or redemption prices for the *Financial Products*.
- A *Security Review* is triggered whenever the total *Lending Value* of *Financial Products* held as *Security* for such *Loan Account/s* drops to such an extent that your *Approved Limit* exceeds the *Portfolio Lending Value* by more than the *Buffer*. We contact you if this occurs and advise you of the options to bring your *Loan/s* and the supporting *Security* back into balance.
- Pursuant to, but without restricting, either:
- (a) our rights under these CTC including clause A11.1 (our right to reduce or cancel the *Approved Limit* and/or the *Credit Limit* on a *Sub-account* at any time); or
- (b) your obligations under these CTC including clause A3.4 (all times during the term of the *Contract* the value of and title to the *Security Property* must be adequate for the *Loan* having regard to our usual credit standards), we may require that, within five *Business Days* of being notified (or within such other period that we reasonably require) you:

- (c) reduce *your Approved Limit*;
- (d) give *us*, additional *Security* that is acceptable to *us* (having regard to *our* usual credit standards); and/or
- (e) if the amount secured by a *Mortgaged Real Property* is limited, ask to increase that amount and, if we agree, *you* (or the *Mortgagor*, if *you* are not the *Mortgagor*) must acknowledge in writing to *our* satisfaction that such *Real Property Mortgage* secures an increased amount (within *your Approved Limit*) in respect of *your Loan Accounts*.

#### B4. LINE OF CREDIT BUNDLE

(THIS CLAUSE APPLIES IF YOU HAVE A LINE OF CREDIT BUNDLE FACILITY)

- B4.1 *You* may have up to 12 Sub-accounts in any combination of *Borrowers*, or more if we agree.
- B4.2 If *you* are not in default, subject to the *Borrowers* entering into a variation of the *Contract*, or if we require a new *Contract*, *you* may:
- (a) add additional Sub-accounts;
  - (b) vary the *Sub-account Limit* for one or more *Loan Accounts* except for a *Sub-account* which we have provided at a fixed *Interest Rate*; and/or
  - (c) delete Sub-accounts, provided that the total amount of credit we are obliged to advance to *you* under the Sub-accounts, specified in Part 1 and, if applicable, Part 2 of the *Schedule*, does not exceed the *Approved Limit* and the number of Sub-accounts does not exceed the maximum permitted under clause B4.1.
- B4.3 We maintain a separate *Loan Account* for each *Sub-account*.
- B4.4 *You* must not allow the *Approved Limit* to be exceeded without *our* prior approval.
- B4.5 From time to time we may impose new fees and change the amount of or the basis for calculating any fee. All fees payable will be debited in accordance with clause A10.1. When we change a credit fee we may give prior written Notice by advertisement in a leading daily newspaper in your State or Territory. We may charge separate fees, including monthly Loan service fees, in respect of each Sub-account that we will debit to that Sub-account. If *you* do not like a change we make, *you* can cancel the *Contract* by repaying the *Loan* but, depending on *your Contract*, fees and charges may be payable. See clause A14.

### PART C INVESTMENT LOANS

#### READ THIS PART ONLY IF YOU HAVE AN INVESTMENT LOAN

##### C1. AUTHORITIES YOU GIVE US

- C1.1 *You* authorise *us* to act on any of *your Notices* (and if there is more than one of *you*, on the *Notices* of any one or more of *you*), the *Notices* of the person who appears to be *your Adviser* or the *Notices* of anyone *you* authorise in a *Written Notice* to act on *your* behalf. We will act on *Notices* given to *us* by any person *you* authorise in writing until *you* give *us* *Written Notice* not to do so.
- C1.2 If *you* are a Company and there is more than one Director, we may act on the *Notices* of any one or more Directors.
- C1.3 *You* authorise *us* to act on *Notices* sent to *us* from time to time by telephone, facsimile transmission, telex, cable or other electronic means.

##### C2. OBLIGATIONS ARE NOT AFFECTED BY UNAUTHORISED INSTRUCTIONS

- C2.1 If we have acted in good faith and without negligence, *your* obligations are not affected or limited by:
- (a) any falsity, inaccuracy, insufficiency or forgery of or in any *Notices* given to *us*; or
  - (b) *our* failure to enquire whether any *Notice* has been transmitted or received accurately or has been given or sent by an unauthorised person.
- C2.2 If we act or continue to act on the basis of *your Notices*, *you* agree as follows:
- (a) that all risks of unauthorised *Notices* or fraud lie with *you* and are not to be borne by *us*;
  - (b) *You* agree to indemnify *us* and hold *us* harmless against:
    - (i) any and all claims which *you* or any third party may have against *us* for any damage, loss, cost or expense which *you* or that third party may suffer or incur (whether directly or indirectly and whether foreseeable or not); and
    - (ii) any damage, loss, cost or expense which we may suffer or incur (whether directly or indirectly and whether foreseeable or not), as a result of or in connection with:
    - (iii) *us* acting upon any *Notices* purporting to be from *you*, *your* agent or *your* employee (whether by telephone, facsimile, telex, cable or other electronic means); or
    - (iv) *us* not acting upon any *Notices* purporting to be from *you*, *your* agent or *your* employee (whether in writing by telephone, facsimile, telex, cable or other electronic means) where we (in *our* subjective determination) consider or suspect that such instruction has been communicated to *us* fraudulently, mistakenly or without authority, or contains material omissions or errors; and (Nothing in this clause C2.2(b) shall be construed as requiring *us* to make enquiries as to the genuineness or validity of an instruction.)
  - (c) that the indemnity contained in this clause is subject to *us* acting only upon *Notices* from persons purporting to be *you* or persons authorised by *you* from time to time by giving a *Written Notice* to *us*. For the purposes of this clause a person will be deemed to be a person authorised by *you* if *you* have held out that person to *us* as a person authorised by *you* and have not given *us* a *Written Notice* that such person has ceased to be authorised.

- C2.3 From time to time and at any time, we may increase, decrease, add to, delete or otherwise vary *our Lending Ratios* on any of the *Mortgaged Financial Products* without *Notice*.

##### C3. FEES TO COMMONWEALTH SECURITIES

We may pay *Commonwealth Securities* its fees and costs relating to administration.

##### C4. TELEPHONE RECORDING

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

## C5. DRAWING ON YOUR LOAN ACCOUNT

- C5.1 (a) Subject to the *Loan Agreement*, you may draw on your *Loan Account* up to the *Credit Limit* which we approve (and may vary) from time to time. We will tell you the initial *Credit Limit* when we tell you that we have accepted your application for a *Loan*.
- (b) You can request a drawing on your *Loan Account* by giving us a *Notice* telling us:
- the amount you wish to draw;
  - when you want the drawing paid; and
  - the person to whom you want the drawing paid for the purpose of acquiring *Financial Products*.
- Once you make a request under this paragraph (b) it is irrevocable.
- (c) You must not take any action with respect to your *Loan Account*, including request a drawing, until such time as you have provided us with:
- each and every *Mortgaged Property* to our satisfaction and we have given you a *Notice* confirming that we are so satisfied; and/or
  - *Financial Products* which we accept to be *Mortgaged Property* in accordance with the *Mortgage*.
- C5.2 If you want to borrow funds, other than by *Instalments*, you must tell us by 10 am (Sydney time) at least one *Business Day* before the proposed borrowing date. Once you make a request under this clause, it is irrevocable.
- C5.3 We fund each drawing on your *Loan Account* by electronic transfer or by issuing a cheque as you choose. You cannot withdraw cash from your *Loan Account* and cannot direct payment to a third party except for the purpose of acquiring *Financial Products*.
- C5.4 We record each drawing on your *Loan Account* by debiting the *Loan Account* at the time we make the electronic transfer or issue the cheque for the drawing.
- C5.5 Unless we agree otherwise, you pay all transaction costs.
- C5.6 If you do not draw an amount from an *Investment Loan Sub-account* within six months of the date we open that the *Loan Account*, we may regard the *Loan* as lapsed and any *Financial Products* that you and the third party *Mortgagor* (if applicable) have lodged as *Security* will be released.
- C5.7 You may transfer your drawings from time to time to any account you nominate by giving us a *Notice* to this effect. Provided that the *Notice* is acceptable to us, we will carry out your requested transfer and provide you with a *Notice* showing your updated account details. We will also provide you with a *Notice* at least every six months from the date of your *Loan Agreement* giving a summary of all transfers you have made or which have been made to you.

## C6. INVESTMENT LOAN WITH REGULAR GEARING

- C6.1 At your request, we may agree to advance funds by *Instalments* of amounts equal to your corresponding monthly cash *Equity Contributions*, subject to you completing any necessary application form and subject to clause C6.2. If we have agreed to advance funds by *Instalments*, subject to these CTC, you may draw on your *Loan Account* by way of agreed *Instalment* amounts up to the *Sub-account Limit* which we approve (and may vary) from time to time. We will tell you the *Sub-account Limit* when we tell you that we have accepted your application for a *Loan*.

- C6.2 In addition to clause C8.3, if we have agreed to advance funds by *Instalments*, we will:
- (a) if no commencement date for *Instalments* is nominated on the application form, commence *Instalments* on or about the 13th day of:
- (i) the next calendar month, if the initial advance occurs before the 15th day of the month in which we make the initial advance; or
  - (ii) the second succeeding calendar month, if the initial advance occurs on or after the 15th day of the month in which we make the initial advance; and
- (b) only lend you money in circumstances where you have nominated on the application form a date on which *Instalments* are to commence that is later than the date referred to in clause C6.2(a) if:
- (i) that date is within nine calendar months of the date on which we make the initial advance; and
  - (ii) you make an initial *Equity Contribution* of not less than \$5,000 and the initial advance is not less than \$5,000; and
- (c) only continue to lend you money if:
- (i) you give us authority to direct debit an account in your name with us or another bank, or building society or credit union you nominate for all of your continuing *Equity Contributions*; and
  - (ii) unless we agree otherwise, you pay all transaction costs.
- C6.3(a) If we have agreed to advance funds by *Instalments*, then you may change the obligations you and we have agreed to in the following ways, as long as you give us at least 14 *Business Days Notice* in writing prior to the last *Business Day* of the month:
- (i) you may increase the rate at which you draw the money you have agreed to borrow from us, as long as you increase the rate of your *Equity Contributions* by the same proportion; and
  - (ii) you may suspend your *Equity Contributions* as long as this does not cause a *Margin Call*; and
  - (iii) you may ask that we suspend our *Loan* advances, and if we agree the period during which we advance *Instalments* will be extended by the period for which we agree to suspend our *Loan* advances but if your *Loan Account* balance is less than \$20,000, we will only suspend our *Loan* advances for a maximum of three months; and
  - (iv) if your *Credit Limit* exceeds \$20,000, you may elect not to receive any further *Loan* advances once the *Loan Balance* equals or exceeds \$20,000; and
  - (v) you may combine the alternatives given in (ii) and (iii) above, as long as you can meet the requirements for each.
- (b) If we have agreed to advance funds by *Instalments*, then we may increase the amount of the *Instalments* on each anniversary of the date on which we make the initial advance by the percentage amount nominated by you in the application form or by such other percentage amount notified by you to us at least 30 days before each anniversary of the date on which the initial advance is made. You must increase the rate of your *Equity Contributions* by the same proportion.

**C7. SWITCHING INVESTMENTS**

If you decide that you want to change all or part of your *Mortgaged Property* to another investment on the list of accepted *Financial Products*, then you may do so provided that:

- (a) you give us five *Business Days* Written Notice to process your request, excluding fund managers' timeframes;
- (b) you change a minimum of \$2,000 of your *Mortgaged Property* to another currently accepted *Financial Products*; and
- (c) you pay us our fee for that investment switch. You must also comply with any minimum amounts imposed by fund managers (if relevant). Unless we have agreed to advance funds by *Installments* the first 12 switches per annum are free and thereafter a fee may be charged. If we have agreed to advance funds by *Installments* the first five switches per annum are free and thereafter a fee may be charged.

**C8. MISCELLANEOUS PROVISIONS**

- C8.1 If you have requested a drawing under this *Loan* but for any reason the transaction remains unsettled or for any other reason the funds have not actually been debited to your *Loan Account* then, for the purpose of determining your *Unused Borrowing Capacity*, the amount of the requested drawing will be deemed to have been debited to your *Loan Account*. If the drawing is no longer required then, upon receiving Notice from you to that effect, the amount of the drawing will be regarded as *Unused Borrowing*.
- C8.2 We are not liable for any loss you may suffer because the prices of any *Financial Products* you plan to buy rise, or any of them cease to be available, during the time we take to lend you the money or forward any commitments on your behalf.
- C8.3 You may draw on the *Loan* only if, in addition to our requirements under Part A (All Loans):
- (a) you have given us *Financial Products* which we have accepted to be *Mortgaged Financial Products* in accordance with the *Financial Products Mortgage*;
  - (b) you have deposited an amount we accept as adequate in an *Approved Deposit Account*;
  - (c) you have given us a *Real Property Mortgage* that we have accepted to be adequate *Security* for the *Loan* in accordance with our usual credit standards;
  - (d) you have made the total *Equity Contribution* required of you under the lending product you have chosen;
  - (e) we are satisfied that you will meet any transaction costs incurred in buying *Financial Products*;
  - (f) we are satisfied that immediately after we make the *Loan* to you the *Loan Balance* will not exceed the *Portfolio Lending Value*; and/or
  - (g) we have obtained all the credit and personal information about you that we consider necessary, and have approved your application.
- C8.4 The *Loan* is provided on a continuing basis, subject to our right to require repayment and/or terminate in accordance with these CTC.
- C8.5 Your *Portfolio Market Value* may change at any time without Notice depending on any change in the value of the *Security* in your *Portfolio* and, in particular, changes in stock market prices and/or redemption prices for the *Financial Products* in your *Portfolio*.

C8.6 You (and if there are more than one of you, any of you) may terminate the *Loan* at any time if you give us at least two *Business Days*' prior Notice, and pay the outstanding balance on your *Loan Account* in full.

C8.7 We may, in our discretion reasonably exercised, terminate the *Loan* on giving you 5 days prior written Notice.

**C9. WHEN WE DO NOT HAVE TO COMPLY WITH YOUR REQUEST FOR A DRAWING**

We do not have to comply with your Notice for a drawing on your *Loan Account* if, despite any previous agreement by us to comply with your Notice, at the time of your Notice or the time at which we would otherwise have made the drawing:

- (a) you request to draw less than \$2,500 or any other minimum amount we may agree to;
- (b) a *Guarantor* (if any) has given us Notice in writing limiting the *Guarantor's* liability under the *Guarantee Security*;
- (c) the sum of the amount you wish to draw and the outstanding *Loan Balance* exceeds the *Sub-account Limit*;
- (d) the sum of the amount you wish to draw, the *Loan Balance* and any unsettled transactions would exceed the sum of your current *Portfolio Lending Value* and the *Lending Value* of the *Financial Products* which are to be acquired with the drawing;
- (e) you, the *Mortgagor* have not complied with any of the CTC; or
- (f) any other *Default Event* or *Enforcement Event* has occurred and is continuing.

**C10. INTEREST ON YOUR LOAN ACCOUNT**

- (a) You must pay us interest charges on all the money we lend to you at the rate we specify (which may be a fixed rate or a variable rate), for the period, and in the manner, that you and we agree to. If at any time, you and we fail to agree on the period and manner at which interest is to be charged then we will charge interest monthly in arrears. We will advise you of the rate at the time you first borrow money from us, and then will keep you advised as to any changes in this rate by newspaper advertisement or Notice.
- (b) Interest is charged in accordance with clauses A6, A7, A8 and A9.
- (c) We do not pay you interest on any balance that are held in our trust accounts.

**C11. APPROVED DEPOSIT ACCOUNT**

By way of *Security* for the obligations you owe us under the CTC, you agree to give us rights of set-off against the *Approved Deposit Account*. So long as any of the *Secured Moneys* remain unpaid you acknowledge that we are not required to repay any moneys standing to the credit of the *Approved Deposit Account* and undertake not to attempt to assign your property in the money standing to the credit of the *Approved Deposit Account* and/or any interest accruing on that money.

If you have an account that relates to any amounts you owe us under a loan that is regulated by the National Credit Code, then we may not combine that account in any of the following circumstances:

- a) while we are actively considering your financial situation under either:

- (i) paragraph 167 of the Banking Code of Practice; or
  - (ii) under the hardship provisions of the National Credit Code; or
- b) while you are complying with an arrangement you have made with us after we have considered your financial situation; or
- c) if doing so breaches Code of Operation: Recovery of Debts from Department of Human Services Income Support Payments or Department of Veterans' Affairs Payments.

If we are considering your financial situation in either of the ways referred to in the above paragraph, then we may require that you keep funds in an account until we have decided whether to agree to your request.

## C12. MARGIN CALL

- (a) A *Margin Call* occurs on an *Investment Loan Sub-account* if, we determine at any time on any day,
- (i) your *Current LVR* exceeds the *Margin Call LVR*
  - (ii) your *Current LVR* exceeds the *Maximum Gearing Ratio*;
- Subject to clause C12(b), when a *Margin Call* occurs, your *Loan* is in *Margin Call* and remains in *Margin Call* until such time as the *Loan Balance* does not exceed an amount equal to your *Portfolio Lending Value*.
- (b) If a *Margin Call* occurs you must, take one of the following actions:
- pay money into your *Loan Sub-account*;
  - give us further *Financial Products* which we accept as *Mortgaged Property* in accordance with clause A12; or
  - sell or ensure the sale of *Mortgaged Property* and apply or ensure the application of the sale proceeds to reduce the *Sub-account Loan Balance*; and/or
  - if the amount secured by a *Mortgaged Real Property* is limited, you may ask to increase that amount and, if we agree, you (or the *Mortgagor*, if you are not the *Mortgagor*) must acknowledge in writing to our satisfaction that such *Real Property Mortgage* secures an increased amount in respect of the *Investment Loan*, so that the *Investment Loan Sub-account Loan Balance* does not exceed an amount equal to your *Portfolio Lending Value*, so that the *Loan Balance* does not exceed an amount equal to your *Portfolio Lending Value*
- (i) in the case of a(i) above:
- A. where more than 5% by *Market Value* of the *Mortgaged Property* is made up of *Financial Products* listed on the *ASX*, by 2pm (Sydney time) of the *Business Day* immediately after the day on which the *Margin Call* occurs, or such earlier time that we specify in the *Notice of Margin Call*;
  - B. where more than 95% by *Market Value* of the *Mortgaged Property* is made up of units in unlisted trusts, by 5pm (Sydney time) of the third *Business Day* immediately after the day on which the *Margin Call* occurs, or such earlier time that we specify in the *Notice of Margin Call*;
- (ii) in the case of (a)(ii) above, by 2pm (Sydney time) of the *Business Day* immediately after the day on

which the *Margin Call* occurs, or such earlier time that we specify in the *Notice of Margin Call*, the *Loan Balance* does not exceed an amount equal to your *Portfolio Lending Value*.

If none of the actions specified in (b) above are taken to clear the *Margin Call* by the time specified we will treat this as a *Default Event* under Clause A13 of this Agreement.

You also acknowledge that you will not take any other action or actions other than those actions expressly set out in this paragraph (b) for the purpose of responding to that *Margin Call*, unless we give you a *Written Notice* to the contrary, and that if you do so without having received such a *Written Notice*, we are under no obligation to accept such action or actions for the purposes of rectifying the *Margin Call*. You authorise us to act on any of your instructions in relation to a *Notice of Margin Call* (and if there is more than one of you, on the instructions of any one or more of you, and you release us absolutely from all liability for acting upon any instruction given by any one of you).

- (c) It is your obligation to ensure that a *Margin Call* does not occur. We will take reasonable steps to give you a *Notice of Margin Call*. This *Notice* may be in any form or use any method that we choose to use for making such a *Notice* from time to time, despite any other provisions of the Terms and Conditions. You acknowledge that such a *Notice*, regardless of how it is given to you, is a *Notice* for the purposes of the Terms and Conditions. You acknowledge that where you are one of two or more individual trustees, *Notice of Margin Call* to a nominated trustee is *notice* to all of the trustees.
- (d) You acknowledge that any action you take under paragraph (b) and paragraph (c) is at all times subject to clause A15.1 of the Terms and Conditions.
- (e) You and we agree that the purpose of a *Margin Call* is to allow you to take action before we exercise our rights in relation to the *Mortgaged Property*.
- (f) You agree that we are not obliged to take any action to stop or limit your loss while your *Loan* is in *Margin Call*, including (but not limited to) exercising our rights in such a manner as to lessen your exposure to a falling market.

## C13. PAYMENTS ON YOUR INVESTMENT LOAN ACCOUNT

- (a) You must pay the outstanding balance on your *Loan Account* in full on the day the *Loan Sub-account* terminates except in relation to a *Loan Sub-account* for which the *Interest Rate* is fixed.
- (b) You cannot deposit cash into your *Loan Account*. You must make all payments by electronic funds transfer or cheque. Cheques must be made payable to "Commonwealth Bank of Australia". Proceeds are not available until cleared. If you make a deposit and the payment is not honoured then we treat the payment as if it had never been made.
- (c) Payments made by cheque will only be accepted for the purpose of you meeting an obligation to us under this *Facility*.

## C14. UNSETTLED TRANSACTIONS

We will send you a statement of your *Loan Account* and your *Portfolio* each quarter. If an amount is shown on your

statement, in relation to a Financial Product you propose to acquire, as an "Unsettled Transaction" then this shall not be interpreted as a commitment by us to fund the acquisition of the *Financial Product*.

#### C15. DISCLAIMERS

- (a) We take no responsibility for any decision you make to obtain the *Loan*, to enter into any arrangement incidental to the *Loan*, about the *Financial Products* you purchase with the *Loan* proceeds, or the performance of any *Financial Products* secured by the *Mortgage*.
- (b) The fact that we publish *Borrowing Limits* (and variations) or that we accept any particular *Financial Product* as *Mortgaged Property* is not a recommendation of that *Financial Product* or a representation relating to the past or future performance of that *Financial Product* in any market in which the *Financial Product* can be sold.
- (c) In so far that they act on our behalf and not as your broker or financial Adviser, our officers and agents do not have our authority to recommend the purchase or sale of *Financial Products*, make any predictions about what might happen to *Interest Rates* or the *Market Value* of any *Financial Products* or to make any other representation, prediction or statement of opinion about any other matter or thing affecting the CTC.

#### C16. GOVERNING LAW

The laws of New South Wales govern the Terms and Conditions and the *Parties* irrevocably and unconditionally submit themselves to the non-exclusive jurisdiction of the courts of that State (and courts of appeal from them) and (subject to your right to refer a matter to the Australian Financial Complaints Authority) waive any right they have to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum or to claim that those courts do not have jurisdiction.

If you have any doubt at all about any of these matters, you should seek help from a financial counsellor or your broker and/or obtain legal advice.

#### C17. YOUR UNDERTAKING AND REPRESENTATIONS

- (a) Where you are an individual you undertake to use the *Loan* wholly or predominantly for business or investment purposes.
- (b) You undertake to provide to us, upon request, a *Notice* containing details of any and all financial information in relation to you, your business, property, management, operations, financial condition and prospects as we may reasonably request.
- (c) You represent, on each occasion that you draw an amount from your *Loan Account*, that you are not *Insolvent* and, if you are an individual, that you are not an undischarged bankrupt and have not assigned your estate or entered into any arrangement or composition for the benefit of your creditors.
- (d) You agree and undertake to actively monitor your *Current LVR* and to manage your *Loan Account* and *Mortgaged Property* to maintain your *Current LVR* at a level that you, acting reasonably, believe protects your interests.

#### C18. MANAGED FUND INVESTMENTS

If you decide that you want to add or change all or part of your *Mortgaged Property* to another investment on the list of accepted *Financial Products*, then you may do so provided that:

- you give us 5 Business Days Written Notice to process your request excluding fund managers' time frames and the time it takes for any uncleared funds to clear;
- you change a minimum of \$2,000 (or in accordance with the fund managers' guidelines) of your *Mortgaged Property* to another currently accepted *Financial Product/s*; and
- you pay us our fee for that investment switch together with any government charges (if applicable).

#### C19. REDEMPTION OF SECURITIES BY ERROR

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

### PART D FINANCIAL PRODUCTS MORTGAGE

#### READ THIS PART ONLY IF YOU HAVE AN INVESTMENT LOAN

##### D1. PROMISE TO PAY

In return for our entering into the Terms and Conditions and/or making or continuing to make *Loan/s* available to the *Borrower* at your request, you agree to pay us the *Secured Moneys* and to satisfy any *Margin Call* we make from time to time on the *Borrower*.

##### D2. MORTGAGED PROPERTY

- (a) This *Mortgage* comes into effect:
  - (i) in relation to a *Borrower*, when we accept the *Borrower's* application for a *Loan*; and
  - (ii) in relation to a Third Party *Mortgagor*, when we accept the Third Party *Mortgagor's* offer to provide *Financial Products* as *Mortgaged Property* under the CTC (excluding Part C (Investment Loans)).
- (b) After the date on which this *Mortgage* comes into effect you may ask us to consider accepting *Financial Products* (including any *Financial Products* offered as the *Borrower's* initial equity in establishing a *Portfolio*) as *Mortgaged Property*. *Financial Products* become *Mortgaged Property* automatically if we provide a *Loan* to assist with their purchase, otherwise when we, in our discretion reasonably exercised, decide to accept them as *Mortgaged Property*, even if we do not assign a *Lending Value*.
- (c) If any evidence of title to *Financial Products* is delivered on or before the date on which the *Mortgage* comes into effect it will be held by *Commonwealth Securities*



as agent of the person delivering such evidence and not as *our* agent.

- (d) You charge the *Mortgaged Property* with the payment to *us* of the moneys *you* have agreed to pay pursuant to the CTC. We will release the *Mortgaged Property* from the *Mortgage* and discharge the *Mortgage* if *you* give *us* a *Written Notice* to this effect, the *Secured Moneys* have been paid to *us* in full, the *Loan* is terminated and we are satisfied that any payment of the *Secured Moneys* will not be avoided or set aside.
- (e) To the extent a charge is created over *Financial Products* which confer an interest in land in New South Wales on their holder, the charge will operate as a floating charge until the expiry of a period of 12 months and one day after the charge is created or, without being obliged first to provide *you* with a *Notice*, we decide to fix the charge.

### D3. LIMITATION OF LIABILITY

This clause D3 applies only in regard to an *Investment Loan* and to the *Mortgage* to the extent that it secures a *Loan*.

- (a) Without limiting the amount secured by this *Mortgage*, the total amount recoverable from the *Mortgagor* does not exceed the aggregate of:
  - (i) the amount of the *Sub-account Limit*;
  - (ii) all amounts which *we* are charged or charge or pay or incur in connection with establishing and administering the *Loan* or any transaction contemplated by the CTC;
  - (iii) all fees and charges *you* must pay *us* under the Terms and Conditions; plus;
  - (iv) any government tax or duty charged in relation to anything done under or in connection with the Terms and Conditions; plus;
  - (v) interest on each amount demanded from the *Mortgagor*, at the rate or the highest of the rates charged or chargeable to the *Borrower* from time to time after the date of demand, from that date until payment; plus
  - (vi) interest on that interest by way of compound interest, calculated after the date of demand at such time or times or from time to time as *we* think fit, at the rate or rates referred to immediately above; plus
  - (vii) all charges, costs and expenses (if any) which *we* incur, sustain or pay in exercising or enforcing any right, power, claim or remedy of any kind arising out of the CTC or recovering or attempting to recover from the *Mortgagor* the moneys at (i), (ii) and (iii) above plus interest on those charges, costs and expenses at the rate or rates referred to above.
- (b) If *you* are a third party *Mortgagor* (excluding a *Guarantor*), *your* liability under this *Mortgage* is limited to the amount that *we* receive from the sale of *your Mortgaged Property*.

### D4. YOUR REPRESENTATIONS

- (a) Each time an amount is drawn on the *Loan Account* and *we* accept *Financial Products* as *Mortgaged Property*, *you* represent that:
  - (i) *you* have an absolute and indefeasible title to the *Mortgaged Property*, free from all equities and

*Security Interests*, other than *our Security Interests*;

- (ii) all the information *you* have given *us* in connection with this *Mortgage* and any *Mortgaged Property* is correct and not misleading; and
  - (iii) the giving of this *Mortgage* will not breach any law or agreement by which *you* are bound or constitute a default under any other arrangement or *Security Interest* *you* have given.
- (b) *You* indemnify *us* against any loss, damage, costs, claims, proceedings and expense *we* suffer as a result of a representation *you* make under this clause D4 being incorrect or misleading at the time it is made.

### D5. WHAT YOU PROMISE TO DO

*You* will:

- (a) on receipt of *our Notice* to this effect, take up or, in the case of *Nominee Financial Products* which are *Mortgaged Financial Products*, direct the *Nominee* to take up any new or additional rights or interests of any kind relating to the *Mortgaged Property*;
- (b) pay on time all moneys which are or become payable in respect of the *Mortgaged Property*;
- (c) keep the *Mortgaged Property* valid and subsisting free from all liability to forfeiture, cancellation, loss, or charge; and
- (d) deposit with *us* and, in relation to any *Nominee Financial Products*, direct the *Nominee* to deposit with *us*, by way of *Security*, all share or stock certificates and any transfers of shares that are issued to *you* or the *Nominee* as a result of the conversion of a holding under the Sponsorship Agreement or any acquisition of *Financial Products* on *your* behalf by the *Nominee*.

### D6. WHAT YOU PROMISE NOT TO DO

*You* will not, without *our* prior consent, deal with all or any part of the *Mortgaged Property*, or create any *Security Interest* over or affecting all or any part of the *Mortgaged Property* unless that *Security Interest* is created for *us*.

### D7. FURTHER ASSURANCE

*You* will do anything *we* reasonably ask of *you*, at *your* cost, to further assure *our Security Interest* in the *Mortgaged Property*. For example, *you* will obtain consents, sign documents, supply information, deliver evidence of title or otherwise give possession or control to enable *our Security Interest* to be fully effective, enforceable and perfected.

### D8. ENFORCEMENT EVENTS

*We* may enforce this *Mortgage* immediately if any one or more of the following events occurs:

- (a) if a *Margin Call* in accordance with clause C12 of Part C (*Investment Loans*) is not satisfied;
- (b) if default occurs in the payment of the *Secured Moneys* or any part of those moneys;
- (c) if *you* fail to observe or perform any of *your* covenants or agreements contained or implied in this *Mortgage* or under any other of the CTC applying to *you*;
- (d) if a *Default Event* occurs under the CTC applying to *you*; or
- (e) if *you* become *Insolvent* or (in the case of a natural person) die or become of unsound mind or subject to any legal disability or incapacity.

**D9. OUR RIGHT TO IMMEDIATE PAYMENT**

At our option, without any demand or *Notice*, all of the *Secured Moneys* become immediately payable if any *Enforcement Event* occurs.

If you are a small business and in default under your loan, we will give you 30 days' notice before we wither require you to repay the loan in full or take enforcement proceedings.

We may give you a shorter notice period, or no notice period, if:

- a) based on our reasonable opinion, it is necessary for us to act to manage an immediate risk;
- b) you are insolvent, or go into bankruptcy, administration or another insolvency process or enforcement action is taken against you by us or another credit provider;
- c) we believe, on reasonable grounds, that you or a guarantor have not complied with the law or any requirement of a statutory authority; or
- d) we have already given you a period to remedy a non-monetary default under paragraph 80 of the Banking Code of Practice.

**D10. SET-OFF**

- (a) In addition to any general or banker's lien, right of setoff, right to combine accounts or any other rights we may have under this *Mortgage* or at law or in equity, if any *Enforcement Event* occurs, we may, without any demand or *Notice* being given to you or any other person, set off against or appropriate, for the purpose of applying towards payment of the *Secured Moneys* any liability (whether due, owing, contingent or otherwise) we owe to you on the *Approved Deposit Account* or any of your other accounts held with us (whether such accounts are subject to *Notice* or not and whether matured or not).
- (b) At the time:
  - (i) if you are a company, your board resolves to the effect that an administrator of you should be appointed;
  - (ii) if you are a company, of the first step taken pursuant to which an administrator is appointed by a person who is entitled to enforce a *Security Interest* in the whole or substantially the whole of your property;
  - (iii) if you are a company, the commencement of any proceedings pursuant to which orders are made for the appointment to you of a liquidator or provisional liquidator;
  - (iv) if you are a company, the commencement of a meeting of your members or creditors pursuant to which a resolution for your winding up is passed; or
  - (v) the first step taken pursuant to which, in breach of clause D6 of Part D Financial Products Mortgage, you purport to assign, grant any *Security Interest* of any nature over (or purport to allow one to arise) or purport otherwise to transfer or deal in any way with your interest in the *Mortgaged Property*;

you agree that your right, title and interest in the *Approved Deposit Account* or any of your other accounts held with us is immediately extinguished and released.

**D11. POWER OF SALE AND OTHER ENFORCEMENT POWERS**

- (a) When any *Enforcement Event* occurs, we or any *Authorised Officers* may, in addition to the powers conferred on us under the CTC, at any time and from time to time do all or any of the following:
  - (i) sell or concur in selling all or any of the *Mortgaged Property* and do all acts and things for completing any sale of the *Mortgaged Property* as we consider necessary (We will endeavour to sell those *Financial Products* with the lowest *Borrowing Limit* first although we retain an absolute discretion as to which *Financial Products* we will sell, when we will sell and the order of sale.);
  - (ii) demand and recover all the income from the *Mortgaged Property* by action or otherwise in your name or our name to the full extent of the estate or interest which you could dispose of;
  - (iii) make any arrangement or compromise which we consider expedient in our interests; or
  - (iv) bring or defend any action, suit or legal proceedings in your name or otherwise, for all or any of the above purposes.
- (b) For the purpose of any law relating to giving default *Notices* prior to the enforcement of a *Mortgage* which:
  - (i) requires that you must be in default for a certain period of time before we give you the default *Notice* and allows the period to be fixed in the *Mortgage*, the period is fixed at one day;
  - (ii) allows this *Mortgage* to limit the period of time in which you must fix a default, the period (which must be at least one day) is the period set by the default *Notice*; or
  - (iii) allows the *Parties* to a charge to agree that the charge may be enforced without giving a default *Notice*, you agree that we need not give you a default *Notice* before we enforce this *Mortgage*.

**D12. POWER OF ATTORNEY**

By way of Security for our interest in the *Mortgaged Property* and for the obligations owed by you to us under this *Mortgage*, you irrevocably appoint us, *Commonwealth Securities* and each and every *Authorised Officer*, and their respective assigns, severally to be your attorney, with full power either in our name, your name or the respective attorney's name, to do all acts and things

- (a) which should be done by you to satisfy a *Margin Call*;
- (b) which should be done by you under this *Financial Products Mortgage*, including executing deeds, selling, assigning or otherwise dealing with the *Mortgaged Financial Products*, starting, conducting and defending legal proceedings and completing any blanks in documents you have given us; or
- (c) which we and CommSec are authorised to do under this *Mortgage* or by law, and with full power from time to time to:
- (d) appoint or remove a substitute attorney; and
- (e) fill in blanks, correct errors, sign, seal and deliver and execute all documents (including assurances, identification and address declarations and other instruments) which we, *Commonwealth Securities* or the attorney considers necessary or expedient.

**D13. PROTECTION OF THIRD PARTIES**

On the exercise or purported exercise of any of the licences, powers or authorities under clause D11 or D12 or by statute conferred on *us* or any of *your* attorneys, no purchaser or other person dealing with *us* or any of *your* attorneys will be concerned to see or inquire whether a case has arisen to authorise the exercise of the licence, power or authority, or whether the licence, power or authority is properly or regularly exercised. The title of the purchaser or other person so dealing with *us* or any of *your* attorneys cannot be impeached on the ground that a case has not arisen to authorise the exercise of the licence, power or authority or that the licence, power or authority was improperly or irregularly exercised.

**D14. APPLICATION OF MONEYS**

We apply all moneys we receive under or by virtue of this *Mortgage* as follows:

- (a) in payment to anyone who has prior claim to the *Mortgaged Property*;
- (b) in payment of all debts, liabilities, costs, charges and expenses we incur in or incidental to the exercise or performance or attempted exercise or performance of *our* rights and powers under this *Mortgage*;
- (c) in payment of any other outgoings as we think fit to pay; and
- (d) in payment to *us* of the *Secured Moneys*, and any surplus money or any part of the surplus money payable to *you* or any other person entitled to the money will not carry interest and we will promptly pay the money to the credit of an account in *your* name or in the name of any other person entitled to the money, in *our* books. Then we are not under any further liability in respect of that money.

**D15. MATTERS WE ARE NOT REQUIRED TO DO**

We are not required to:

- (a) hold or take any other or further *Security* or *Guarantee* for the payment of the *Secured Moneys*;
- (b) give *Notice* of this *Mortgage* to any other person or enforce payment of any money payable to *you* relating to the *Mortgaged Property*; or
- (c) resort to any other *Security Interest* or *Guarantee* we may hold for payment of the *Secured Moneys* in priority to this *Mortgage* or any other *Security Interest*.

**D16. MATTERS FOR WHICH WE ARE NOT LIABLE**

We are not liable for any omission or delay in, or for any involuntary losses or irregularities which occur due to *our* exercising or failing to exercise *our* powers, authorities or rights under this *Mortgage* or under any law.

**D17. COMPLETION OF INSTRUMENTS**

We may complete any instrument executed by *you* or on *your* behalf in blank and deposited with *us* to better assure *our* interests in the *Mortgaged Property* or in the exercise of *our* rights under this *Mortgage*.

**D18. COSTS, CHARGES AND EXPENSES**

The *Secured Moneys*, which *you* authorise *us* to debit and charge the *Loan Account*, include all costs, charges and expenses, legal or otherwise (including solicitor and client as well as party and party costs, duties, taxes and other money paid or payable by *us* or any of *your* attorneys), which we

pay, incur, sustain or are put to in connection with:

- (a) any of the *Mortgaged Property*;
- (b) this *Mortgage*;
- (c) the preparation, completion, registration or release (partial or in whole) of this *Mortgage*; or
- (d) the exercise or attempted exercise of any right or power given to *us* or any of *your* attorneys under this *Mortgage*, together with interest on all that money at the rate (or at the highest of the rates) charged on *Loans* from time to time.

**D19. INDEPENDENCE OF THIS FINANCIAL PRODUCTS MORTGAGE**

This *Financial Products Mortgage* is in addition to and independent of:

- (a) any other or further *Security* or *Guarantee* we hold or take now or in the future;
- (b) any arrangement or transaction between *you* and any other person;
- (c) any loss, release, discharge, abandonment or transfer, either in whole or in part and either with or without consideration, of any other *Security* or *Guarantee* we hold from *you* or from any other person now or in the future; or
- (d) any act, forbearance or omission by *us*.

**D20. EXCLUSION OF CERTAIN PPS ACT ENFORCEMENT PROVISIONS**

- (a) No right to receive *PPS Act* notices

*You* agree that upon enforcement, unless otherwise required by these Terms and Conditions, we do not need to give *you* any information in relation to, or any form of notice, which we would otherwise be required to provide under the *PPS Act*:

- (i) if we give a notice to any person to pay the proceeds of, or amounts owing in respect of, the *Financial Products* forming part of the *Mortgaged Property* to *us* or if we take possession or control of any of those proceeds or amounts;
- (ii) of any amount paid to another person that holds a *Security Interest* over the *Mortgaged Property*; or
- (iii) of *our* intention to dispose of the *Mortgaged Property* to the extent that the *PPS Act* requires *us* to give notice to *you*.

Unless otherwise provided in these Terms and Conditions, *you* agree *you* have no right to reinstate or redeem the *Mortgaged Property* prior to *us* disposing of or retaining the *Mortgaged Property*.

- (b) No PPS enforcement obligations while controller  
*You* agree the provisions of Part 4.3 of the *PPS Act* concerning seizure and disposal or retention of the *Mortgaged Property* do not apply in relation to the *Mortgaged Property* if upon enforcement we become a controller (as defined in the Corporations Act 2001 (Cth)) of the *Mortgaged Property*.
- (c) No verification statement regarding PPS registration.  
If the *Mortgaged Property* is commercial property (as defined in the *PPS Act*), *you* waive any right that *you* have at any time to receive notice that we have made or amended any registration of the *Mortgage* under the *PPS Act*.

## PART E SPONSORSHIP AGREEMENT

### READ THIS PART ONLY IF YOU HAVE AN INVESTMENT LOAN

#### E1. INTERPRETATION

Any term used in this Sponsorship Agreement which is defined in, or given a meaning under, the *Rules* has the meaning given in the *Rules*.

*(Should you require a copy of these definitions please contact CommSec Adviser Services on 13 15 20.)*

#### E2. APPOINTMENT

By way of *Security* for our interest in the *Mortgaged Property* for the obligations you owe us under the *Mortgage* and to facilitate use of an investment *Loan Account*:

- (a) you appoint *CommSec* to provide (and *CommSec* agrees to provide) transfer and settlement services as agent for you in relation to any *Financial Products* which are, or are intended to be *Participant Sponsored Holdings* under this Sponsorship Agreement; and
- (b) you irrevocably appoint *CommSec* (and its assigns) and each *Authorised Officer* of *CommSec* (or of its assigns) severally to be your attorney, with full power, either in the name of *CommSec*, your name or the respective attorney's name, to do all acts and things you may lawfully authorise an attorney to do in relation to any *Financial Products* which are, or which are intended to be, *Participant Sponsored Holdings*. Your attorney may delegate power and revoke a delegation and may exercise powers even if this involves a conflict of interest(s) and/or duty(ies) and whether or not a *Default Event* has occurred.

#### E3. AUTHORITIES AND DEALINGS

- (a) You authorise *CommSec* to effect any transfers and conversions and to do all other things necessary or desirable to register the *Financial Products* into *Participant Sponsored Holdings*. *CommSec* must initiate the necessary transfers or conversions within the time prescribed under the *Rules*.
- (b) *CommSec* will notify you of the HIN for each of your *CHES Participant Sponsored Holdings* to which this Sponsored Agreement relates.
- (c) When you propose to add to, substitute or change the *Participant Sponsored Holdings*, you must give us a *Written Notice* to this effect.
- (d) Where you authorise *CommSec* to buy *Financial Products*, on your behalf, you will pay for those *Financial Products* on or before the date agreed with *CommSec* for payment.
- (e) Where *CommSec* has received your oral or written instruction to enter into any transaction involving the disposal of *Financial Products* held in a *Participant Sponsored Holding*, *CommSec* has authority:
  - (i) to initiate and effect a transfer of the *Financial Products*; or
  - (ii) to take any other action necessary to bring about the disposal, even if, because of netting arrangements, the transfer or disposal is to a person who is not a party to the transaction.
- (f) *CommSec* will initiate any transfer, conversion or other action necessary to give effect to *Withdrawal*

*Instructions* within two *Business Days* of the date of the receipt of the *Withdrawal Instructions*.

However:

- (g) Any transfer, conversion, disposal or other action under this Sponsorship Agreement must be approved and authorised by us. The form of authorisation must be signed by one of our *Authorised Officers* and stamped with our stamp in a form disclosed by us to *CommSec* from time to time.
- (h) On our being able to exercise our power of sale under the *Mortgage*, we may instruct *CommSec* without any reference to you. *CommSec* will act on those instructions and may remove the Holder Record Lock in accordance with the *Rules* to facilitate the exercise of our powers under the *Mortgage*, without confirmation or ratification from you.
- (i) *CommSec* is not obliged to transfer *Financial Products* into your *Participant Sponsored Holding* until payment for those *Financial Products* is received.
- (j) Where a *Contract* for the purchase of *Financial Products* remains unpaid, after *CommSec* has made a demand of you to pay for the *Financial Products*, *CommSec* may sell those *Financial Products* that are the subject of that *Contract* at your risk and expense and that expense will include brokerage.
- (k) Where *CommSec* claims that an amount lawfully owed to it has not been paid by you, *CommSec* has the right to refuse to comply with your *Withdrawal Instructions*, but only to the extent necessary to retain *Financial Products* of the minimum *Market Value* held in your *Participant Sponsored Holding* (where the minimum *Market Value* is equal to 120% of the current *Market Value* of the amount claimed). Where *CommSec* exercises this right, it must inform you within a reasonable period of the action it has taken.

#### E4. INFORMATION ABOUT PARTICIPANT SPONSORED HOLDINGS

- (a) You will supply all *Notices*, information and supporting documentation which is reasonably required to permit *CommSec* to comply with the registration requirements, as are in force from time to time, under the *Rules*.
- (b) Where statements of holding balances or other information are obtained by *CommSec* from *ASX Settlement* or *Issuers* at your request, you will bear *CommSec's* reasonable costs in obtaining the statements or information.
- (c) You authorise *CommSec* to provide information about you and your *Participant Sponsored Holdings* to *ASX Settlement*, the *Market Operator* and *ASIC* as appropriate or necessary from time to time.

#### E5. EXCHANGE TRADED OPTIONS, PLEDGING AND SUB-POSITIONS

- (a) Where the Participant Sponsored Holder arranges with *ASX Clear* to lodge *Financial Products* in a *Participant Sponsored Holding* as *Derivatives Cover*, and informs the Participant of the arrangement, the Participant Sponsored Holder:
  - (i) authorises the Participant to reserve the *Financial Products* in the *ASX Clear Subposition* so that the *Financial Products* come under the control of *ASX*

Clear and are subject to the security interest granted in favour of ASX Clear to secure the performance by the relevant Clearing Participant of its obligations to ASX Clear under and in accordance with ASX Clear Operating Rule 14.6.7;

- (ii) authorises any subsequent dealing (including, without limitation, any transfer) of the reserved Financial Products in accordance with the Rules and ASX Clear Operating Rules;
  - (iii) acknowledges that the Financial Products will remain subject to that security interest for so long as those Financial Products remain reserved in the ASX Clear Subposition in accordance with ASX Clear Operating Rule 14.6.7; and
  - (iv) authorises the Participant to take whatever other action is reasonably required by ASX Clear in accordance with the Rules to give effect to that arrangement.
- (b) If we give our prior written Notice for you to give a Security Interest over Financial Products in a Participant Sponsored Holding to another person, you authorise CommSec to take whatever action is reasonably required by the person in accordance with the Rules to give effect to that arrangement.
- (c) The Participant Sponsored Holder acknowledges that where, in accordance with this Agreement and/or the Participant Sponsored Holder's instructions, the Participant initiates any action which has the effect of creating a sub-position over financial products in the Participant Sponsored Holding, the right of the Participant Sponsored Holder to transfer, convert or otherwise deal with those financial products is restricted in accordance with the terms of the Rules relating to Sub-positions.
- (d) Nothing in this Sponsorship Agreement operates to override any interest of ASX Clear in the Financial Products.

## E6. FEES

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

## E7. NOTIFICATIONS AND ACKNOWLEDGEMENTS

- (a) You acknowledge that if CommSec is not a Market Participant of ASX, neither ASX nor the ASX Group have any responsibility for supervising or regulating the relationship between you and CommSec, other than in relation to the Rules relating to sponsorship agreements.
- (b) You acknowledge that if a transfer is taken to be effected by CommSec under Section 9 of the Rules and the Source Holding for the transfer is a Participant Sponsored Holding under this Sponsorship Agreement, then:
  - (i) you may not assert or claim against ASX Settlement or the relevant Issuer that the transfer was not effected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by you to effect the transfer; and
  - (ii) unless the transfer is also taken to have been effected by a Participant of ASX or a Participant of ASX Clear,

you have no claim arising out of the transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations 2001.

- (c) In the event that CommSec breaches any of the provisions of this Sponsorship Agreement, you may refer that breach to any regulatory authority, including ASX Settlement.
- (d) In the event that CommSec is suspended from CHESSE Settlement Facility participation, subject to the assertion of an interest in Financial Products controlled by CommSec, by the liquidator, receiver, administrator or trustee of CommSec, or by us:
  - (i) you have the right, within twenty Business Days of ASX Settlement giving Notice of suspension, to give Notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:
    - (A) from the CHESSE Settlement Facility Subregister; or
    - (B) from the control of CommSec to the control of another Participant with whom you have concluded a valid sponsorship agreement pursuant to Rule 12.19.10; or
  - (ii) where you do not give Notice under this paragraph (d) ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11 and you will be deemed to have entered into a new sponsorship agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where you are deemed to have entered into a sponsorship agreement, the new Participant must enter into a sponsorship agreement with you within 10 Business Days of the change of Controlling Participant.
- (e) You acknowledge that before you were bound by this Sponsorship Agreement, CommSec provided you with an explanation of the effect of this Sponsorship Agreement and that you understood the effect of this Sponsorship Agreement.
- (f) You acknowledge that CommSec shall not be required to provide an executed copy of this Sponsorship Agreement to you unless requested by you.
- (g) We acknowledge that you may from time to time instruct CommSec to register Financial Products purchased on your behalf without using a Loan ("non-Mortgaged shares") into a Participant Sponsored Holding which is subject to a separate sponsorship agreement between CommSec and you in your capacity as a sponsored client. CommSec will separately record and account to you for the non-Mortgaged shares.

## E8. CHANGE OF CONTROLLING PARTICIPANT

- (a) If you receive a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, you are under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in paragraphs (b) or (c).
- (b) You may choose to terminate this Sponsorship Agreement by giving Withdrawal Instructions under the Rules to the Controlling Participant, indicating whether you wish to:

- (i) transfer *your Participant Sponsored Holding* to another Controlling Participant; or
  - (ii) transfer *your Participant Sponsored Holding* to one or more *Issuer Sponsored Holdings*.
- (c) If you do not take any action to terminate this Sponsorship Agreement in accordance with paragraph (b) above, and do not give any other *Notice* to the Controlling Participant which would indicate that you do not agree to the change of Controlling Participant then, on the Effective Date, this Sponsorship Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all *Parties* as if, on the Effective Date:
- (i) the New Controlling Participant is a party to this Sponsorship Agreement in substitution for the Existing Controlling Participant;
  - (ii) any rights of the Existing Controlling Participant are transferred to the New Controlling Participant; and
  - (iii) the Existing Controlling Participant is released by you from any obligations arising on or after the Effective Date.
- (d) The novation in paragraph (c) will not take effect until you have received a *Notice* from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for you. The Effective Date may as a result be later than the date set out in the Participant Change *Notice*.
- (e) You will be taken to have consented to the events referred to in paragraph (d) by the doing of any act which is consistent with the novation of this Sponsorship Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
- (f) This Sponsorship Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in paragraph (c) not binding or effective on the Effective Date, then this Sponsorship Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of this Sponsorship Agreement on trust for the New Controlling Participant.
- (g) Nothing in this Clause E8 will prevent the completion of *CHES Settlement Facility* transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the Effective Date and this Sponsorship Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of this Sponsorship Agreement to the New Controlling Participant under this Clause E8.

## E9. REGULATORY REGIME

- (a) The regulatory regime which applies to *CommSec* is the regime established under the Corporations Act 2001 and Corporations Regulations 2001, the Market Operating Rules, the *ASIC Market Integrity Rules*, the *ASX Settlement Operating Rules* and the *ASX Clear Operating Rules*. You can obtain information as to the status of *CommSec* from the relevant regulatory

authorities under this regime, namely *ASIC*, *ASX*, *ASX Settlement* and *ASX Clear*.

- (b) You may lodge a complaint against *CommSec* with *ASIC*, *ASX*, *ASX Settlement*, *ASX Clear* or the Australian Financial Complaints Authority (AFCA). You may lodge any claim for compensation:
- (i) with *CommSec* in the first instance and if not satisfied with *CommSec*'s response, you may refer the claim to AFCA; and
  - (ii) in relation to the National *Guarantee Fund*, with the Securities Exchange *Guarantee Corporation Limited*.  
(Refer Clause E10 below for further details with respect to claims for compensation.)

## E10. CLAIMS FOR COMPENSATION

- (a) *CommSec* maintains professional indemnity insurance for its activities as holder of an Australian Financial Services licensee.
- (b) If *CommSec* breaches a provision of this Sponsorship Agreement and you make a claim for compensation under that breach, the ability of *CommSec* to satisfy that claim will depend on the financial circumstances of *CommSec*.
- (c) If a breach by *CommSec* of a provision of this Sponsorship Agreement falls within the circumstances specified under Part 7.5, Division 4 of the Corporations Regulations 2001, you may make a claim on the National *Guarantee Fund* for compensation.  
(For more information on the circumstances in which you may make a claim on the National *Guarantee Fund* or for information on the National *Guarantee Fund* generally, contact the Securities Exchange *Guarantee Corporation Limited*.)

## E11. DEATH OR BANKRUPTCY

- (a) Without detracting from the *Mortgage*, you acknowledge that:
- (i) in the event of your death or bankruptcy, a Holder Record Lock will be applied to all *Participant Sponsored Holdings* in accordance with the *Rules*, unless your legally appointed representative or trustee elects to remove the *Participant Sponsored Holdings* from the *CHES Settlement Facility* Subregister; and
  - (ii) in the event of your death, the sponsorship under this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer your estate, subject to the consent of the legally appointed representative, for a period of up to three calendar months after the removal of a Holder Record Lock applied under this paragraph (a).
- (b) If your legally appointed representative or trustee elects to remove the *Participant Sponsored Holdings* from the *CHES Settlement Facility* Subregister, then *CommSec* must initiate a conversion of *Financial Products* in the *Participant Sponsored Holdings* to another mode of holding. *CommSec* has no further obligation to any person in relation to the *Financial Products* in the *Participant Sponsored Holdings*.
- (c) Whilst the *Participant Sponsored Holdings* are subject to the *Mortgage*, your legally appointed representative or trustee must ensure that, in giving any consent under

paragraph (a), the appointment of *CommSec* continues in accordance with Clause E2.

## E12. JOINT HOLDINGS

- (a) Where more than one person is bound by this Sponsorship Agreement, *you* acknowledge that in the event of the death of one of them:
  - (i) *CommSec* will transfer the *Participant Sponsored Holdings* under the joint Holder Record into new *Participant Sponsored Holdings* under a new Holder Record in the name of the survivor(s) of them;
  - (ii) this Sponsorship Agreement continues to apply to the new *Participant Sponsored Holdings* under the new Holder Record; and
  - (iii) the survivor or survivors continue to be bound by this Sponsorship Agreement.
- (b) *You* acknowledge that if one of *you* is declared bankrupt:
  - (i) *CommSec* will, unless the legally appointed trustee of the bankrupt person elects to remove the *Participant Sponsored Holdings* from the *CHESS Settlement Facility* Subregister, establish a new Holder Record in the name of the bankrupt person, transfer the interest of the bankrupt person into new *Participant Sponsored Holdings* under the new Holder Record and request that *ASX Settlement* apply a Holder Record Lock to the *Participant Sponsored Holdings* under that Holder Record;
  - (ii) *CommSec* will establish a new Holder Record in the names of the rest of *you* and transfer the interest of the rest of *you* into the *Participant Sponsored Holdings* under the new Holder Record; and
  - (iii) the rest of *you* continue to be bound by this Sponsorship Agreement.
- (c) If the legally appointed trustee of the bankrupt *Mortgagor* elects to remove the *Participant Sponsored Holdings* from the *CHESS Settlement Facility* Subregister, then Clause E11(b) will apply.

## E13. TERMINATION

- (a) Subject to the *Rules*, the sponsorship under this Sponsorship Agreement will be terminated upon the occurrence of any of the following events:
  - (i) by a *Written Notice* from either *you* or *CommSec* to the other party to this Sponsorship Agreement (but only with *our* consent);
  - (ii) upon *CommSec* becoming insolvent;
  - (iii) upon the termination or suspension of *CommSec*; or
  - (iv) upon the giving of *Withdrawal Instructions* by *you* to a Controlling Participant in accordance with Rule 7.1.10(c).
- (b) Termination by a *Written Notice* under paragraph (a) is effective on receipt of that *Written Notice* by the other party to this Sponsorship Agreement.

## E14. RULES AND VARIATION

- (a) This Sponsorship Agreement is subject to the *Rules* in force from time to time. *You* will not, and *we* undertake not to, take any action which will prevent or impede *CommSec* from complying with its obligations under the *Rules*.
- (b) Should any of the provisions in this Sponsorship

Agreement be inconsistent with the provisions in the *Rules*, *CommSec* will, by giving *you* not less than seven *Business Days Notice*, vary this Sponsorship Agreement to the extent to which, in *CommSec*'s reasonable opinion, it is necessary to remove any inconsistency.

- (c) Except as provided in Clause E14(b), this Sponsorship Agreement may be varied only by a written agreement signed by *CommSec* and *you*.

## PART F NOMINEE AGREEMENT

### READ THIS PART ONLY IF YOU HAVE AN INVESTMENT LOAN

#### F1. APPOINTMENT

In the usual course *you* will continue to hold *your Financial Products* in *your* own name. However, in order to better secure payment of the *Secured Moneys* to *us*, *you* will, if *we* require, transfer *Financial Products* *you* own to the *Nominee* or have the *Nominee* acquire *Financial Products* to be held in its name on *your* behalf.

#### F2. NOMINEE SECURITIES

- (a) If *we* accept certain *Financial Products* to be *Mortgaged Property* and:
  - (i) those *Financial Products* are not *CHESS Participant Sponsored Holdings*; or
  - (ii) those *Financial Products* are *CHESS Participant Sponsored Holding* which *we* identify to be so transferred, *we* require *you* to transfer those *Financial Products* into the *Nominee*'s name to hold them on *your* behalf in accordance with these CTC.
- (b) If the *Borrower* wishes to purchase *Financial Products* wholly or partly with the proceeds of any drawing on the *Loan Account* and:
  - (i) those *Financial Products* are not *CHESS Participant Sponsored Holdings*; or
  - (ii) those *Financial Products* are *CHESS Participant Sponsored Holdings* which *we* identify to be so acquired,
 

*we* require that the *Borrower* instruct the *Nominee* to acquire the *Financial Products* in its name to hold them on the *Borrower*'s behalf in accordance with the *Nominee* Agreement.

#### F3. NOMINEE'S APPOINTMENT

- (a) *You* appoint the *Nominee* to act as *your Nominee* and custodian under the *Nominee* Agreement in relation to any *Mortgaged Property* that is:
  - (i) transferred to the *Nominee* from time to time by *you* or *your* agent or any person holding those *Mortgaged Financial Products* as *Nominee*, trustee or custodian for *you*; or
  - (ii) which the *Nominee* acquires on *your* behalf in accordance with the *Nominee* Agreement.
- (b) The *Nominee* accepts the appointment and agrees to register in its name and hold the *Nominee Financial Products* as custodian and trustee for *you*.
- (c) *You* acknowledge that the *Nominee*'s appointment is made solely for *our* benefit for the purpose of more effectively securing the *Secured Moneys* and to

enable *us* to preserve and exercise *our* rights over the *Mortgaged Property*.

- (d) The appointment of the *Nominee* as *your Nominee* and custodian is irrevocable at all times while the *Secured Moneys* or any part of the *Secured Moneys* remain outstanding.

#### F4. YOUR DIRECTIONS TO THE NOMINEE

*You* direct the *Nominee* to:

- (a) lodge with *us* any title documents to the *Nominee Financial Products*;
- (b) act on *your* instructions in relation to any voting rights attaching to the *Nominee Financial Products*, unless *we* direct the *Nominee* otherwise;
- (c) pay to *you* any income derived from holding the *Nominee Financial Products* on *your* behalf, unless *we* direct the *Nominee* otherwise;
- (d) take up any new rights relating to the *Mortgaged Property*, unless *we* direct the *Nominee* otherwise; and
- (e) exercise any other powers or discretions relating to the *Nominee* holding the *Nominee Financial Products* on *your* behalf with or without seeking *your* instructions.

#### F5. THE NOMINEE'S DEALINGS WITH NOMINEE FINANCIAL PRODUCTS

So long as the *Secured Moneys* or any part of the *Secured Moneys* are outstanding, the *Nominee* will not release, transfer, dispose of or otherwise deal with the *Nominee Financial Products* unless *we* give *our* prior *Written Notice*.

#### F6. LIMIT ON THE NOMINEE'S LIABILITY

The *Nominee* is not liable to *us* or *you* for any loss or damage allegedly arising from actions taken or omitted to be taken in relation to its appointment under the *Nominee Agreement* except where that loss or damage is caused by its or any of its agent's wilful misconduct, negligence or breach of the *Nominee Agreement*.

#### F7. ACKNOWLEDGEMENT IN RELATION TO SEPARATELY MANAGED ACCOUNTS, INVESTOR DIRECTED PORTFOLIO SERVICES, MANAGED DISCRETIONARY ACCOUNTS AND SIMILAR INVESTMENTS

For the avoidance of any doubt, this acknowledgement applies to any investment accepted as *Mortgaged Property* held in a separately managed account (SMA), investor directed portfolio services (IDPS), managed discretionary accounts (MDA) or similar structure administered by a responsible entity or custodian (referred to in this clause as an "RE"). *You* acknowledge that *we* take a *Mortgage* over *your* interest managed by the SMA, IDPS, MDA or similar structure as security for *your Loan* and may require *your* interest to be held in the name of the *Nominee*, subject to the following terms:

The RE is not to sell, realise, dispose of, deal in or otherwise apply any *Financial Products* held for *you*, without obtaining *our* prior written consent; and

*you* authorise *us* or the *Nominee* to do all or any of the following when the *Mortgage* becomes enforceable:

- (a) instruct the RE to sell, realise or otherwise dispose of all or any part of *your* interest (or any *Financial Products* held for *you*);

- (b) instruct the RE to pay to *us* the proceeds of any such sale, realisation or other disposal;
- (c) instruct the RE to pay to *us* all or any part of the cash held or received for *you*;
- (d) instruct the RE to pay to *us* all or any dividends, distributions, income or other amounts received for any *Financial Products* held for *you*; and
- (e) instruct the RE to transfer to *us* or the *Nominee* any *Financial Products* held for *you*.

## PART G PRIVACY INFORMATION AND AUTHORISATION

### MEANING OF WORDS

In this part G, words in italics are defined words with have the same meaning as in Part A, clause A1.

### FOR ALL BORROWERS AND GUARANTORS

*You* give *us* permission to collect, use and share *your information* with others as set out in this form and our privacy policy.

The information *you* give *us* must be correct and complete. If not, *you* may be breaking the law and *we* may not be able to provide *you* the products, services and/or facility that best serves *your* need in *your* capacity as the *Borrower* or *Guarantor*.

'*Your information*' means the information about *you* that *we* collect such as:

- Information about *your* identity, such as *your* name and contact details;
- Financial information *you* give *us*;
- Information about *your* interactions with *us*, such as *your* transactions, payments and use of our websites;
- *Your* credit history that *we* collect from credit reporting bodies; and/or
- Information from public registers or third parties, such as service providers, brokers, and employers.

### 1. WHY WE COLLECT YOUR INFORMATION AND WHAT WE USE IT FOR

*We* collect *your information* and use it to:

- Confirm *your* identity and manage our relationship with *you*;
- Assess whether to accept *you* as a *Guarantor* and/or *your* application as a *Borrower* for credit and minimise risks;
- Design, price, provide, manage and improve our products and services;
- Comply with relevant laws, for example the *Anti-Money Laundering and Counter-Terrorism Financing Act*, state/territory property laws (if *you* take out a mortgage) and the responsible lending provisions of the *National Consumer Credit Protection Act*;
- Facilitate payment receipts and instructions; and/or
- Let *you* know about products and services *you* might be interested in.

Sometimes *we* need to collect sensitive information. For example, if *you're* in financial difficulty and ask for hardship relief due to illness, *we* may ask *your* permission to collect information about *your* health.

### 2. SHARING INFORMATION WITH CREDIT REPORTING BODIES

*We* share *your information* with credit reporting bodies and get credit reports about *you* from them.

*We* do this so *we* and other credit providers can:



- Assess whether to accept *you* as a *Guarantor* and/or *your* application as a *Borrower* for credit; and
- Manage *your* loans and collect overdue payments.

*You* give *us* permission to:

- Share *your information* with other credit providers;
- Share *your information* with trade insurers so they can assess the risks of providing insurance to *us*; and
- Get a consumer credit report about *you* from a credit reporting body to assess any application *you* make, including for commercial credit.

The credit reporting bodies (CRBs) we use are Veda ([veda.com.au](http://veda.com.au)), Experian ([experian.com.au/credit-services](http://experian.com.au/credit-services)) and Dun & Bradstreet ([checkYourcredit.com.au](http://checkYourcredit.com.au)). See our privacy policy for key information about credit reporting matters, such as:

- What information about *you* we provide to credit reporting bodies;
- How to get a copy of credit information we obtain from credit reporting bodies, correct this information or make a complaint;
- Where to find each credit reporting body's policy on credit information handling;
- What to do if *you* think *you're* a victim of identity fraud; and/or
- *Your* right to tell credit reporting bodies not to use *your information* for direct marketing.

### 3. WHO ELSE CAN WE SHARE YOUR INFORMATION WITH?

*You* give *us* permission to share *your information* with other members of our Group, who can use it for any of the purposes that we can. We can also share *your information* with others, such as:

- Current or previous employers (to confirm *your* identity or income);
- Brokers, advisers and people who act on *your* behalf;
- Service providers, such as mortgage insurers, valuers, loyalty program partners and product distributors;
- Businesses who do some of our work for *us*;
- Debt collectors;
- People or organisations involved in arrangements that provide funding to *us*;
- Other financial institutions (such as banks), auditors, insurers and re-insurers; and/or
- Government and law enforcement agencies or regulators.
- Australian Investment Exchange Limited (AUSIEX) continues to provide certain services in relation to the CommSec Adviser Services Investment Loan; noting that effective 1 May 2021 AUSIEX is no longer a member of the Commonwealth Bank Group

Sometimes we might need to send *your information* overseas, for example:

- Where we outsource particular functions;
- To overseas businesses in our Group;
- If we need to complete a transaction for *you*; and/or
- To comply with laws, and assist government and law enforcement agencies or regulators.

See our privacy policy for information about which countries information may be sent to.

### 4. OUR PRIVACY POLICY AND HOW TO CONTACT US

Visit [commbank.com.au/privacy](http://commbank.com.au/privacy) for our privacy policy or ask for a copy at any branch. It tells *you* about:

- Other ways and reasons we may collect, use or share *your information*;

- How to access *your information* and correct it if it's wrong; and/or
- How to make a privacy-related complaint (including about our compliance with the Australian Privacy Principles and credit reporting rules and codes) and how we'll deal with it.

Sometimes we update our privacy policy. *You* can always find the most up-to-date version on our websites.

Want to speak to *us* about *your* privacy?



#### Email:

[customerrelations@cba.com.au](mailto:customerrelations@cba.com.au)



#### Phone:

1800 805 605



#### Write to:

CBA Group Customer Relations, Replied Paid 41, Sydney, NSW, 2001

## FOR BORROWERS ONLY

### 5. SHARING INFORMATION WITH GUARANTORS AND OTHER SECURITY PROVIDERS

*You* give *us* permission to give *Guarantors* or other security providers information about *you*, the relevant credit facility, and any changes to that facility or new facilities. This is so they can decide if they want to be, or continue to be, *your Guarantor* or security provider.

### 6. ADDITIONAL OBLIGATIONS

We may be subject to laws or regulations in Australia or another country that *your* relationship with *us* (e.g. Laws that address taxation). So that we may comply with our obligations under these laws or regulations, we may:

- Require *you* to provide information about *you* or *your* product;
- Disclose any information we are required to concerning *you* (including sending *your information* overseas)
- Withhold an amount from a payment to *you* if required to do so, and if we do, we will not reimburse *you* for the amount withheld; and/or
- Take such other action as is reasonably required, including, for example, closing *your* account.

## PART H INVESTMENT LOAN Direct Debit/Direct Credit REQUEST SERVICE AGREEMENT

The reference to "*CommSec*" in this Section is a reference to *Commonwealth Securities* Limited as agent for Commonwealth Bank of Australia.

### DEBIT/CREDIT ARRANGEMENTS

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

5. If *you* provide an incorrect *Bank Account* number, *you* may incur a fee if *we* have processed a transaction to that account.

#### YOUR RIGHTS

6. *You* may terminate the Direct Debit/Direct Credit arrangement with *us*, however this termination must be in writing.
7. Where *you* consider the debit is incorrect in either the due date or amount or both, *you* should raise the matter with CommSec Adviser Services on 13 15 20.

#### YOUR RESPONSIBILITIES

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

### PART I INFORMATION STATEMENT

**Note:** This Part I does not apply to companies, Norfolk Island borrowers or to borrowers of credit provided wholly or predominantly for investment (other than In residential property) or business purposes (or for both purposes).

#### INFORMATION STATEMENT

##### THINGS YOU SHOULD KNOW ABOUT YOUR PROPOSED CREDIT CONTRACT

The Commonwealth Bank of Australia, Australian credit licence number 234945, is *your* credit provider, and in this statement is referred to as “the Bank”.

This statement tells *you* about some of the rights and obligations of yourself and the Bank. It does not state the terms and conditions of *your contract*.

If *you* have any concerns about *your contract*, contact the Bank and, if *you* still have concerns, the Bank’s external dispute resolution scheme, or get legal advice.

### THE CONTRACT

#### 1. HOW CAN I GET DETAILS OF MY PROPOSED CREDIT CONTRACT?

The Bank must give *you* a pre-contractual statement containing certain information about *your contract*. The pre-contractual statement, and this document, must be given to *you* before:

- *your contract* is entered into; or
- *you* make an offer to enter into the *contract*, whichever happens first.

#### 2. HOW CAN I GET A COPY OF THE FINAL CONTRACT?

If the *contract* document is to be signed by *you* and returned to the Bank, *you* must be given a copy to keep.

Also, the Bank must give *you* a copy of the final *contract* within 14 days after it is made.

If *you* want another copy of *your contract* write to the Bank and ask for one. The Bank may charge *you* a fee. The Bank has to give *you* a copy:

- within 14 days of *your* written request if the original *contract* came into existence 1 year or less before *your* request; or
- otherwise within 30 days of *your* written request.

#### 3. CAN I TERMINATE THE CONTRACT?

Yes. *You* can terminate the *contract* by writing to the Bank so long as:

- *you* have not obtained any credit under the *contract*; or
- a card or other means of obtaining credit given to *you* by the Bank has not been used to acquire goods or services for which credit is to be provided under the *contract*.

However, *you* will still have to pay any fees or charges incurred before *you* terminated the *contract*.

#### 4. CAN I PAY MY CREDIT CONTRACT OUT EARLY?

Yes. Pay the Bank the amount required to pay out *your* credit *contract* on the day *you* wish to end *your contract*.

#### 5. HOW CAN I FIND OUT THE PAY OUT FIGURE?

*You* can write to the Bank at any time and ask for a statement of the pay out figure as at any date *you* specify. *You* can also ask for details of how the amount is made up.

The Bank must give *you* the statement within 7 days after *you* give *your* request to the Bank. *You* may be charged a fee for the statement.

#### 6. WILL I PAY LESS INTEREST IF I PAY OUT MY CONTRACT EARLY?

Yes. The interest *you* can be charged depends on the actual time money is owing. However, *you* may have to pay an early termination charge (if *your contract* permits the Bank to charge one) and other fees.

#### 7. CAN MY CONTRACT BE CHANGED BY THE BANK?

Yes, but only if *your contract* says so.

**8. WILL I BE TOLD IN ADVANCE IF THE BANK IS GOING TO MAKE A CHANGE IN THE CONTRACT?**

That depends on the type of change. For example:

- You get at least same day notice for a change to an annual percentage rate. That *notice* may be a written *notice* to you or a *notice* published in a newspaper.
- You get 20 days' advance written *notice* for a change in repayments.
- You get 20 days' advance written *notice* for:
  - a change in the way in which interest is calculated;
  - a change in credit fees and charges; or
  - any other changes by the Bank, except where the change reduces what you have to pay or the change happens automatically under the *contract*.

**9. IS THERE ANYTHING I CAN DO IF I THINK THAT MY CONTRACT IS UNJUST?**

Yes. You should first talk to the Bank. Discuss the matter and see if you can come to some arrangement. If that is not successful you could apply to the Bank's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. The Bank's external dispute resolution provider is the Australian Financial Complaints Authority which can be contacted at telephone 1800 931 678, email [info@afca.org.au](mailto:info@afca.org.au), website [www.afca.org.au](http://www.afca.org.au) or GPO Box 3, Melbourne VIC 3001.

Alternatively, can go to court. You may wish to get legal advice, for example from your community legal centre. You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at <http://www.asic.gov.au>

**INSURANCE****10. DO I HAVE TO TAKE OUT INSURANCE?**

The Bank can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, *mortgage* indemnity insurance (the Bank calls this type of insurance "lenders' *mortgage* insurance") or insurance over property covered by any *mortgage*. Otherwise, you can decide if you want to take out insurance or not.

**11. WILL I GET DETAILS OF MY INSURANCE COVER?**

Yes, if you have taken out insurance over *Mortgaged Property* or consumer credit insurance and the premium is financed by the Bank. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by the Bank then, within 14 days of that happening, the Bank must ensure you have a written *notice* of the particulars of that insurance.

You can always ask the insurer for details of your insurance *contract*. If you ask in writing your insurer must give a statement containing all the provisions of the *contract*.

**12. IF THE INSURER DOES NOT ACCEPT MY PROPOSAL, WILL I BE TOLD?**

Yes, if the insurance was to be financed by the credit *contract*. The insurer will inform you if the proposal is rejected.

**13. IN THAT CASE, WHAT HAPPENS TO THE PREMIUMS?**

The Bank must give you a refund or credit unless the insurance is to be arranged with another insurer.

**14. WHAT HAPPENS IF MY CREDIT CONTRACT ENDS BEFORE ANY INSURANCE CONTRACT OVER MORTGAGED PROPERTY?**

You can end the insurance *contract* and get a proportionate rebate of any premium from the insurer.

**MORTGAGES****15. IF MY CONTRACT SAYS I HAVE TO GIVE A MORTGAGE, WHAT DOES THIS MEAN?**

A *mortgage* means that you give the Bank certain rights over any property you *mortgage*.

If you default under your *contract*, you can lose that property and you might still owe money to the Bank.

**16. SHOULD I GET A COPY OF MY MORTGAGE?**

Yes. It can be part of your *credit contract* or, if it is a separate document, you will be given a copy of the *mortgage* within 14 days after your *mortgage* is entered into.

However, you need not be given a copy if the Bank has previously given you a copy of the *mortgage* document to keep.

**17. IS THERE ANYTHING THAT I AM NOT ALLOWED TO DO WITH THE PROPERTY I HAVE MORTGAGED?**

The law says you cannot assign or dispose of the property unless you have the Bank's, or the court's, permission. You must also look after the property. Read the *mortgage* document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

**18. WHAT CAN I DO IF I FIND THAT I CANNOT AFFORD MY REPAYMENTS AND THERE IS A MORTGAGE OVER PROPERTY?**

See the answers to questions 22 and 23. Otherwise you may:

- if the *Mortgaged Property* is goods, give the property back to the Bank, together with a letter saying you want the Bank to sell the property for you;
- sell the property – but only if the Bank gives permission first;

OR

- give the property to someone who may then take over the repayments – but only if the Bank gives permission first.

If the Bank won't give permission contact the Bank's external dispute resolution scheme for help.

If you have a *guarantor*, talk to the *guarantor* who may be able to help you.

You should understand that you may owe money to the Bank even after the *Mortgaged Property* is sold.

**19. CAN THE BANK TAKE OR SELL THE MORTGAGED PROPERTY?**

Yes, if *you* have not carried out all of *your* obligations under *your contract*.

**20. IF THE BANK WRITES ASKING ME WHERE THE MORTGAGED GOODS ARE, DO I HAVE TO SAY WHERE THEY ARE?**

Yes. *You* have 7 days after receiving the Bank's request to tell the Bank. If *you* do not have the goods *you* must give the Bank all the information *you* have so they can be traced.

**21. WHEN CAN THE BANK OR ITS AGENT COME INTO A RESIDENCE TO TAKE POSSESSION OF MORTGAGED GOODS?**

The Bank can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

IF YOU HAVE ANY DOUBTS, OR WANT MORE INFORMATION, CONTACT THE BANK. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH THE BANK BEFORE CONTACTING THE BANK'S EXTERNAL DISPUTE RESOLUTION SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO THE BANK YOU CAN CONTACT THE BANK'S EXTERNAL DISPUTE RESOLUTION SCHEME OR GET LEGAL ADVICE.

EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. THE BANK'S EXTERNAL DISPUTE RESOLUTION PROVIDER IS THE AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY WHICH CAN BE CONTACTED AT TELEPHONE 1800 931 678, EMAIL [INFO@AFCA.ORG.AU](mailto:INFO@AFCA.ORG.AU), WEBSITE [WWW.AFCA.ORG.AU](http://WWW.AFCA.ORG.AU) OR GPO BOX 3, MELBOURNE VIC 3001.

PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

**GENERAL****22. WHAT DO I DO IF I CANNOT MAKE A REPAYMENT?**

Get in touch with the Bank immediately. Discuss the matter and see if *you* can come to some arrangement. *You* can ask the Bank to change *your contract* in a number of ways. For example:

- to extend the term of the *contract* and either reduce the amount of each payment accordingly or defer payments for a specified period; or
- to simply defer payments for a specified period.

We will respond promptly to you — or your representative's — request to discuss your financial difficulties. Our reply will be within the timeframes set by the National Credit Code, if it applies.

**23. WHAT IF THE BANK AND I CANNOT AGREE ON A SUITABLE ARRANGEMENT?**

If the Bank refuses *your* request to change the repayments, *you* can ask the Bank to review this decision if *you* think it is wrong.

If the Bank still refuses *your* request *you* can complain to the external dispute resolution scheme that the Bank belongs to. Further details about this scheme are set out below in question 25.

**24. CAN THE BANK TAKE ACTION AGAINST ME?**

Yes, if *you* are in default under *your contract*. But the law says that *you* cannot be unduly harassed or threatened for repayments. If *you* think *you* are being unduly harassed or threatened, contact the Bank's external dispute resolution scheme or ASIC, or get legal advice.

**25. DO I HAVE ANY OTHER RIGHTS AND OBLIGATIONS?**

Yes. The law will give *you* other rights and obligations. *You* should also **READ YOUR CONTRACT** carefully.



VISIT [CommSecAdviserServices.com.au](http://CommSecAdviserServices.com.au)  
CALL 13 15 20

