

Wednesday

Bank Limited

How to accept
You may accept this facility offer by each person named as a "Borrower" signing the enclosed copy and returning it within 14 days of the date of this letter. If you do not, our offer is automatically withdrawn.

Preconditions to using the facilities
Before any person named as a "Borrower" can use the facilities:

1. They must comply with drawdown requirements we specify from time to time and any other drawdown requirements specified in this offer.
2. Confirmation letter from your accountant that Land Taxes and Employee entitlements are in order.
3. Confirmation letter from your Solicitor that all current and there are no

The Director

Special Conditions
The following special conditions apply:

Dear

FACILITY OFFER

Following our recent discussions, we are pleased to offer the following facilities:

Borrower
Trading as

New Facilities

Commercial Bill Acceptance/Discount

Total Facility Limit

The total of all limits

Offer and Interpretation

We offer the facilities on the terms set out in this facility offer and in enclosed General Standard Terms (which should be taken together). A reference to the facility offer in the General Standard Terms reference to this facility offer.

If you also enter into any financial markets transaction contemplated by an Addendum attached to this facility offer, our enclosed Standard Terms Financial Markets Transactions, together with each other document referred or contemplated by them, set out the terms of each transaction. A reference this facility offer to the Standard Terms" is a reference to each of the General Standard Terms and the Standard Terms for Financial Markets Transaction referred to in this paragraph.

The meaning of words printed in *italics* and of some other common key words is explained at the end of the General Standard Terms.

Security

The security for each facility is:

1. First registered real property mortgage by property located at interest in the
2. First registered fixed and floating charge over the assets and undertakings of
3. First registered fixed and floating charge over the assets and undertakings
4. Unlimited guarantee & indemnity, given by

Unless indicated otherwise in this facility offer:-

- a) the amounts secured by the securities include the sum of the total amount owing for all facilities provided to all Borrowers listed in this facility offer and other amounts; and
- b) there are no limits on the amounts secured

Fees

The following fee(s) must be paid before any of you request the first drawdown:

- An establishment fee of
- Legal fees and other costs for preparing the security documents and this agreement and reviewing documents presented to us under this agreement
- All other statutory charges such as stamp duty, ASIC fees and title office charges are for your account

These fees are payable in respect of the total facilities detailed in this facility offer (ie, they do not apply to each facility). The General Standard Terms and the details for particular facilities in this offer set out other fees we can require you to pay. Also our "Schedule of Fees and Charges" booklets for Institutional and Business Banking, Private Banking and out other normal banking fees and charges which may become payable under this facility. Once paid, fees are not refundable.

Cancellation

If you give us three *business days* notice, you may cancel the whole or part of any unused portion of a *facility limit*. You may not revoke this notice.

Should you have any questions, or if you would like to discuss these or any other issues, please don't hesitate to contact me.

Yours sincerely

1. Commercial Bill Acceptance/Discount

Facility Limit

(being the aggregate face value of bills outstanding at any time)

Purpose

To refinance the following facilities:

- Fixed Rate Loan
- Fixed Rate Loan
- Fixed Rate Loan
- Fixed Rate Loan
- Fixed Rate Loan
- Temporary Overdraft

Term

12 months from the first *drawdown date*.

Drawdown

Only one drawdown is permitted.

Acceptance & discount

We agree to accept bills of exchange drawn by you when you request us in writing to do so.

Maturity of bills

One month.

Form of bills

Face value of \$100,000.00 each, or such other value we approve and otherwise in the form we require.

Discount

If you ask, we agree to discount bills accepted by us under this facility. We discount bills at the rate we are prepared to buy bills of an equivalent term and face value accepted by an Australian trading bank on the day of acceptance.

If you are not in default, commencing on a rollover date or expiry of a period in which the discount rate has been previously fixed you may ask us to discount bills for a period provided it does not end after the *term* at the fixed rate we determine on the basis of bills of the term and face value initially selected by you. The term initially selected applies to each bill for the period during which the fixed discount rate is to apply.

You may request us to give you an indicative quotation as to the discount rate likely to apply. However, any indicative quotation is not binding on us and we set the discount rate on the first day we discount bills under the facility. At the end of any period in which the discount rate has been fixed, if you do not ask us to fix it for a further period, the discount rate reverts to the rate otherwise provided in this facility. However, you may subsequently switch from that variable rate to a fixed rate by asking us to discount bills at a fixed rate in the manner outlined above.

Fees

You must pay us the following fee(s):-

An acceptance fee of 2.0% per annum on the face value of each bill we accept. It is calculated from and including the date we accept a bill until but excluding the date of maturity of the bill. The fee is payable on the day we accept a bill and is deducted from any discounted proceeds.

A rollover fee of \$100 payable on each rollover.

Indemnity

You must pay us an amount equal to the face value of each bill we accept under this facility not later than 10.00 am on the day the bill falls due for payment. You also indemnify us against, and therefore you must pay us on demand for, any other liability, loss or costs we incur or suffer in connection with our acceptance of bills under this facility.

If you elect not to rollover any bills discounted during a period in which the discount rate has been fixed, you must, in addition to your indemnification obligations, pay us any *break costs* (see the "Break costs" clause in the General Standard Terms).

If you do not pay any amount you owe us when it is due (including any amount payable under this "Indemnity") you must pay interest on that overdue amount at the *default rate*.

The "Interest" and "Default Interest" clauses in the General Standard Terms explain how we calculate interest.

Rollover

If you are not in default, we agree to rollover maturing bills in which case the procedures set out above apply equally. Unless you tell us otherwise, we will rollover maturing bills for bills of an equivalent face value and an equivalent term or to the end of the *term* (whichever is shorter).

However, if we discount the replacement bills, your obligation to pay us the face value of maturing bills is reduced by the discounted proceeds of the replacement bills.

Authority to sign and complete bills

You authorize each of our employees whose job title includes the word "manager" or "secretary", individually to:

- sign on your behalf as drawer and indorser in blank any bill to be drawn and indorsed by you under this facility; and
- deliver and issue the bill for you; and
- complete the bill (including the tenor) in accordance with your request; and
- complete the face value of the bill, insert the *drawdown date* or rollover date as the issue date and complete any other incomplete aspect of the bill.

General Standard Terms

About this agreement

The terms and conditions of your facility are set out in the facility offer and in these standard terms. They should be read together.

Key words

The meaning of words printed *like this* and of some other common key words is explained at the end of these standard terms.

General Standard Terms

Contents	Page No
Conditions to using the facilities and declarations	1
Interest	2
Fees and charges	2
General	2
Break costs	3
Undertakings	4
Information	4
Financial undertakings	4
Your business	4
Authorisations	4
Valuers, investigators and consultants	4
Default	5
When are you in default?	5
What we can do	6
Default interest	6
Combining accounts	7
Other terms	7
Other costs and indemnities	7
General provisions in relation to payments	7
Other currencies	8
Foreign currency drawings	9
Compensation for unforeseen circumstances	9
Illegality or impossibility	9
Requiring bills	10
<i>Third party obligations</i>	10
Multi option facilities - switching	11
Multiple borrowers	11
Statements	12
General matters	12
Notices and other communications	12
Certificates	12
Prompt performance	12
How we may exercise our rights	12
Indemnities	12
Variation and waiver	13
Inconsistent law	13
Dealings	13
Disclosure of information	13
Consent to telephone recording	13
Code of Banking Practice	13
Applicable law and serving documents	13
Meaning of words	14
More information about banking	17

Conditions to using the facilities and declarations

1.1 We require you to:

- (a) give us reasonable notice of the timing of any drawing;
- (b) comply with any specific drawdown requirements specified in the facility offer; and
- (c) complete a request for drawing in any form we require.

1.2 We need not provide any drawing if:

- (a) you or a *guarantor* is in default or in our reasonable opinion is likely to be in default under an *arrangement with us*; or
- (b) any of the declarations in this facility agreement would be incorrect at the time we receive the drawing request or at the *drawdown date*.

1.3

Unless we agree otherwise in writing, you may use a facility only for the purpose specified in the facility offer for that facility.

1.4

You declare that:

- (a) neither you nor, if you are a corporation, any director or other person, breaches any law or any obligation to another person by signing any *arrangement with us* or entering transactions or performing obligations under them and that all necessary authorisations to do so have been obtained; and
- (b) your obligations under each *arrangement with us* to which you are a party are valid and binding and enforceable in accordance with its terms; and
- (c) you benefit by entering into this facility agreement and the transactions contemplated by it; and
- (d) all the information given by you or on your behalf (such as financial statements) is correct and not misleading; and

- (e) since the date the information was given there has been no change in your financial circumstances which may have a material adverse effect on your ability to meet your obligations under any *arrangement with us*; and
- (f) you have not withheld any information that might have caused us not to enter into any *arrangement with us*; and
- (g) unless otherwise stated in this facility agreement, you are not signing any *arrangement with us* as a trustee of any trust or settlement. If it is stated in this facility agreement that you are doing so, you declare that:
- (i) the *arrangement with us* is for the benefit of the trust; and
- (ii) you are the sole trustee of the trust; and
- (iii) you have authority to enter the *arrangement with us*; and
- (iv) you have the right to be fully indemnified out of the trust assets for obligations incurred under the *arrangement with us*; and
- (v) no action has been taken or proposed to terminate the trust; and
- (vi) the copies of the trust deed and other documents relating to the trust have been provided to us and disclose all the terms of the trust; and
- (vii) you have not delegated any of your powers as trustee or exercised any power of appointment; and
- (h) you are not in default (see clause 10); and
- (i) all declarations made by you in each other arrangement with us are correct and not misleading; and
- (j) you have power to carry on your business and you are not in breach of any law or obligation; and
- (k) there is no pending or threatened court or other proceeding affecting you except those in which a decision against you would be insignificant

1.5 You must tell us whenever anything happens which would mean you could not truthfully repeat all the declarations in this facility agreement.

Interest

* This clause 2 only applies to facilities under which we lend you money. This means, for example, that it does not apply to a bill acceptance/discount facility.

2.1 You must pay interest for each facility for each day. Interest for a facility for a day is calculated at the daily interest rate for that facility on the *balance owing* for that facility for the end of that day.

2.2 The daily interest rate for a facility is the facility's *interest rate* for that day divided by 365 (in a leap year, 366 days, unless otherwise indicated). If the facility is not in Australian dollars we may change the number in the denominator by notice to you.

2.3 Interest for a drawing accrues daily from and including its *drawdown date*.

2.4 If you repay early the *total amount owing*, you must pay, at the time of repayment, all interest accrued on the amount repaid.

2.5 Information on current *interest rates* is available from us on request.

Fees and charges

3. General

3.1 Fees and charges payable or which may become payable under this facility agreement, and when they are payable, are set out in the facility offer. Additional fees and charges that may become payable in connection with this facility are set out in our fees and charges booklet which is revised periodically. You must pay the fees and charges applying at the relevant time.

3.2 Unless you have already paid them, you authorise us to debit these fees and charges to your account. We may do so on or after the date we pay them or the date they become due or payable by you or us (whichever is earlier). We need not notify you first.

3.3 We may introduce new fees and charges at any time. When we do we will provide written notice of the introduction at least 30 days before the fee or charge takes effect.

We may vary fees and charges at any time. When we do we will notify you in writing or by newspaper advertisement no later than the day on which the variation takes effect.

3.4 You must also pay us an amount equal to any government charges and duties on receipts or withdrawals under this facility agreement, calculated in accordance with the relevant legislation. Without limiting this obligation, you must pay us financial institutions duty and, in Queensland, stamp duty imposed on credit business. These are payable whether or not you are primarily liable for such charges and duties. We debit these amounts to your account.

For details of current government charges, pick up a "Government charges on Bank accounts" booklet at any branch. If the introduction or variation of a government charge is not publicised by the government, government agency or representative body, we will notify you of the introduction or variation in writing or newspaper advertisement.

3.5 If we:

(a) reasonably decide that we are liable to pay goods and services or similar tax in Australia ("GST") on a supply made in connection with an *arrangement with us*; and

(b) certify to you that we have not priced the supply to include GST,

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

3.6 Information on standard fees and charges is available from us on request.

4. Break costs

* This clause 4 only applies to facilities with a fixed interest rate or a fixed discount rate.

4.1 Whenever the *interest rate* or discount rate for a facility is a fixed rate a "break costs event" is taken to have occurred if:

(a) you repay early all or any part of the *total amount owing* for that facility before the end of a *fixed interest period*; or

(b) the *total amount owing* for that facility becomes repayable because you are in default; or

(c) you elect not to rollover any bills discounted under a bill facility at a fixed discount rate prior to the end of the *fixed discount period*.

If a *break costs event* occurs we may suffer loss (which we call our "break costs").

Our *break costs* is an amount equal to our reasonable estimate of our loss (if any) arising from a *break costs event*. This loss usually arises because of changes in market interest rates or discount rates between the start of the *fixed interest period* (or, in the case of a fixed discount rate, the start of a *fixed discount period*) and when the *break costs event* occurs.

4.2 We calculate *break costs* using the *break costs method*. The *break costs method* is a calculation of the difference, if positive, between an amount calculated by reference to the rate equivalent to our cost of funds at the start of the *fixed interest period* (or, in the case of a fixed discount rate, the start of the *fixed discount period*) and an amount calculated by reference to the rate equivalent to our cost of funds at the time of the *break costs event*, over the remainder of that *fixed interest period* (or in the case of a fixed discount rate, over the remainder of the *fixed discount period*). This is then discounted back to the net present value at the rate equivalent to our cost of funds at the time of the *break costs event*.

Warning

Break costs can be high and will increase the amount you owe us as a result, for example, of your default. You can get an estimate of applicable *break costs* at any time by contacting us.

Undertakings

5. Information

5.1 If you are a corporation, you must supply us with:

- (a) a copy of your annual return and any notification of change of officeholders, when lodged;
- (b) details of any notice received from the Australian Investments and Securities Commission in connection with any offence or alleged offence; and
- (c) (if you are listed on a stock exchange), a copy of each release or notice you give the stock exchange or any notice received from the stock exchange in connection with any offence or alleged offence.

7. Your business

If you are a corporation, you must ensure that none of your subsidiaries does anything which you are prohibited from doing under this clause.

You must:

- (a) conduct your business (including collecting debts owed to you) in a proper, orderly and efficient manner; and
- (b) not without our consent, cease conducting your business and not change the general character of any business you conduct (or threaten to do any of these things).

8. Authorisations

You must:

- (a) obtain, renew on time and comply with the terms of each authorisation necessary for you to enter into the *arrangements with us*, observe obligations under them and allow them to be enforced; and
- (b) obtain, renew on time and comply with the terms of each authorisation necessary for you to use the *secured property* for its current purpose and, if we ask, use your best efforts to obtain

6. Financial undertakings

You must:

- (a) not, without our consent:
 - (i) provide financial accommodation to, or
 - (ii) permit financial accommodation to remain owing to you by

a *related entity* or satisfy any financial accommodation you now or in the future owe to a *related entity*;

(b) if you are a corporation, not, without our consent, pay any dividend, make any distribution or provide any loan otherwise than in the ordinary course of your ordinary business;

(c) not deposit money with a person in circumstances where the money is not repayable unless you perform obligations (including to pay money) to that person; and

(d) if you are a corporation, ensure that your capital is not reduced or made capable of being called up only in certain circumstances.

permission to use the *secured property* for any purpose we reasonably specify;

9. Valuers, investigators and consultants

9.1 We may obtain a valuation report on any *secured property* at any time. You must pay us all *costs* in connection with the valuation. (However, you need only pay the *costs* of the valuation of any *secured property* that is land once in any twelve month period unless you are in default.)

9.2 If we reasonably believe you are or may be in default or we reasonably believe that circumstances exist which could lead to default, we may appoint a person to investigate whether this belief is accurate. You must co-operate with and comply with every reasonable request made by this person. You must pay us all *costs* in connection with the investigation.

9.3 You must pay us all *costs* in connection with any valuer or consultant we appoint in connection with any *works*.

9.4 Any valuer, investigator or consultant we may use is an independent contractor and is not our agent or employee. We are not responsible for any representation, action or inaction by them.

9.5 Any report we obtain from the valuer, investigator or consultant is for our use only. Even if we give you a copy of the report, you cannot rely on it. You cannot sue us, the valuer, investigator or consultant if the report is wrong. You must obtain your own report if you wish to rely on it.

Default

10. When are you in default?

You are in default if:

- (a) you do not pay on time any amount payable under an *arrangement with us* in the manner required by it; or
- (b) you do something you agree not to do under an *arrangement with us* or you don't do something you agree to do under an *arrangement with us*; or
- (c) you are, or a *guarantor* or another person is, in default under any *arrangement with us* or an event of default, however described, occurs under an *arrangement with us*; or
- (d) you give, or a *guarantor* or another person gives, us incorrect or misleading information (including through your declarations in this facility agreement) in connection with an *arrangement with us*; or
- (e) you do not, or another person does not, carry out in full an undertaking given in connection with an *arrangement with us*, within the period specified, or within seven days if no period is specified; or
- (f) you are or become, or a *guarantor* is or becomes, *insolvent* or steps are taken to make you or a *guarantor insolvent*; or
- (g) if you are a corporation, you are or become deregistered, or a *guarantor* (if it is a corporation) is or becomes deregistered, or steps are taken to deregister you or a *guarantor*; or
- (h) an *arrangement with us* is, becomes or is claimed to be, void or unenforceable or any *security* does not have or loses the priority it is intended to have; or
- (i) a change occurs in your or a *guarantor's* financial circumstances which, in our opinion, may have a material adverse effect on your or a *guarantor's* ability to observe its obligations under this facility agreement or another *arrangement with us*; or
- (j) we believe on reasonable grounds that urgent action is necessary to protect any *secured property*; or
- (k) in our opinion, the value of the *secured property* materially decreases from its value at the date of this facility agreement or the *secured property* becomes less saleable than its saleability at the date of this facility agreement; or

- (l) a person is appointed to investigate or manage your affairs or the affairs of a *guarantor*; or
- (m) if you are a corporation and you do not inform us that:
 - (i) a change takes place in your directors; or
 - (ii) a transfer of shares in your capital is registered; or
 - (iii) new shares, convertible notes or options for shares in your capital are issued; or
- (n) if you are a corporation, you cease to be a subsidiary of the company which is your holding company at the date of this facility agreement or a company ceases to be your subsidiary; or
- (o) if you are a corporation, the persons who at the date of this facility agreement have *control* of you cease to have such *control* or one or more persons acquire *control* of you after that date; or
- (p) you do not, or a *guarantor* does not, meet all your or their monetary obligations (whether present or future) on time or within any applicable grace period or any of these obligations become, or can be rendered, payable early otherwise than at your or the *guarantor's* election; or
- (q) if you, or a *guarantor*, is a partnership, that partnership is dissolved, an application is made for its dissolution or more than 20% of the partners retire in any 6 month period; or
- (r) if you, or a *guarantor*, is a joint venture partner, that joint venture is terminated; or
- (s) in the case of a construction finance facility, prior to *completion*, an event referred to in clause 10(F), (g) or (i) occurs in respect of the builder of the works and the builder is not replaced within a period, and by another builder, acceptable to us which replacement builder, if requested by

us, enters into a tripartite deed with you and us in the form we require; or

- (i) in the case of a construction finance facility, there is either, in our opinion, excessive delay in the original timetable for construction of the works, or *completion* is not achieved by the practical completion date in the original timetable for the construction of the works.

11. What we can do

* This clause 11 does not apply to overdraft facilities as those facilities are repayable at any time on demand. This does not affect any other right we have in connection with any overdraft facility.

11.1 If you are in default:

- (a) we no longer need provide any facility; and
- (b) the sum of the *total amount owing* for all facilities is payable on demand.

11.2 If any of the amount you pay us under clause

11.1(b) remains after the satisfaction or termination of all contingent obligations incurred by us on your behalf or at your request under any facility and the satisfaction of all your other obligations to us under all facilities, then we agree to repay the surplus to you.

11.3 Despite any other provision of this facility

agreement, at any time after you are in default we may purchase with Australian dollars any part of the *total amount owing* of any facility which is not due to us in Australian dollars ("foreign currency obligation").

The applicable foreign currency obligation is then taken to be replaced with an obligation to pay us an amount of Australian dollars equal to the amount of Australian dollars needed for the purchase plus all costs of the purchase.

12. Default interest

12.1 From the time any amount is overdue for payment until it is paid, you must pay

interest at a higher rate, the *default rate*, on the overdue amount.

These interest charges are calculated daily or at any other intervals we choose.

12.2 Unless otherwise indicated, the *default rate* for a facility is always 3% per annum more than the *interest rate* for that facility (if a facility does not have an *interest rate* it is to be taken for the purpose of this clause to have an *interest rate* equal to the *prime lending rate*). If the *interest rate* changes, so does the *default rate*.

12.3 You must pay interest owing under this clause when we specify.

12.4 Each month (or any other period we choose) we may add to the overdue amount any interest under this clause which has not been paid. You are then liable for interest under this clause on the total amount.

12.5 If any amount you must pay under any *arrangement with us* becomes covered by a court order, you must pay interest on that amount as a separate obligation. The interest accrues from and including the date we first ask you for the amount until but excluding the date that amount is paid. This obligation is not affected by the court order. The rate is the rate in clause 12.2 or the rate in the court order (whichever is higher). You must pay interest under this clause on demand from us.

12.6 Your obligation to pay on time is not cancelled by the provisions of this clause.

13. Combining accounts

If you are in default, we may use any money you have in another account with us towards repaying any *total amount owing* (this is known as "combining accounts"). We may combine accounts without giving you any notice but we will tell you promptly afterwards.

Other terms

14. Other costs and indemnities

14.1 You must pay us for:

- (a) our reasonable costs in arranging, administering (including giving and

considering consents, variations, discharges and releases, producing title documents, or enforcing, attempting to enforce or taking any other action in connection with our rights) and terminating any *arrangement with us*; and

- (b) all taxes, fees, and charges payable in connection with any *arrangement with us* and any transaction under it and any interest, penalties, fines and expenses in connection with them.

You must pay us these amounts when we ask. We can also debit any of these amounts to your account even if we do not expressly ask you to pay us.

14.2 You indemnify us against, and you must therefore pay us on demand for, liability, loss or costs (including consequential or economic loss) we suffer or incur:

- (a) if you default under an *arrangement with us*; or
- (b) in connection with any person exercising, or not exercising, rights under an *arrangement with us*; or
- (c) under any indemnity we give a *controller* or administrator appointed:
 - (i) in respect of you or a *guarantor*; or
 - (ii) over any of the *secured property*; or
- (d) in connection with any *arrangement with us* or any *secured property*; or
- (e) in connection with finance which you request not being provided in accordance with your request for any reason (other than our default).

14.3 You must pay us for anything that you must do under an *arrangement with us*.

15. General provisions in relation to payments

15.1 You agree to maintain at least one account with us.

15.2 We may use any payment we receive in connection with a facility to reduce the balance owing for that facility or to repay any other amounts which you owe us in connection with that facility in any order we choose.

15.3 We may assign any date we consider appropriate to a debit or credit to an account (except that, in the case of a debit, the date must not be earlier than the date on which the relevant transaction occurs). However, we credit payments to an account as soon as practicable after we receive them. This may not be on the date of payment.

15.4 If an amount is due on a day which is not a business day, you must pay it to us on the next following business day unless that day falls in the next month, in which case you must pay it to us on the preceding business day.

15.5 You must pay us all amounts you owe us in full without set-off, counterclaim or deduction. However, we may set-off against amounts you owe us any money we owe you.

15.6 If a law requires you to deduct an amount in respect of taxes from a payment under an arrangement with us with the result that we would not actually receive on the due date the full amount provided for under the arrangement with us, then:

- (a) you agree to deduct the amount for the taxes (and any further deduction applicable to any further payment due under paragraph (c) below); and
- (b) you agree to pay an amount equal to the amount deducted to the relevant authority in accordance with applicable law and give the original receipts to us; and

(c) if the amount deducted is in respect of accountable taxes, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause, we are entitled to receive (at the time the payment is due) the amount we would

have received if no deductions had been required.

15.7 If:

- (a) a law requires us to deduct an amount in respect of taxes from a payment by us to an entity from which we raise funds used by us in funding or maintaining any drawing; and
- (b) that entity requires us to make an additional payment to it so that it actually receives on the due date the full amount which it would have otherwise received from us,

then you agree to pay to us an amount equal to the additional payment we are required to make to that entity.

16. Other currencies

16.1 You must make each payment in the currency in which it is due. Payments are due, in the case of any loan facility, in the currency in which we lend it to you or, if we incur obligations at your request, in the currency in which we are obliged to satisfy those obligations.

16.2 If we receive an amount in a currency other than that in which it is due:

- (a) we may convert the amount received into the due currency (to do this it might be necessary to convert through a third currency) on the day and at such rates as we consider appropriate. We may deduct our usual costs in connection with the conversion; and
- (b) you satisfy your obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

16.3 If a judgment, order or proof of debt in connection with any amount you owe us is expressed in a currency other than that in which the amount is due, then you indemnify us against, and you must therefore pay us on demand for:

- (a) any difference arising from converting the other currency if the exchange rate

we use for converting currency when we receive a payment in the other currency is less favourable to us than the exchange rate used for the purpose of the judgment, order or acceptance of proof of debt; and

- (b) the costs of conversion.
- You acknowledge that it might be necessary to convert the other currency through more than one currency to determine the exchange rate available to us.

17. Foreign currency drawings

17.1 The facility may only be drawn in foreign currency if this is specified in the facility offer and then, only in the foreign currency specified.

17.2 In the case of any proposed drawing in a foreign currency, we will determine the amount of the unused portion of the facility limit (including our exposure under a third party obligation or any financial markets transaction) by calculating the current Australian dollar value of the proposed drawing and all outstanding drawings under the facility by reference to prevailing exchange rates.

17.3 If, at any time, the then current Australian dollar value of all outstanding drawings under the facility (including our exposure under a third party obligation or any financial markets transaction) determined by us by reference to the then prevailing exchange rates (because of movements in exchange rates) is more than 110% of the facility limit, you must:

- (a) repay an amount sufficient to ensure that this level is not exceeded; or
- (b) provide cash cover; or
- (c) provide other security acceptable to us.

17.4 You acknowledge that there are exchange risks inherent in raising financial accommodation in any currency other than Australian dollars. You acknowledge that in deciding to raise financial accommodation in a currency other than A\$ and in selecting a particular currency:

(a) you have made your own independent judgment and decision and have assessed and accepted the risk of movements, including adverse movements, in exchange rates;

(b) you have considered the consequences of being required to provide additional security or reduce the total amount owing because of a movement in exchange rates;

(c) you are not relying on any information given or representations made by us to you.

18. Compensation for unforeseen circumstances

18.1 You must compensate us on demand if we determine that:

(a) a directive, or change in directive, in either case which comes into operation after the date of this facility agreement; or

(b) a change in a directive's interpretation or administration by an authority after the date of this facility agreement; or

(c) compliance by us or any of related entities with such directive, changed directive or changed interpretation or administration, directly or indirectly:

- (i) increases the cost of any facility to us; or
- (ii) reduces any amount received or receivable by us, or our effective return, in connection with any facility; or
- (iii) reduces our return on capital allocated to any facility, or our overall return on capital.

However, a reference to a directive does not include a directive imposing or changing the basis of a tax on our overall net income.

Compensation need not be in the form of a lump sum and may be demanded as a series of payments.

18.2 You must compensate us whether or not the increase or reduction could have been avoided. However, at your request, we agree to consider ways of minimising any increase or reduction.

19. Illegality or impossibility

19.1 This clause applies if we determine that:

- (a) a change in a *directive*, or
- (b) a change in the interpretation or administration of a *directive* by an authority, or
- (c) a *directive*

taking effect after the date of this facility agreement, makes it (or will make it) illegal or impossible for us to fund, provide, or continue to fund or provide any facility. In these circumstances, by giving a notice to you, we may suspend or cancel some or all of our obligations under this facility agreement as indicated in the notice.

The suspension or cancellation:

- (a) must apply only to the extent necessary to avoid the illegality or impossibility; and
- (b) in the case of suspension, may continue only for so long as the illegality or impossibility continues.

If the illegality or impossibility related to:

- (a) a drawing under a loan facility, by giving a notice to you, we may require repayment of all or part of the affected drawing and interest accrued on that part;
- (b) a bill accepted by us under a bill acceptance/discount facility, by giving a notice to you, we may require payment of an amount equal to all or part of the total face value of the affected bill;
- (c) a letter of credit, performance bond or guarantee issued by us under a facility, by giving a notice to you, we may require payment of an amount equal to all or part of the total maximum

liability under the affected document less any amount which has already been reimbursed to us by you in respect of that document.

You agree to pay the amount specified within 30 *business days* after receiving the notice (or, if earlier, on the date the illegality or impossibility arises).

* This clause 20 only applies to facilities under which we lend you money. This means, for example, that it does not apply to a bill acceptance/discount option facility.

20. Relinquishing bills

20.1 You must draw bills in the form we require. However:

- (a) the discounted value of those bills, when added to the discounted value of all other bills drawn under this clause and which are outstanding, may not exceed the drawing to which the bills relate; and
- (b) no bill is to be drawn which would mature after the end of the *term* for the facility in respect of which the bill is to be drawn.

20.2 You appoint us, each of our employees whose job title includes the word "manager" or "solicitor" as your attorney to draw, accept or indorse bills in your name or on your behalf under clause 20.1. Each *attorney* may act independently or together. If we ask, you must formally approve anything an *attorney* does under clause 20.1. You may not revoke these appointments.

20.3 The requirement to draw bills under clause 20.1 and the appointment under clause 20.2 will cease and be revoked without necessity for notice on payment by you of the *total amount owing* under the facility agreement.

20.4 We indemnify you against, and we must therefore pay you on demand for, liability, loss or costs you suffer or incur in connection with any bill having recourse to you drawn at our request under this clause 20.

21. Third party obligations

21.1 You authorise us to immediately pay any amount demanded or requested of us at any time under a *third party obligation*. You may not revoke this authorisation. We:

- (a) need not first refer to you or obtain your authority for the payment; and
- (b) need not enquire whether the demand or request has been properly made; and
- (c) may meet any demand or request even if you dispute the validity of the demand or request.

21.2 You must pay an amount equal to each amount we pay under a *third party obligation*. You must pay us these amounts when we ask. We can also debit any of these amounts to your account even if we do not expressly ask you to pay us.

21.3 We may make a voluntary payment to end our liability under any *third party obligation* at any time without notice to you. You must pay us an amount to be maintained as a deposit with us to cover your liability under clause 21.2 if we ask you for it. We may ask for this at any time.

21.4 You indemnify us against, and you must therefore pay us on demand for liability, loss or costs (including consequential or economic loss) we suffer or incur in connection with our issue of a *third party obligation*.

21.5 Rights given to us under this clause 21 and your liabilities under it are not affected by any act or omission by us or anything else that might otherwise affect them under law or otherwise, including:

- (a) any inaccuracy, insufficiency, forgery or alteration in any certificate, *third party obligation* or other document which purports to be made, issued or delivered under this facility agreement or under any *third party obligation*, or
- (b) the fact that we release you (or another person) or give you or them a concession, such as more time to pay, or compound or compromise with

them (whether or not an additional burden is imposed at the same time); or

- (c) laches, acquiescence, delay, acts, omissions or mistakes on our part or the part of another person; or
- (d) the fact that the obligations of any person other than you may not be enforceable.

21.6 Where the *third party obligation* is a letter of credit issued in connection with the trading of goods:

- (a) you must comply with the terms of the application for the documentary credit as if they formed part of these standard terms;
- (b) you must ensure that the goods are at all times insured against all usual risks. Each policy must:
 - (i) note our interest; and
 - (ii) be on terms and for an amount satisfactory to us; and
 - (iii) be with an insurer approved by us acting reasonably. You must produce evidence of current insurance cover (including a certified copy) whenever we ask.

22. Multi option facilities - switching

22.1 If we have provided you with a multi option facility you may ask us to provide all or part of a drawing previously made under a particular facility by drawing under another facility (known as a "switch"). A switch may take place:

- (a) in the case of a loan facility, only at the end of the interest period;
- (b) in the case of a bill facility, only on the rollover date;
- (c) in the case of a *third party obligation*, only on the expiry date; and
- (d) in any other case, only when we agree.

22.2 We need not provide a drawing under a switch until we are satisfied that your obligations under the maturing drawing have been met in full and that we have no further exposure in connection with the maturing drawing.

23. Multiple borrowers

If more than one person is named in the facility offer as "Borrower" you are each separately liable for all amounts owing under the facility (as well as being jointly liable with the other borrowers). Any one of you can ask us, in writing, to terminate your liability in respect of future advances or financial accommodation under the facility. However, we need only do this if we can terminate any obligation we have to provide any further credit to any borrower under the facility.

24. Statements

We issue statements for a facility (other than a bill acceptance/discount facility) each six months (or, if you request, quarterly or monthly).

General matters

25. Notices and other communications

25.1 Notices, certificates, consents, approvals and other communications in connection with this facility agreement must be in writing. Communications from you must be signed by you, or if you are a corporation, by a director or another person we approve.

25.2 They may be:

- (a) given personally (if they are for you and you are a corporation, to one of your directors; if they are for us, to one of our employees at the office where you arrange this facility agreement or any other office we tell you); or
- (b) left at the address last notified; or
- (c) sent by prepaid post to the address last notified; or
- (d) sent by fax to the fax number last notified

25.3 They take effect from the time they are received unless a later time is specified in them.

25.4 If they are sent by post, they are taken to be received three days after the date of posting.

25.5 If they are sent by a fax machine that produces a transmission report, they are taken to be received at the time shown in a transmission report that indicates that the whole fax was sent.

26. Certificates

We may give you a certificate about a matter or about an amount payable in connection with this facility agreement. The certificate is sufficient evidence of the matter or amount, unless it is proved to be incorrect.

27. Prompt performance

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

28. How we may exercise our rights

28.1 We may exercise a right or remedy or give or refuse our consent in any way we consider appropriate, including by imposing conditions.

28.2 If we do not exercise a right or remedy fully or at a given time, we can still exercise it later.

28.3 We are not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by our negligence.

28.4 Our rights and remedies under this facility agreement:

- (a) are in addition to other rights and remedies given by law independently of this facility agreement; and
- (b) may be exercised even if this involves a conflict of duty or we have a personal interest in their exercise.

28.5 Our rights and remedies under this facility agreement may be exercised by any of our directors, any of our employees whose job title includes the word "manager" or any other person we authorise.

29. Indemnities

The indemnities in this facility agreement are continuing obligations, independent of your other obligations under this facility agreement. It is not necessary for us to incur expense or make payment before enforcing a right of indemnity conferred by this facility agreement.

30. Variation and waiver

30.1 A provision of this facility agreement, or right created under it, may not be waived except in writing signed by the party or parties to be bound.

30.2 We may vary any provision of this facility agreement as we choose (other than any fixed interest rate). If we do, we must notify you as required or permitted by the Code of Banking Practice. If it applies to the variation, the Code of Banking Practice does not apply, we will notify you by newspaper advertisement no later than the day on which the variation takes effect.

31. Inconsistent law

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

32. Dealings

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

32.2 We may assign or otherwise deal with our rights under this facility agreement or another arrangement with us in any way we consider appropriate. If we do this, you may not claim against any assignee (or any other person who has an interest in this facility agreement or the arrangement with us) any right of set-off or other rights you have against us. At our request you must execute and deliver to us or any other person we specify any document we reasonably require for this purpose.

33. Disclosure of information

Information you provide to us may be disclosed:

- (a) if you consent (you may not unreasonably withhold your consent); or
- (b) if required by any stock exchange or if allowed or required by law; or
- (c) to any person in connection with our exercising rights or dealing with rights or obligations under any arrangement with us (including in connection with preparatory steps such as negotiating with any potential assignee or potential participant of our rights or other person who is considering contracting with us in connection with an arrangement with us); or
- (d) to our officers and employees and to legal advisers, auditors and other advisers; or
- (e) to any of our related entities; or
- (f) if the information is generally and publicly available; or
- (g) to any guarantor.

34. Consent to telephone recording

You consent to us recording our telephone conversations with you. There will not necessarily be a warning tone when we do so.

35. Code of Banking Practice

The relevant provisions of the Code of Banking Practice apply to this facility agreement if you are an individual or a small business.

36. Applicable law and serving documents

36.1 Where, at the date of this facility agreement, this facility agreement incorporates a bill acceptance/discount facility or a financial markets transaction facility, this facility agreement is governed by the law of New South Wales. In all other cases this facility agreement is governed by the law of the

State or Territory of our contact details given in the facility offer. You and we submit to the non-exclusive jurisdiction of the courts of that place.

36.2 We may serve any document in a court action on you by delivering it to, or leaving it at, your address set out in the facility offer or such other address as you and we agree at any time. This clause does not prevent any other method of service.

Meaning of words

37. *accountable taxes* means taxes imposed by a relevant country other than those which would not be required to be deducted by you if we provided you with any of our name, address, registration number or similar details or any relevant tax exemption or similar details.

arrangement with us means this facility agreement, each security and each other arrangement (including an agreement or a security interest) under which you or a guarantor has or could in the future have obligations to us or any of our related entities.

attorney means each attorney appointed under clause 20.

balance owing for a particular facility means, at any time, the difference between all amounts credited and all amounts debited to you in connection with that facility at that time. When this amount is to be calculated for the end of a day, it includes all debits and credits assigned to that day.

break costs has the meaning described in clause 4.

break costs event has the meaning described in clause 4.

break costs method has the meaning described in clause 4.

business day means a day we are open in the State or Territory of our contact details given in the facility offer. It does not include a public or bank holiday in that State or Territory.

business indicator rate means the rate we publish from time to time as our business indicator rate, or a name we substitute for that name.

business mortgage indicator rate means the rate we publish from time to time as our business mortgage indicator rate, or a name we substitute for that name.

completion means, in the case of a construction finance facility or a bank guarantee/performance bond facility provided to a builder, the date of issue of a certificate of practical completion by a consultant we appoint or approve for the works.

control of a corporation includes the direct or indirect power to directly or indirectly:

- direct the management or policies of the corporation; or
- control the membership of its board of directors,

whether or not the power has statutory, legal or equitable force or is based on statutory, legal or equitable rights and whether or not it arises by means of trusts, agreements, arrangements, understandings, practices, the ownership of any interest in shares or stock of the corporation or otherwise.

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

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

default rate means a per annum rate of interest payable under clause 12.

directive means a treaty, a law, an official directive or request having the force of law, and an official directive, request, guideline or policy with which financiers carrying on business in Australia generally comply.

drawdown date for a facility means each date on which that facility is drawdown (such as by the advance of loan funds to you or our acceptance of bills issued by you).

facility means a facility we agree to provide you under this facility agreement. In the case of a multi option facility, "facility" means each separate facility available under the multi option facility.

facility limit for a facility has the meaning given to it the facility details section of the offer relating to that facility.

facility offer means the facility offer which is part of this facility agreement.

fixed discount period means a period in respect of which the discount rate for bills is fixed.

fixed interest period means a fixed interest period offered by us and selected under a fixed rate loan.

fixed rate period means a fixed interest period or a fixed discount period, as applicable.

for example see including:

guarantee includes an indemnity.

guarantor means each person (other than you) who gives a security

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

A person is *insolvent* if:

- they are (or state that they are) an insolvent under administration or insolvent (each as defined in the Corporations Act); or

- they have had a controller appointed, are in liquidation, in provisional liquidation, under administration or wound up or have had a receiver appointed to any part of their property; or

- they are subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute, or dissolved, (in each case, other than to carry out a

- reconstruction or amalgamation while solvent on terms approved by us); or
- an application or order has been made, resolution passed, proposal put forward, or any other action taken, in each case in connection with them, which is preparatory to or could result in any of the things referred to above; or

- they are taken (under section 459F of the Corporations Act) to have failed to comply with a statutory demand; or
- they are the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or they make a statement from which we reasonably deduce they are so subject); or

- they are otherwise unable to pay their debts when they fall due; or something having a substantially similar effect to any of the things referred to above happens in connection with them under the law of any jurisdiction.

interest rate for a facility means the interest rate or bailment fee rate for that facility as described in the section for that facility in the facility offer.

LIBOR for an interest period means the average of the rates displayed on Reuters page "LIBOR" at or around 11am (London time) on the day we determine the interest rate for that interest period for loans equal to the total of outstanding drawings over the period for which the interest rate is to apply, or if we are unable to calculate an average because there are insufficient rates displayed, the rate we set in good faith on that day.

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

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

prime lending rate means the rate we publish from time to time as our prime lending rate, or a name we substitute for that name.

prime overdraft rate means the rate we publish from time to time as our prime overdraft rate, or a name we substitute for that name.

receiver means any receiver or receiver and manager appointed over any of the *secured property*.

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

relevant country means any country, or political sub-division of one or more countries, or any federation or association of countries in which you or a *guarantor* is either incorporated or is resident or domiciled for any tax purpose or in which you or a *guarantor* carry on business or own or lease property or from which, or through which, any payment under an *arrangement with us* is made.

secured property means property over which a *security* is held.

security means each security described in the security details section of the facility offer and any substitute or additional *security interest* given in connection with an *arrangement with us*.

security interest means any security for the payment of money or performance of obligations including a mortgage, charge, lien, pledge, trust, power or title retention arrangement. *Security interest* also includes a guarantee.

small business means a business having:

- (a) less than 100 full time (or equivalent) people if the business is or includes the manufacture of goods; or
- (b) in any other case, less than 20 full time (or equivalent) people.

unless the banking service we provide is provided for use in connection with a business that does not meet the elements in (a) or (b) above.

such as sec including.

taxes means taxes, levies, imposts, charges and duties (including stamp and transaction

duties) imposed by any authority, or calculated having regard to, our overall net income.

term for a facility has the meaning given to it in the section of that facility in the facility offer.

third party obligation means a letter of credit, bank guarantee, performance bond or other obligation to a third party assumed by us at your express or implied request.

this facility agreement means the agreement arising out of your acceptance of the offer contained in the facility offer.

total amount owing for a particular facility at any time means:

- where we provide you with loans under the facility, the *balance owing* for the facility plus all accrued interest and *costs* and other amounts you owe us in connection with that facility which have not been debited to the facility account at that time; and
- where we incur contingent obligations on your behalf or at your request under the facility, the sum of those contingent obligations existing at that time plus all other amounts you owe us in connection with that facility at that time; and
- in relation to any other facility, all amounts you owe us in connection with that facility at that time.

works means the works described in the facility offer for a construction finance facility or a bank guarantee/performance bond facility provided to a builder (as applicable).

works document means each document relating to the works including any building contract, building permit, planning and building approvals, plans and specifications, design documentation, subcontract, letting program, trade packages, supplies program, construction program, marketing program, sales agreement, management agreement and consulting agreement.

we means whichever is named in the facility
bank Limited
or another entity
related to it, and its successors and assigns.

You means the person or persons named in the facility offer as "Borrower". If there are more than one, you means each of them separately and every two or more of them jointly. You includes your successors and assigns.

When used in sections of the facility offer relating to a specific facility the expressions *balance owing*, *drawdown date*, *facility limit*, *interest rate*, *term* and *total amount owing* refer to those expressions as they apply to that facility.

The singular includes the plural and vice versa.

A reference to:

- a document includes any variation or replacement of it
- law means common law, principles of equity and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of them)
- the Corporations Act is a reference to the Corporations Act 2001 (Cwth)
- any thing (such as an amount) includes the whole and each part of it.

More information about banking

There is a booklet called "Banking Services - Terms and conditions and general information" which is available on request from any of our Business Banking and Corporate branches. This booklet contains all types of information about banking services and the Code of Banking Practice, such as account opening procedures, confidentiality and complaint handling procedures, combining accounts, bank cheques, cheques and

cheque clearing, the advisability of your notifying us if you are in financial difficulty, and the advisability of your reading the terms and conditions applying to any banking service we offer you which you may find helpful.