

The Company Secretary  
**Reckon Limited**

16 August 2022

**Copy to:** Australian Securities Exchange

Dear Sir,

**Substantial holder notice**

Please find **attached** a Form 603: Notice of initial substantial holder on behalf of GCI Australia Pty Ltd (**GCI**).

Please note that GCI has no legal or beneficial ownership of the shares which are the subject of this notice. The relevant interest has arisen as a consequence of non-disposal covenants given by the beneficial owner, Novatti Group Limited, in connection with security arrangements put in place for the purposes of its issue of corporate bonds as announced to ASX on 15 August 2022. GCI is the investment manager of the DDH Preferred Income Fund in which these bonds are held.

Yours sincerely,

**Renny Ellis**  
**Director**

Enc.

**Form 603**  
Corporations Act 2001  
Section 671B

## Notice of initial substantial holder

To Company Name/Scheme Reckon Limited

ACN/ARSN 003 348 730

### 1. Details of substantial holder (1)

Name GCI Australia Pty Ltd

ACN/ARSN (if applicable) 140 364 576

The holder became a substantial holder on 12 August 2022

### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	22,518,138	22,518,138	19.88%

### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
GCI Australia Pty Ltd	Power to control the exercise of a power to dispose of shares (section 608(1)(c)) by reason of the security arrangements relating to the issue of bonds by Novatti Group Limited as announced to ASX on 15 August 2022 (refer to Annexure A).	22,518,138 fully paid ordinary shares

### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of Securities	Person entitled to be registered as holder (8)	Class and number
GCI Australia Pty Ltd	Novatti Group Limited	Novatti Group Limited	22,518,138 ordinary

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
GCI Australia Pty Ltd	12 August 2022	\$10,500,000*	22,518,138 ordinary

\* This is the consideration provided for the bonds issued by Novatti Group Limited (of which the security giving rise to the relevant interest forms part).

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
BCI Australia Pty Ltd ACN 164 945 368	GCI Australia Pty Ltd and BCI Australia Pty Ltd are under common control for the purposes of s.12(2)(a)(iii)
DDH Graham Limited ACN 010 639 219	Responsible entity of the DDH Preferred Income Fund of which GCI Australia Pty Ltd is the investment manager

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
GCI Australia Pty Ltd	Level 1, 160 Collins Street, Hobart TAS 7000
BCI Australia Pty Ltd	Level 1, 160 Collins Street, Hobart TAS 7000
DDH Graham Limited	Level 9, 324 Queen Street, Brisbane QLD 4000
Novatti Group Limited	Level 3, 461 Bourke Street, Melbourne VIC 3000

**Signature**

print name Renny Ellis

capacity Director

sign here

date 16 August 2022

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

## Annexure A

This is Annexure “A” of 39 pages (including this page) referred to in the accompanying Form 603:

print name	Renny Ellis	capacity	Director
sign here	_____	date	16 August 2022

# General Security Deed

Each person listed in Schedule 1  
Each a Grantor

EQT Structured Finance Services Pty Ltd  
Secured Party

Clayton Utz  
Level 15 1 Bligh Street  
Sydney NSW 2000  
GPO Box 9806  
Sydney NSW 2001  
Tel +61 2 9353 4000  
Fax +61 2 8220 6700  
**[www.claytonutz.com](http://www.claytonutz.com)**

Our reference 11578/22242/81024371

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# General Security Deed

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**Date** 12 August 2022

**Parties** Each person listed in **Schedule 1** (each a **Grantor**)

**EQT Structured Finance Services Pty Ltd ABN 54 152 197 825** of Level 4, 7 Macquarie Place, Sydney NSW 2000 in its capacity as trustee of the Security Trust (**Secured Party**)

## Operative provisions

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### 1. Definitions and interpretation

#### 1.1 Definitions

In this document:

**Australian Dollars** or **\$** means the lawful currency of the Commonwealth of Australia.

**Collateral** means,

- (a) in relation to a Grantor:
  - (i) all present and after acquired property in respect of which that Grantor has at any time sufficient rights to grant a Security Interest, including all of the following:
    - A. the assets, undertaking and goodwill of the business of that Grantor;
    - B. the uncalled and called but unpaid capital of that Grantor; and
    - C. where that Grantor is the trustee of any Trust, all Trust Assets of each relevant Trust,
- (b) in relation to the Issuer, in addition to paragraph (a) above includes:
  - (i) the Dividend Account;
  - (ii) the Reckon Security Collateral;
  - (iii) the Deposited Sums in respect of the Dividend Account;
  - (iv) all accretions including interest from time to time paid, payable or accrued thereon whether credited to the Dividend Account or not; and
  - (v) all books, records or documents of account evidencing or relating to the Dividend Account or any Deposited Sum in respect of the Dividend Account.



**Control Event** means:

- (a) in respect of any Collateral that is, or would have been, a Revolving Asset:
  - (i) the relevant Grantor breaches, or attempts to breach clause 3.1 in respect of that Collateral or takes any step which would result in it doing so; or
  - (ii) a person takes a step (including signing a notice or direction) which may result in Taxes, or an amount owing to an authority, ranking ahead of the Security Interest in the Collateral created by this document; or
  - (iii) distress is levied or a judgment, order or the Security Interest is enforced or a creditor takes any step to levy distress or enforce a judgment, order or the Security Interest over the Collateral; or
  - (iv) the Secured Party gives a notice to the relevant Grantor that the Collateral is not a Revolving Asset. However, the Secured Party may only give a notice to the Secured Party if an Event of Default is continuing or if it is directed to do so by an Extraordinary Resolution of Noteholders resolving that such Noteholders reasonably consider that it is necessary to do so to protect the Secured Party's rights under this document; and
- (b) in respect of all Collateral that is or would have been Revolving Assets:
  - (i) a voluntary administrator, liquidator or provisional liquidator is appointed in respect of the relevant Grantor or the winding up of the relevant Grantor begins; or
  - (ii) a controller is appointed to all or a material part of the relevant Grantor's property; or
  - (iii) something having a substantially similar effect to paragraph (i) happens under any law.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Deal** means sell, convey, assign, transfer, lease, licence or otherwise dispose of, or part with possession of, make any bailment over, grant any options over or create or permit to exist any other interest in, any part of the Collateral.

**Debt** means any indebtedness, present or future, actual or contingent for or in respect of:

- (a) moneys borrowed and any debit balance at any financial institution;
- (b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with relevant accounting standards, be treated as a balance sheet liability;
- (e) receivables sold or discounted;
- (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;

- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets or services payable more than 90 days after acquisition;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

**Deposited Sum** means, in relation to a Dividend Account, all money from time to time standing to the credit of the Dividend Account.

**Dividend Account** means the account opened and maintained by Novatti Group Limited with Australia and New Zealand Banking Corporation Limited and identified by account name , BSB and account number , or such other account as may be agreed between Novatti Group Limited and the Security Trustee from time to time.

**Event of Default** has the meaning given in the Note Conditions.

**Group** means the Issuer and its Subsidiaries for the time being.

**Income** means any rent, profit, entitlement, money or other consideration, or any legal or beneficial right or interest in or any right to receive any such property, whether in the nature of capital or income, and whether payable now or in the future:

- (a) under any lease or licence in relation to the Collateral or the business of any Grantor; or
- (b) otherwise derived from the Collateral.

**Initial Marketable Securities** means all Marketable Securities legally or beneficially owned by any Grantor on the date of this document including the Marketable Securities listed in Schedule 2.

**Insolvency Provision** means any law relating to insolvency, sequestration, liquidation, winding up or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences and any law under which a liquidator or trustee may set aside or avoid transactions) and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

**Issuer** means Novatti Group Limited ABN 98 606 556 183.

**Marketable Securities** has the meaning given to "marketable securities" in section 9 of the Corporations Act but as if the reference to "managed investment scheme" included any unit trust. It also includes shares, capital stock, equity interests, preferred equity, preference shares or any other ownership interest in any company or any entity in any country.

**Marketable Securities Issuer** means each issuer of Marketable Securities forming part of the Collateral.

**Other Rights** means:

- (a) all of the present and future right, title and interest of a Grantor in:
  - (i) any dividend reinvestment scheme, bonus issue, rights issue, allotment, offer, benefit, privilege, note, stock, debenture or right to take up Marketable Securities in another corporation or other person;
  - (ii) any rights consequent on any conversion, redemption, cancellation, reclassification, forfeiture, consolidation or subdivision; or
  - (iii) any rights consequent on a reduction of capital, liquidation or scheme of arrangement,

in any case, in respect of or in connection with any Marketable Security forming part of the Collateral; and
- (b) all entitlements, including dividends, distributions (including for the avoidance of doubt any consideration or other payment receivable under the terms of a scheme of arrangement pursuant to Part 5.1 of the *Corporations Act*), proceeds and other amounts from time to time payable to or accruing to a Grantor in respect of any right, title or interest referred to in paragraph (a) of this definition.

**Permitted Dealing** means:

- (a) any disposal required, Debt incurred, guarantee, indemnity or Security Interest given, or other transaction arising, under the Transaction Documents;
- (b) create or allow another interest in, or dispose or part with possession of, any Collateral which is a Revolving Asset;
- (c) withdraw or transfer money from an account with a bank or other financial institution (except the Dividend Account other than as permitted by the Conditions);
- (d) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group or otherwise used for the purposes of the Groups' business;
- (e) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security Interest) conducted in the ordinary course of trading on arm's length terms; and
- (f) any other transaction with the prior written consent of the Security Trustee (acting on instructions of the Noteholders given by Extraordinary Resolution).

**Permitted Disposal** means any sale, lease, licence, transfer or other disposal which, except in the case of paragraph (b), is on arm's length terms:

- (a) of trading stock (including software) or cash made by any member of the Group in the ordinary course of trading of the disposing entity (excluding any application of monies from the Dividend Account other than in accordance with the terms of this document and the Conditions) and, for the avoidance of doubt, this paragraph (a) includes the disposal of software assets to customers of the Group in the ordinary course of business;
- (b) of any asset by a member of the Group (the **Disposing Company**) to another member of the Group (the **Acquiring Company**), but if only if the Disposing Company and the Acquiring Company are Obligor;

- (c) of assets (other than shares, businesses, real property/intellectual property) in exchange for other assets comparable or superior as to type, value and quality (other than an exchange of a non-cash asset for cash);
- (d) of obsolete or redundant vehicles, plant and equipment for cash;
- (e) arising as a result of any Permitted Security; or
- (f) with the prior written consent of the Security Trustee (acting on instructions of the Noteholders by Extraordinary Resolution).

**Permitted Security Interest** means:

- (a) any Security Interest created by the Transaction Documents;
- (b) any lien arising by operation of law and in the ordinary course of trading so long as the debt it secures is paid when due or contested in good faith and appropriately provisioned;
- (c) any netting or set-off arrangement entered into by the Obligor with its account banks in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Obligors;
- (d) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms (or on terms more favourable to the members of the Group) so long as the debt it secures is paid when due or contested in good faith and sufficient reserves of liquid assets have been set aside to pay the debt if the contest is unsuccessful;
- (e) any Security arising as a result of a Permitted Disposal; or
- (f) any other transaction with the prior written consent of the Security Trustee (acting on instructions of the Noteholders by way of Extraordinary Resolution).

**Receiver** means a receiver or receiver and manager appointed by the Secured Party under this document and, if more than one, then each of them and also any Delegate of any receiver or receiver and manager.

**Reckon Security Collateral** means the part of the Collateral comprising the Marketable Securities listed in Schedule 2 held by the Issuer in Reckon Limited (ABN 14 003 348 730) together with any Other Rights relating to such Marketable Securities and any proceeds of any such Collateral.

**Revolving Asset** means any part of the Collateral:

- (a) which is:
  - (i) inventory;
  - (ii) a negotiable instrument;
  - (iii) machinery, plant or equipment which is not inventory and has a value of less than \$1,000 or its equivalent;
  - (iv) money (including money withdrawn or transferred to a third party from an account of a Grantor with a bank or other financial institution) other than money in the Dividend Account; and

- (b) in relation to which no Control Event has occurred, subject to clause 3.4.

For the avoidance of doubt, the Marketable Securities (including the Reckon Security Collateral) are not Revolving Assets.

**Security Trust Deed** means the security trust deed dated on or about the date of this document between each Grantor and the Secured Party.

**Serial Numbered Property** means Collateral that must be described by serial number in a financing statement under the PPSA or Collateral that may be described by serial number in a financing statement under the PPSA and that has a book value in excess of \$100,000.

**Subsidiary** means a subsidiary within the meaning of Part 1.2 Division 6 of the Corporations Act.

**Trust** means a trust in respect of which a Grantor is the trustee. There is no such trust applicable as at the date of this document.

**Trust Assets** means, in respect of a Trust, all present and after acquired property in respect of which a Grantor from time to time has sufficient rights to grant a Security Interest as trustee of the Trust.

**Trust Deed** means, in respect of a Trust, the trust deed or other constituent document of that Trust.

## 1.2 Security Trust Deed

- (a) Unless otherwise defined, expressions used in this document have the meanings given to them in or for the purposes of the Security Trust Deed.
- (b) This document is a "Transaction Document" and "Transaction Security" for the purposes of the Security Trust Deed.

## 1.3 Interpretation

Clause 1.2 of the Security Trust Deed is taken to be incorporated in this document as if set out in full in it and any clause references in such clauses were to the corresponding incorporated clause.

## 1.4 Capacity of Grantor

- (a) A Grantor which is trustee of any Trust is liable under this document in its personal capacity and in its capacity as trustee of each relevant Trust.
- (b) In this document:
- (i) a reference to a Grantor which is trustee of any Trust is a reference to a Grantor in both its personal capacity and in its capacity as trustee of each relevant Trust; and
  - (ii) a reference to the property of a Grantor or to the business of a Grantor is a reference to the property of a Grantor in each capacity referred to in clause 1.4(a).

## 1.5 Secured Party assumes no obligations

The Secured Party will not be deemed by virtue of this document to have assumed any obligation of any Grantor or any other person under any law.

## 1.6 Limitation of liability of Secured Party

Clause 1.3 of the Security Trust Deed is incorporated into this document as if it were fully set out in this document and any clause references in such clauses were to the corresponding incorporated clause.

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## 2. Security interest

### 2.1 Creation

- (a) Subject to clause 3.1, each Grantor grants a Security Interest in the Collateral to the Secured Party to secure the payment of the Secured Money.
- (b) This Security Interest is a charge. If for any reason it is necessary to determine the nature of this charge, it is a floating charge over Revolving Assets and a fixed charge over all other Collateral.
- (c) Each Grantor grants this Security Interest in respect of Collateral other than Trust Assets which it owns or will own as beneficial owner.
- (d) Each Grantor which is a trustee of any Trust grants this Security Interest in respect of Collateral comprising Trust Assets as sole trustee of each relevant Trust.

### 2.2 Priority

This Security Interest will operate as a first ranking security subject only to any Security Interest mandatorily preferred by law or any Permitted Security Interest. Where a Grantor (as trustee of a relevant Trust) has a right of indemnity out of the Trust Assets of that Trust, the Grantor acknowledges and agrees that all of the Grantor's rights under that right of indemnity will at all times and for all purposes be postponed to and rank after the interest of the Secured Party under this document.

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## 3. Dealing with the Collateral

### 3.1 Restricted dealings

- (a) No Grantor may do, or agree to do, any of the following unless it is permitted to do so by clause 3.2:
  - (i) create or allow another interest in any Collateral or any of its assets; or
  - (ii) dispose, or part with possession, of any Collateral.
- (b) Where by law the Secured Party may not restrict the creation of any Security Interest in an asset ranking after the Security Interest granted in clause 2.1:
  - (i) clause 3.1(a) will not restrict that creation; and
  - (ii) the relevant Grantor must ensure that before that Security Interest is created the holder of that Security Interest enters into a deed of priority with the Secured Party in form and substance satisfactory to the Secured Party.
- (c) Without limiting paragraph (a), no Obligor shall:
  - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;

- (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (iv) enter into any other preferential arrangement having a similar effect.
- (d) This clause 3.1 does not apply to any Security Interest or arrangement which is:
- (i) Permitted Security; or
  - (ii) a Permitted Dealing,
- contemplated by clause 3.2.

## 3.2 Disposals

No Obligor may enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset other than any Permitted Disposal or as part of a Permitted Dealing. For avoidance of doubt, any Permitted Disposal or Permitted Dealing does not extend to any Reckon Security Collateral.

## 3.3 Revolving Assets

If a Control Event occurs in respect of any Collateral then automatically:

- (a) that Collateral is not (and immediately ceases to be) a Revolving Asset;
- (b) any floating charge over that Collateral immediately operates as a fixed charge; and
- (c) the relevant Grantor may no longer deal with the Collateral under clause 3.2.

## 3.4 Conversion to Revolving Assets

If any Collateral is not, or ceases to be, a Revolving Asset, and becomes subject to a fixed charge under this clause 3, the Secured Party may give the relevant Grantor a notice stating that, from a date specified in the notice, the Collateral specified in the notice is a Revolving Asset, or becomes subject to a floating charge. This may occur any number of times.

## 3.5 Control of inventory

Any inventory which is not, or ceases to be, a Revolving Asset is specifically appropriated to the Security Interest under this document. No Grantor may remove any such inventory without obtaining the specific and express authority of the Secured Party to do so.

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# 4. Representations and warranties

## 4.1 Representations and warranties

Each Grantor represents and warrants to the Secured Party that:

- (a) **(Good right to grant)** it has good right to grant a Security Interest over the Collateral in the manner provided in this document and the Collateral is free of all Security Interests other than as expressly permitted by this document;

- (b) **(Income from Collateral)** no Income has been assigned or encumbered to any other person except as expressly permitted by this document;
- (c) **(Initial Marketable Securities and Serial Numbered Property)** Schedule 2 shows accurate:
  - (i) details of all Marketable Securities owned by any Grantor as at the date of this document; and
  - (ii) serial numbers for each item of, and a complete list of, Serial Numbered Property as at the date of this document; and
- (d) **(Trustee)** it does not enter into this document or hold any of the Collateral as trustee of any trust other than a relevant Trust.

## 4.2 Repetition

Each representation and warranty in this document will be repeated on each Issue Date and each Interest Payment Date (as defined in the Conditions) in respect of any Notes with reference to the facts and circumstances then continuing, as if made on each such day.

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## 5. General undertakings

### 5.1 Payment of Secured Money

Each Grantor will pay the Secured Money in the manner provided in this document or in any other Transaction Document.

### 5.2 Events of Default

Each Grantor will ensure that no Event of Default occurs. Without affecting the liability of any Grantor or any Power in any other respect (including where a breach of this clause 5.2 is a breach of any other provision of any Transaction Document), no Grantor is liable in damages for a breach of its obligations under this clause 5.2 but the Secured Party may exercise the Powers following any breach of this clause 5.2, during the period the Event of Default is continuing.

### 5.3 Collateral generally

- (a) **(Financing statements)** Each Grantor will notify the Secured Party in writing:
  - (i) promptly of any details necessary for the registration by the Secured Party of an effective financing statement including the serial numbers of any Serial Numbered Property acquired by it after the date of this document; and
  - (ii) promptly (and in any event within 5 days of an event in paragraph 5.3(a)(ii)A or 5.3(a)(ii)B occurring):
    - A. if it is allocated a new or different ARBN;
    - B. if any Collateral is a Trust Asset, a new or different ABN is allocated to the relevant Trust; or



- C. if it does not have an ACN, ABN or ARBN, of any change to its name before that change is made.

(b) **(Title documents)** Each Grantor will in relation to:

- (i) all Initial Marketable Securities, on the date of this document; and
- (ii) all other Marketable Securities and Other Rights forming part of the Collateral, promptly following the date on which the relevant Collateral is acquired; and
- (iii) any Marketable Security forming part of the Collateral which is not registered in the name of a Grantor, promptly after being requested to do so by the Secured Party,

deliver to the Secured Party, as applicable:

- A. all certificates, scrip and other indicia of title or interest in such Marketable Securities or Other Rights;
- B. undated transfer form(s) executed by the relevant Grantor in blank as to transferee and consideration in form and substance satisfactory to the Secured Party (or any similar instruments in the jurisdiction of incorporation of the relevant Issuer of the Marketable Securities);
- C. in the case of clause 5.3(b)(iii) above, one or more duly stamped and registrable transfers of those Marketable Securities necessary to enable those Marketable Securities to be registered in the name of that Grantor, together with an irrevocable authority to the relevant Issuer to deliver up to the Secured Party the certificates, scrip or other indicia of title or interest relating to those Marketable Securities following registration by the relevant Issuer in the name of that Grantor; and
- D. in respect of Marketable Securities quoted on the Australian Securities Exchange (**ASX**), a "CHESS Sponsorship Deed" (in a form acceptable to the Security Trustee (acting on the advice of its legal counsel)) duly executed by the registered holder of the Marketable Securities and the relevant CHESS sponsor, and take all such other steps as may be required by the Security Trustee (acting on the advice of its legal counsel) to create a holding lock (within the meaning of Section 2 of the *ASX Settlement Operating Rules*) in respect of such Marketable Securities.

(c) **(Registration of transfers)** Each Grantor will take all steps necessary to:

- (i) ensure that there are no provisions in its constitution or the relevant Trust Deed that may restrict any transfer of Marketable Securities in connection with the enforcement of any Transaction Document; and
- (ii) notwithstanding any provision contained in its constitution or the relevant Trust Deed, approve any transfer of Marketable Securities in that Grantor or relevant Trust where the transfer arises in connection with the enforcement of any Security Interest granted under any Transaction Document.

- (d) **(Commingle and accessions)** No Grantor will permit the Collateral, or any part of the Collateral to become:
- (i) commingled with any asset that is not subject to the Security Interest under this document, except in the ordinary course of the Grantor's business; or
  - (ii) an accession to or affixed to any asset that is not subject to the Security Interest under this document.

## 5.4 Collateral comprising the Marketable Securities

Each Grantor will:

- (a) **(Voting entitlement)** while an Event of Default is continuing, not vote at any meeting of the members or creditors of any Issuer in any way contrary to the directions of the Secured Party acting on instructions from the Noteholders given by Extraordinary Resolution;
- (b) **(Additional securities and rights)** promptly notify the Secured Party in writing if, after the date of this document, it acquires any Marketable Securities or if it becomes entitled to any Other Rights and may (but is not obliged to), during the currency of this document, exercise and take up its entitlements to each Marketable Security or Other Rights which it is offered;
- (c) **(Pay calls)** duly and punctually pay all calls, premiums and instalments which may be or become payable in respect of the Marketable Securities forming part of Collateral and duly and punctually pay all money which may become due or owing by that Grantor to any Issuer on any account; and
- (d) **(No variation of rights)** not:
  - (i) consent to or vote in favour of; or
  - (ii) permit any variation or abrogation of,

the rights and privileges attaching to any Marketable Securities forming part of the Collateral in any way which would, or would be reasonably likely to, adversely affect the value of the Marketable Securities forming part of the Collateral.

## 5.5 Indemnity against calls

If the Secured Party or its nominee becomes the registered holder of any of the Marketable Securities forming part of the Collateral, each Grantor will indemnify and keep indemnified the Secured Party against any money payable or other liability arising in relation to those Marketable Securities except to the extent the money is payable or other liability arises directly from the fraud, gross negligence or wilful misconduct of the Secured Party.

## 5.6 Cash distributions and benefits

At the request of the Secured Party, which may be made at any time while an Event of Default is continuing, each Grantor will pay to the Secured Party, or as it directs in writing, the following:

- (a) **(Dividends)** all cash dividends;
- (b) **(Returns of capital)** all cash returns of capital;
- (c) **(Rights issues)** all proceeds from the disposal or relinquishment of rights; and

- (d) **(Options)** all proceeds in relation to options or other rights granted to the Grantor or granted by the Grantor,

in relation to any Marketable Security forming part of the Collateral.

## 5.7 Postponement or waiver of Security

If requested by the Secured Party, each Grantor will immediately cause:

- (a) any Security Interest (other than any Security Interest expressly permitted under this document) to rank in priority to any Security Interest under this document) which has arisen or which arises from time to time by operation of law over the Collateral in favour of any person to be postponed in all respects after and subject to the Security Interest under this document or to be otherwise discharged, released or terminated; and
- (b) any financial liability or other obligation secured by any Security Interest of the type referred to in clause 5.7(a), to be waived, released, paid or performed.

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## 6. Events of Default

While any Event of Default is continuing, the Secured Party may by written notice to the Grantor and despite any delay or previous waiver of the right to exercise that option:

- (a) declare in accordance with this document, the Secured Money to be immediately due and payable, whereupon the Secured Moneys will immediately become due and payable;
- (b) all Powers not previously exercisable become exercisable; and
- (c) any rights of any Grantor to Deal with the Collateral (other than through a Receiver appointed under this document) immediately cease.

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## 7. Receivers: appointment and Powers

### 7.1 Appointment of Receiver

- (a) Following the occurrence of an Event of Default, the Security Trustee may:
  - (i) appoint in writing any person or persons to be a receiver or receiver and manager of the Collateral to deal with the Collateral; and
  - (ii) in case of the removal, retirement or death of any Receiver, appoint another person or persons in the place of that Receiver.
- (b) The Secured Party may terminate the appointment of any Receiver at any time, without limiting its rights under clause 7.1(a).

### 7.2 Joint Receivers

If more than one person is appointed as a Receiver, the Secured Party may at its option specify whether the appointment and the Powers of each appointee will be joint or joint and several. If no specification is made, the appointment and the Powers of each appointee will be joint and several.

### 7.3 Remuneration of Receiver

The Secured Party may fix or vary the remuneration of any Receiver.

## 7.4 Agent of Grantor

Each Receiver will be the agent of the relevant Grantor. That Grantor will be solely responsible for all acts and omissions by, and the remuneration of, each Receiver.

## 7.5 Powers of Receiver

Without the need for any consent from any Grantor or any other person, each Receiver will have all of the following powers:

- (a) **(Section 420)** all of the powers granted to a receiver of property of a corporation under section 420 of the Corporations Act;
- (b) **(Dispose)** whether or not in possession, to dispose of the Collateral in such manner and on such terms as the Receiver thinks fit;
- (c) **(Transfer on sale)** execute transfers and assignments of the Collateral (including in the name of a Grantor), and do everything to complete any sale that the Receiver thinks necessary;
- (d) **(Register)** to register itself or its nominee as the holder of the Marketable Securities (or any of the Marketable Securities) forming part of the Collateral;
- (e) **(Borrow or raise money)** to borrow or raise from the Secured Party or any other person any money which may be required for any purposes and, if the Receiver thinks fit, to secure any money borrowed or raised by the grant of any Security Interest over the Collateral (whether in the name of a Grantor or otherwise) so that the Security Interest ranks in priority to, *pari passu* with or after this document. The Secured Party will not be bound to inquire as to the necessity or propriety of any indebtedness nor be responsible for the misapplication or non-application of any money so borrowed or raised;
- (f) **(Lease)** whether or not the Receiver has taken possession, to lease or licence the Collateral in the name of the relevant Grantor or otherwise, for any period and on any terms or to vary or terminate a lease or licence;
- (g) **(Collection)** collect accounts;
- (h) **(Engage)** to engage consultants, contractors, professional advisors, agents and employees (including any person associated with a firm or company in which the Receiver is a member or in which the Receiver is interested and that person may charge for his or her services as if independently retained at a salary or remuneration determined by the Receiver) and the Receiver may act on any advice given by any person so engaged;
- (i) **(Take up entitlements)** to exercise all or any of the rights, privileges or entitlements conferred on or accruing to the registered holder of any Marketable Securities in all respects as if it were the absolute beneficial owner of the Marketable Securities, including to attend and vote at any meeting of the members or creditors of any Issuer or of the holders of any Marketable Securities or class of Marketable Securities forming part of the Collateral, to appoint attorneys and proxies, and to prove in any winding up or scheme of arrangement;
- (j) **(Take up issues)** to take up and accept any rights issues, bonus shares or other Marketable Securities of each Issuer, and to pay any sum or sums of money necessary or expedient for the taking up of those rights, shares or other Marketable Securities, with any sum or sums paid being deemed to be and become part of the Secured Money and bearing interest accordingly;

- (k) **(Receive Income)** to receive all Income payable on the Marketable Securities forming part of the Collateral and to apply any money so received towards satisfaction of the Secured Money without being liable to account for it;
- (l) **(Conduct works)** to repair, renew, replace, renovate or clean the Collateral, to erect any new buildings or make any improvements to any land forming part of the Collateral and to demolish, alter, rebuild or extend any existing buildings on the Collateral;
- (m) **(Invest proceeds against contingencies)** if any of the Secured Money is contingent, to invest, deposit or hold the Collateral in a form or mode of investment for the time being as the Receiver thinks fit, with like power to vary, transpose or re-invest the investments or deposits from time to time until that part of the Secured Money ceases to be contingent;
- (n) **(Perform contracts)** to perform, observe, carry out, enforce specific performance of, exercise or refrain from exercising, any Grantor's rights and powers under, obtain the benefit of, and vary or rescind all contracts and rights forming part of the Collateral or entered into in the exercise of any Power;
- (o) **(Take proceedings)** to institute, conduct or defend any proceedings in law or bankruptcy and to submit to arbitration, mediation or conciliation, in the name of any Grantor or otherwise and on any terms, any proceeding, claim, question or dispute in connection with the Collateral or otherwise;
- (p) **(Compromise)** to make any settlement, arrangement or compromise regarding any action, proceeding or dispute arising in connection with the Collateral, to grant to any person involved time or other indulgence and to execute all related releases or discharges as the Receiver thinks expedient in the interests of the Beneficiaries;
- (q) **(Appeal)** to appeal against or to enforce any judgment or order in respect of the Collateral;
- (r) **(Bankrupt debtors and wind up bodies corporate)** to make debtors bankrupt and to wind up bodies corporate and to do all things in connection with any bankruptcy or winding up which the Receiver thinks necessary for the recovery or protection of the Collateral or for the Security Interest or other benefit of the Beneficiaries;
- (s) **(Delegate)** with the Secured Party's prior approval, to delegate to any person, for any time, any of the Powers including this power of delegation;
- (t) **(File)** to file all certificates, registrations and other documents and to take any and all action on behalf of any Grantor which the Receiver believes is necessary to protect, preserve or improve any or all of the Collateral and the rights of any Grantor or the Secured Party in respect of any agreement for sale and to obtain for the Beneficiaries all of the benefits of this document and any other Transaction Document;
- (u) **(Operate bank accounts)** to open or operate any bank account in the name of any Grantor (whether alone or jointly with any other person) to the exclusion of the relevant Grantor and to deposit or withdraw any money standing to the credit of that account and to sign and endorse or to authorise others to sign and endorse in the name of the relevant Grantor cheques, promissory notes, bills of exchange and other negotiable instruments;
- (v) **(Do all other things)** to do all things the law allows an owner of any interest in the Collateral, or any Controller of the Collateral, to do; and

- (w) **(Do all things as are expedient)** to do all other acts and things without limitation as the Receiver thinks expedient,

and any further powers as the Secured Party confers on a Receiver by notice in writing to that Receiver (all of which Powers may be exercised without notice, demand or lapse of time being necessary unless required by a law which cannot be excluded).

## 7.6 Indemnity

The Secured Party or any Beneficiary may give any indemnities to any Receiver concerning the performance of that Receiver's duties as are permitted by law. If the Secured Party or any Beneficiary is obliged to pay any money under any indemnity, that money will become part of the Secured Money.

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## 8. Secured Party's Powers

### 8.1 Exercise of Power

While any Event of Default is continuing, the Secured Party may without notice and whether or not a Receiver has been appointed:

- (a) exercise all or any of the Powers conferred on a Receiver, or which would be conferred on a Receiver if appointed, as if those Powers had been expressly conferred on the Secured Party;
- (b) exercise all other Powers; and
- (c) appoint an agent or agents (whether severally, jointly or jointly and severally) and delegate the Powers (or any of them) to the agent or agents (in which case clauses 7.1, 7.3, 7.6, 11.2, 11.3 and 11.4 will apply as if the agent or agents were each appointed as a Receiver).

### 8.2 Act jointly

The Secured Party and each Receiver may exercise any of the Powers in conjunction with the exercise of similar powers by the holder of any other Security Interest over the Collateral or by any receiver or receiver and manager appointed by that other holder and may enter into and give effect to agreements and arrangements with that other holder, receiver or receiver and manager as the Secured Party or the relevant Receiver thinks fit.

### 8.3 Power of attorney

- (a) In consideration of the Secured Party and the other Beneficiaries entering into the Transaction Documents, each Grantor irrevocably appoints the Secured Party and each director, secretary, attorney or other person authorised by a party to act on its behalf for the purposes of the Transaction Documents and each Receiver, severally, as an attorney of that Grantor with power:
  - (i) at any time:
    - A. to do anything that the Secured Party may reasonably require to enable it to perfect its Security Interest under this document by control over Marketable Securities; and
    - B. to appoint (and remove at will) at any time any person as a substitute for an attorney; and

- (ii) at any time while an Event of Default is continuing:
  - A. to do all acts which ought to be done by that Grantor under any Transaction Document;
  - B. to do all acts to exercise or give effect to any Power;
  - C. to demand, sue for, recover and receive the Collateral from any person, in the name of a Grantor or in the name of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 8.3; and
  - D. to take further action and to execute further instruments which are, or are in the opinion of the Secured Party, the relevant Receiver or any other attorney appointed under this clause 8.3, necessary or desirable to secure more satisfactorily the payment of the Secured Money or to sell or otherwise Deal with the Collateral.
- (b) Each Grantor:
  - (i) agrees that each attorney may exercise powers under this power of attorney notwithstanding that the exercise may or will involve or result in a conflict between the duty of that attorney to the Grantor and either the interests of that attorney or a related body corporate or related entity of that attorney or another duty of that attorney; and
  - (ii) ratifies and confirms now and for the future all actions undertaken by or on behalf of any attorney under this power of attorney, including any action which may or will involve or result in a conflict of the type referred to in clause 8.3(b)(i) or in respect of which that attorney has a personal interest.
- (c) Each Grantor declares that this power of attorney will continue in force until all actions taken under it have been completed, despite the discharge of this document.
- (d) Each Grantor will do anything requested by the Secured Party, acting reasonably, to enable the Secured Party to register this power of attorney in the manner and within any time limits prescribed by law to ensure the efficacy of this power of attorney.

## 8.4 Secured Party may make good any default

If any Grantor defaults in satisfying any of its obligations under any Transaction Document, the Secured Party may, without prejudice to any other Power, do all things and pay all money necessary or expedient in the opinion of the Secured Party to make good or to attempt to make good that default to the satisfaction of the Secured Party. Each Grantor will take all steps which the Secured Party, acting reasonably, requests to facilitate the exercise by the Secured Party of its rights under this clause 8.4. The Secured Party will not be a mortgagee, chargee or secured party in possession simply as a result of the exercise of its rights under this clause 8.4.

## 8.5 Notice for exercise of Powers

- (a) The Powers may be exercised by the Secured Party at any time while any Event of Default is continuing, without any notice, demand or lapse of time being necessary unless required by a law which cannot be excluded.



- (b) Subject to clause 8.5(c), if required by any law which cannot be excluded, one day is fixed as the period for which:
  - (i) default must continue in the payment of any part of the Secured Money before the Secured Party may give any notice or demand as required by any law affecting the Powers; and
  - (ii) default in the payment of any part of the Secured Money must continue after the giving of any notice or demand before any Power may be exercised.
- (c) If any law which cannot be excluded provides that a specific period of notice or lapse of time is mandatorily required before any Power may be exercised by the Secured Party or any Receiver, that period of notice must be given or time must elapse before that Power may be exercised.

## 8.6 Exercise of Powers

If the Secured Party exercises a Power in connection with this document, that exercise will be taken to be an exercise of the Power under the general law unless the Power is only available under the PPSA or the Secured Party states otherwise at the time of exercise.

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## 9. Application of money

All money received by the Secured Party or by any Receiver as a result of the exercise of the Powers and all other proceeds of enforcement under this document will be applied in the order specified in the Security Trust Deed.

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## 10. Liability and release

### 10.1 Continuing obligation

This document constitutes a continuing obligation regardless of any settlement of account, intervening payment, express or implied revocation or any other matter or thing.

### 10.2 Personal liability

No grant of full or partial satisfaction of or discharge from this document by the Secured Party will, unless it expressly provides otherwise, release any Grantor from personal liability under this document or under any other Transaction Document until none of the Secured Money is owing (whether actually, contingently or prospectively).

### 10.3 Settlement conditional

If:

- (a)
  - (i) the Secured Party has at any time released or discharged:
    - A. any Grantor from its obligations under this document; or
    - B. any assets of any Grantor from this document,
 in either case in reliance on a payment, receipt or other transaction to or in favour of the Secured Party; or
  - (ii) any payment, receipt or other transaction to or in favour of the Secured Party has the effect of releasing or discharging:
    - A. any Grantor from its obligations under this document; or



- B. any assets of any Grantor from this document; and
  - (b) that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason, including under an Insolvency Provision or under any other law; and
  - (c) that claim is upheld or is conceded or compromised by the Secured Party,
- then:
- (i) the Secured Party will immediately become entitled against that Grantor to all rights as it had immediately before that release or discharge;
  - (ii) that Grantor must, to the extent permitted by law:
    - A. immediately do all things and execute all documents as the Secured Party, acting reasonably, may require to restore to the Secured Party all those rights; and
    - B. indemnify the Secured Party against all Costs, damages, claims, demands and actions suffered or incurred by it in or in connection with any negotiations or proceedings relating to the claim or as a result of the upholding, concession or compromise of the claim.

#### 10.4 No Grantor's liability affected

The liability of each Grantor under this document:

- (a) **(Absolute)** is absolute and is not subject to the execution of this document by any other Grantor or the execution of any other Transaction Document or any other document by any person or to the performance of any condition precedent or subsequent, including as between any Obligor and the Secured Party or any Beneficiary or between any two or more Obligors; and
- (b) **(Not Affected)** will not be affected by any act, omission, matter or thing that would otherwise operate by law to reduce or release any Grantor from its liability including any of the following:
  - (i) the occurrence or continuance of any Event of Default;
  - (ii) the receipt by the Secured Party or any Beneficiary of any payment, dividend or distribution under any law, agreement, arrangement or scheme relating to insolvency or administration of assets in relation to any Obligor;
  - (iii) any Transaction Document, or any payment or other act the making or doing of which would otherwise have formed part of the Secured Money or other obligations under the Transaction Documents, being, becoming or being conceded to be illegal, invalid, void, voidable, unenforceable or irrecoverable in whole or in part for any reason whether past, present or future, including as a result of any:
    - A. law;
    - B. act or omission by any person;
    - C. legal limitation, disability or incapacity of any Obligor;
    - D. improper exercise of a Power; or

- E. Power being suspended or postponed by statute, any court order or otherwise;
- (iv) the Secured Party or any Beneficiary accepting the benefit of any other Security Interest;
  - (v) the Secured Party or any Beneficiary granting time, waiver or other indulgence or concession to, or making any composition or compromise with, any Obligor;
  - (vi) the Secured Party or any Beneficiary forbearing or neglecting to exercise any remedy or right it has for the enforcement of any Transaction Document (other than an express waiver granted in favour of the relevant Grantor in respect of its liabilities under this document);
  - (vii) any laches, acquiescence or other act, neglect, default, omission or mistake by the Secured Party or any Beneficiary;
  - (viii) the determination, rescission, repudiation or termination, or the acceptance of any of the foregoing, by the Secured Party or any Beneficiary or any Obligor of any Transaction Document or any of the Secured Money (other than an express release or discharge of the relevant Grantor from all of its liabilities under this document);
  - (ix) any variation to any Transaction Document, whether or not the variation is substantial or material or imposes an additional liability on or is onerous on any Obligor;
  - (x) the full, partial or conditional release or discharge by the Secured Party or any Beneficiary, or by operation of law or otherwise, of any person from any Transaction Document or any obligation to pay or repay any of the Secured Money (other than an express release or discharge of the relevant Grantor from all of its liabilities under this document);
  - (xi) the release of any property from any other Security Interest, or the substitution of any property in place of any other property now or after the date of this document the subject of any other Security Interest;
  - (xii) the Secured Party or any Beneficiary wasting, destroying, abandoning, prejudicing or not perfecting, maintaining, preserving, enforcing or realising or not properly enforcing or realising any other Security Interest;
  - (xiii) the failure to perfect or to obtain the benefit, or the loss or impairment, of any other Security Interest by operation of law or otherwise;
  - (xiv) the postponement or loss of the priority attaching to any other Security Interest;
  - (xv) the opening or operation of any new account with the Secured Party or any Beneficiary by any Obligor;
  - (xvi) the transfer or assignment of the benefit of any Transaction Document or of any of the obligations under any of those documents;
  - (xvii) any failure by the Secured Party or any Beneficiary to disclose to any Grantor any material or unusual fact, circumstance, event or thing known to, or which ought to have been known by, the Secured Party or any Beneficiary relating to or affecting any Obligor at any time before or during the currency of any Transaction Document, whether prejudicial or

not to the rights and liabilities of any Grantor and whether or not the Secured Party or any Beneficiary was under any duty of disclosure; or

- (xviii) the Secured Party or any Beneficiary entering into a covenant with any other Obligor not to sue, issue process, sign or execute judgment, commence proceedings for bankruptcy or winding up, participate in any scheme of arrangement or reconstruction, prove in any bankruptcy or winding up or do any other act, matter or thing in respect of the liability of any other Obligor.

## **10.5 Claim on Grantor**

The Secured Party is not required to:

- (a) make any claim or demand on any other Obligor or any other person;
- (b) enforce any other Transaction Document or other Security Interest; or
- (c) enforce any other Power,

in any case, before making any demand on any Grantor under this document or otherwise enforcing this document.

## **10.6 Release of Collateral**

The Secured Party will be under no obligation to grant a release of the Collateral from this document unless:

- (a) at the time the release is to be provided, none of the Secured Money is owing (whether actually, contingently or prospectively); or
- (b) such Grantor is released as a Grantor in accordance with Condition 11.3 of the Conditions.

## **10.7 Additional Grantor**

The Obligors will procure that any person that is required to become an "Additional Grantor" as required under the Note Conditions will, at the same time, enter into a General Security Deed as contemplated by paragraph (b) of the definition of that term in the Security Trust Deed and in accordance with clause 12.2 of the Security Trust Deed.

## **10.8 Release**

A Grantor may be released from any obligations under this document in accordance with Condition 11.3 of the Conditions without any further act required on the part of any party (other than compliance with the requirements of that Condition 11.3).

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# **11. Protection and indemnity**

## **11.1 Waiver by Grantor**

Each Grantor waives in favour of the Secured Party:

- (a) all rights against the Secured Party and any other person, estate or assets as far as is necessary to give effect to any provision of this document;
- (b) promptness and diligence on the part of the Secured Party and any other requirement that the Secured Party take any action or exhaust any right against any other person before enforcing this document; and

- (c) all rights inconsistent with the provisions of this document.

## **11.2 No liability for loss**

Neither the Secured Party nor any Receiver will be liable or otherwise accountable for any act, omission, delay, mistake, loss or irregularity in or concerning the exercise, attempted exercise, non-exercise or purported exercise of any Power, except for its own gross negligence, fraud or wilful misconduct.

## **11.3 No liability to account**

Neither the Secured Party nor any Receiver will, by reason of the Secured Party or that Receiver entering into possession of the Collateral, be liable to account as mortgagee or secured party in possession, for any loss on realisation or for any default, omission, delay or mistake for which a mortgagee or secured party in possession might be liable. The liability of the Secured Party and of each Receiver will be for actual receipts only.

## **11.4 No conflict**

The Secured Party and each Receiver may exercise any Power, even though the exercise of that Power involves a conflict between any duty owed to any Grantor by the Secured Party or that Receiver and any duty owed by the Secured Party or that Receiver to any other person or the interests of the Secured Party or that Receiver. No contract will be void or voidable by virtue of that conflict of duty or interest nor will the Secured Party or Receiver be liable to account to any Grantor or any other person for any money or property as a result of that conflict.

## **11.5 No notice or enforcement**

The Secured Party need not:

- (a) give any notice of this document to any debtor of any Grantor, to any purchaser or to any other person;
- (b) enforce payment of any money payable to any Grantor; or
- (c) realise the Collateral or take any steps or proceedings for that purpose.

## **11.6 Indemnity**

Each Grantor will on demand indemnify and keep the Secured Party, any Receiver and any Delegate indemnified in respect of all Costs and Taxes incurred by the Secured Party, any Receiver or any Delegate:

- (a) in the exercise, attempted exercise or non-exercise of any Power, including those resulting from any mistake, oversight, error of judgment or want of prudence on the part of the Secured Party, Receiver or Delegate, unless the same is due to its own gross negligence, fraud or wilful misconduct;
- (b) as a consequence of any Event of Default occurring or continuing; and
- (c) by reason of the Secured Party redeeming or taking a transfer of any Security Interest ranking in priority to or pari passu with this document,

and each Grantor will defend all actions, proceedings, claims or demands brought by any person in relation to any matter the subject of this indemnity.

## 11.7 Protection of persons

No person acquiring any money or asset from or paying or handing over any money or asset to or otherwise dealing with the Secured Party, any Receiver or any Delegate, or to whom is tendered for registration an instrument executed by the Secured Party, any Receiver or any Delegate, will be:

- (a) bound to inquire:
  - (i) whether the Secured Party or the relevant Receiver or Delegate has the right to dispose of any money or asset;
  - (ii) whether any Event of Default has occurred or is continuing;
  - (iii) whether any of the Secured Money is owing or payable;
  - (iv) whether the relevant Receiver or Delegate has been properly appointed;
  - (v) as to the propriety or regularity of the exercise or purported exercise of any Power; or
  - (vi) as to any other matter or thing;
- (b) affected by actual or constructive notice that any transaction, document or other dealing is unnecessary or improper; or
- (c) concerned to see to the application of any money or asset, or be answerable or accountable for any loss or misapplication,

and:

- (i) in the case of any person paying or handing over any money or asset, that person will be discharged from any further liability to pay or hand over that money or asset; and
- (ii) the irregular, improper or unnecessary exercise of any Power and any other dealing of any nature with the Secured Party, any Receiver or any Delegate will be, as regards the protection of any such person, deemed to be authorised by each Grantor and valid.

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## 12. Payments

### 12.1 Credit balances of other accounts

In determining the amount of the Secured Money, no credit need be allowed by the Secured Party for any credit balance in any joint or other account of any Grantor with the Secured Party or any Beneficiary, or for any other money owing by the Secured Party or any Beneficiary to any Grantor.

### 12.2 Merger

- (a) If the liability of any Grantor to pay any of the Secured Money becomes merged in any judgment or order, that Grantor will as an independent obligation pay, in accordance with the Transaction Documents, interest at the rate which is the higher of that payable under the Transaction Documents and that fixed by or payable under the judgment or order.

### **12.3 Suspense account**

- (a) Each Grantor acknowledges and agrees that the Secured Party may deposit into a suspense account any amount it or any Receiver receives as a result of the exercise of any Power for such time as it considers appropriate without the Secured Party being obliged to apply any such amount towards payment or repayment of the Secured Money.
- (b) If the Secured Party determines this is required or the Secured Party deposits any amount into a suspense account as contemplated by clause 12.3(a) in order to preserve rights to prove in the bankruptcy or liquidation of a person, that amount will not be treated as an amount received as a result of the exercise of any Power until such time as the amount is withdrawn from the suspense account.

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## **13. Governing law and jurisdiction**

### **13.1 Governing law**

This document is governed by the law applying in Victoria.

### **13.2 Jurisdiction**

Each Grantor irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Victoria, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this document; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 13.2(a).

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## **14. Notices**

Clause 16.2 of the Security Trust Deed is incorporated into this document as if it were fully set out in this document and any clause references in such clauses were to the corresponding incorporated clause.

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## **15. Miscellaneous**

### **15.1 Incorporated**

Clauses 16.11 (Consents), 16.16 (Binding on each signatory), 16.17 (Electronic signature) and 16.18 (Counterparts) of the Security Trust Deed are incorporated into this document as if it were fully set out in this document, except that any reference to "Security Trustee" is taken to be a reference to "Secured Party", any reference to "Obligors" is taken to be a reference to "Grantor".

### **15.2 Further acts and documents**

- (a) Each Grantor will, and will procure that all persons having or claiming any estate or interest in the Collateral from time to time after the date of this document will, on demand by the Secured Party (and at the entire cost and expense of the Grantors)

perform all acts and execute and deliver all further documents as the Secured Party, acting reasonably, requires:

- (i) for more satisfactorily securing to the Secured Party and the Beneficiaries the payment of the Secured Money;
  - (ii) to perfect the Security Interest created by this document over the Collateral; or
  - (iii) for facilitating the exercise of any Power.
- (b) Without limiting clause 15.2(a) if the Secured Party determines that a Transaction Document (or a transaction related to a Transaction Document) is or contains a Security Interest, each Grantor agrees to promptly do anything (including amending any Transaction Document or executing any new document) which the Secured Party reasonably requires for the purposes of:
- (i) ensuring that the Security Interest is enforceable, perfected (including, where possible, by control in addition to registration) and otherwise effective;
  - (ii) enabling the Secured Party to apply for registration, or give any notification, in connection with the Security Interest so that the Security Interest has the priority required by the Secured Party; or
  - (iii) enabling the Secured Party to exercise rights in connection with the Security Interest.
- (c) If the Security Interest does not at any time extend or attach to any Collateral then while an Event of Default is continuing and the Secured Party (directly or through a Receiver) is enforcing its rights under this document, each Grantor must comply with all instructions of the Secured Party in relation to the performance of the Grantor's obligations and the exercise of the Grantor's rights in relation to that Collateral.

### **15.3 Powers cumulative**

Each Power is cumulative and in addition to each other Power available to the Secured Party or any Receiver.

### **15.4 Indemnities**

- (a) Each indemnity in this document is a continuing obligation, separate and independent from the other obligations of the parties and survives termination, completion, expiration or release of this document.
- (b) It is not necessary for the Secured Party to incur any expense or to make any payment before enforcing a right of indemnity conferred by this document.
- (c) Each Grantor must pay on demand any amount it must pay under an indemnity in this document.

### **15.5 Time of essence**

Time is of the essence in respect of each Grantor's payment obligations under this document.

### **15.6 Registration**

The Secured Party may register this document or the Security Interest created by this document, or any financing statement or financing change statement relating to this document

or the Security Interest created by this document, in the manner prescribed by law to ensure the full efficacy of this document and the Security Interest created by this document in favour of the Secured Party in all relevant jurisdictions.

## **15.7 Assignment**

- (a) The Secured Party may at any time:
  - (i) assign any of its rights; or
  - (ii) novate any of its rights and obligations,under this document in any way permitted by the Security Trust Deed.
- (b) No Grantor may assign, novate or otherwise transfer any of its rights or obligations under this document without the prior written consent of the Secured Party.

## **15.8 No merger**

This document and the Powers are in addition to and do not merge with, postpone, lessen or otherwise prejudicially affect any other Transaction Document or any other right, power, authority, discretion, remedy or privilege of the Secured Party or any Beneficiary.

## **15.9 Blanks**

Each Grantor authorises the Secured Party to complete any blanks in this document or any document, of any nature, entered into or executed by any Grantor in connection with this document.

## **15.10 Confidentiality**

Except as required by law, for purposes of section 275(6) of the PPSA, each Grantor and the Secured Party agrees not to disclose information of the kind mentioned in section 275(1) of the PPSA except to the extent the Secured Party is permitted to disclose such information pursuant to clause 6.15 (Confidentiality - Security Trustee) of the Security Trust Deed.



## Schedule 1 – Grantors

<b>Name:</b>	<b>Novatti Group Limited</b>
ABN (or equivalent):	98 606 556 183
<b>Name:</b>	<b>Novatti Pty Ltd</b>
ABN:	44 100 681 758
<b>Name:</b>	<b>Flexewallet Pty Ltd</b>
ABN:	16 164 657 032
<b>Name:</b>	<b>Vasco Pay Pty Ltd</b>
ABN:	17 609 831 049
<b>Name:</b>	<b>Flexe Payments (AUS) Pty Ltd</b>
ABN:	19 630 617 640
<b>Name:</b>	<b>Emersion Systems Pty Ltd</b>
ABN:	48 639 490 154
<b>Name:</b>	<b>Novatti Acquiring Holdings Pty Ltd</b>
ABN:	36 647 518 447
<b>Name:</b>	<b>Novatti Payments Services Pty Ltd</b>
ABN:	80 643 243 869
<b>Name:</b>	<b>Novatti Acquiring Services (AUS) Pty Ltd</b>
ABN:	43 647 567 084
<b>Name:</b>	<b>Flexe Payments Solutions (AUS) Pty Ltd</b>
ABN	90 642 294 157
<b>Name:</b>	<b>Novatti Billing Solutions Pty Ltd</b>
ABN:	59 629 592 883
<b>Name:</b>	<b>AUDC Pty Ltd</b>
ABN:	69 637 164 722
<b>Name:</b>	<b>Novatti Affiliate Services Pty Ltd</b>
ABN:	29 647 571 444
<b>Name:</b>	<b>Novatti Trading Fx Pty Ltd</b>
ABN:	72 645 493 161
<b>Name:</b>	<b>Novatti Global Services Pty Ltd</b>
ABN:	68 644 643 069

## Schedule 2 - Initial Marketable Securities and Serial Numbered Property

### Initial Marketable Securities

Grantor (who holds shares in the Marketable Securities Issuer)	Marketable Securities Issuer	Initial Marketable Securities
Novatti Group Ltd	Reckon Limited (ABN 14 003 348 730)	22,518,138 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 19.88% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	Novatti Pty Ltd (ABN 44 100 681 758)	338,760 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Pty Ltd	Flexewallet Pty Ltd (ABN 16 164 657 032)	327,919 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	Vasco Pay Pty Ltd (ABN 17 609 831 049)	200 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	Flexe Payments (AUS) Pty Ltd (ABN 19 630 617 640)	1000 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	Emersion Systems Pty Ltd (48 639 490 154)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	Novatti Acquiring Holdings Pty Ltd (ABN 36 647 518 447)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.

Novatti Pty Ltd	Novatti Payments Services Pty Ltd (ABN 80 643 243 869)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Acquiring Holdings Pty Ltd	Novatti Acquiring Services (AUS) Pty Ltd (ABN 43 647 567 084)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Pty Ltd	Flexe Payments Solutions (AUS) Pty Ltd (ABN 90 642 294 157)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	Novatti Billing Solutions Pty Ltd (59 629 592 883)	100 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	AUDC Pty Ltd (ABN 69 637 164 722)	20,000,000 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Global Services Pty Ltd	Novatti Affiliate Services Pty Ltd (ABN 29 647 571 444)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Global Services Pty Ltd	Novatti Trading Fx Pty Ltd (ABN 72 645 493 161)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.
Novatti Group Ltd	Novatti Global Services Pty Ltd (ABN 68 644 643 069)	10 ordinary shares in the issued capital of the Marketable Securities Issuer, which at the date of this document comprises 100% of the issued share capital of the Marketable Securities Issuer.

### Serial Numbered Property as at the date of this document

Not applicable.

**Executed** as a deed.

**Executed by Novatti Group Limited ABN 98 606 556 183** in accordance with section 127 of the Corporations Act 2001 (Cth):

DocuSigned by:  
  
19C1508B90AC4AA  
Signature of director

Peter Cook

Full name of director who states that they are a director of **Novatti Group Limited ABN 98 606 556 183**

DocuSigned by:  
  
B6CA19C46E9142B  
Signature of company secretary/director

Steven Stamboultgis

Full name of company secretary/director who states that they are a company secretary/director of **Novatti Group Limited ABN 98 606 556 183**

**Signed, sealed and delivered** for and on behalf of **EQT Structured Finance Services Pty Ltd ABN 54 152 197 825** by its attorney under a power of attorney dated 18 September 2018 in the presence of:


Signature of witness who confirms that this document was signed in the witness' presence or signed in counterpart and witnessed over audio visual link in accordance with section 14G of the Electronic Transactions Act (NSW)

Full name of witness

Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

Full name of attorney

**Executed by Novatti Pty Ltd ABN 44 100 681 758** in accordance with section 127 of the Corporations Act 2001 (Cth):

DocuSigned by:  
  
19C1508B90AC4AA  
Signature of director

Peter Cook

Full name of director who states that they are a director of **Novatti Pty Ltd**

DocuSigned by:  
  
B6CA19C46E9142B  
Signature of company secretary/director

Steven Stamboultgis

Full name of company secretary/director who states that they are a company secretary/director of **Novatti Pty Ltd**

Executed as a deed.

Executed by **Novatti Group Limited ABN 98 606 556 183** in accordance with section 127 of the Corporations Act 2001 (Cth):

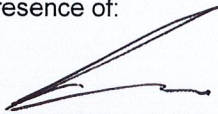
\_\_\_\_\_  
Signature of director

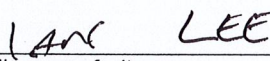
\_\_\_\_\_  
Signature of company secretary/director

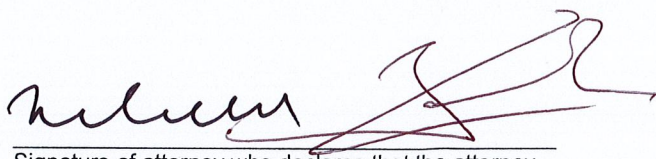
\_\_\_\_\_  
Full name of director who states that they are a director of **Novatti Group Limited ABN 98 606 556 183**

\_\_\_\_\_  
Full name of company secretary/director who states that they are a company secretary/director of **Novatti Group Limited ABN 98 606 556 183**

Signed, sealed and delivered for and on behalf of **EQT Structured Finance Services Pty Ltd ABN 54 152 197 825** by its attorney under a power of attorney dated 18 September 2018 in the presence of:

  
\_\_\_\_\_  
Signature of witness who confirms that this document was signed in the witness' presence or signed in counterpart and witnessed over audio-visual link in accordance with section 14G of the Electronic Transactions Act (NSW)

  
\_\_\_\_\_  
Full name of witness

  
\_\_\_\_\_  
Signature of attorney who declares that the attorney has not received any notice of the revocation of the power of attorney

**James Connell** **Kelvyn Ee**  
Authorised Person - Schedule II Authorised Person - Schedule III

\_\_\_\_\_  
Full name of attorney

Executed by **Novatti Pty Ltd ABN 44 100 681 758** in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of director who states that they are a director of **Novatti Pty Ltd**

\_\_\_\_\_  
Full name of company secretary/director who states that they are a company secretary/director of **Novatti Pty Ltd**







Executed by **Novatti Acquiring Services (AUS) Pty Ltd ABN 43 647 567 084** in accordance with section 127 of the Corporations Act 2001 (Cth):

DocuSigned by:  
  
19C1508B90AC4AA  
Signature of director

Peter Cook  
Full name of director who states that they are a director of **Novatti Acquiring Services (AUS) Pty Ltd**

DocuSigned by:  
  
B6CA19C46E9142B  
Signature of company secretary/director

Steven Stamboultgis  
Full name of company secretary/director who states that they are a company secretary/director of **Novatti Acquiring Services (AUS) Pty Ltd**

Executed by **Flexe Payments Solutions (AUS) Pty Ltd ABN 90 642 294 157** in accordance with section 127 of the Corporations Act 2001 (Cth):

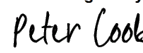
DocuSigned by:  
  
19C1508B90AC4AA  
Signature of director

Peter Cook  
Full name of director who states that they are a director of **Flexe Payments Solutions (AUS) Pty Ltd**

DocuSigned by:  
  
B6CA19C46E9142B  
Signature of company secretary/director

Steven Stamboultgis  
Full name of company secretary/director who states that they are a company secretary/director of **Flexe Payments Solutions (AUS) Pty Ltd**

Executed by **Novatti Billing Solutions Pty Ltd ABN 59 629 592 883** in accordance with section 127 of the Corporations Act 2001 (Cth):

DocuSigned by:  
  
19C1508B90AC4AA  
Signature of director

Peter Cook  
Full name of director who states that they are a director of **Novatti Billing Solutions Pty Ltd**

DocuSigned by:  
  
B6CA19C46E9142B  
Signature of company secretary/director

Steven Stamboultgis  
Full name of company secretary/director who states that they are a company secretary/director of **Novatti Billing Solutions Pty Ltd**





Executed by **Novatti Global Services Pty Ltd**  
**ABN 68 644 643 069** in accordance with  
section 127 of the Corporations Act 2001 (Cth):

DocuSigned by:  
*Peter Cook*  
19C1508B99AC4AA  
Signature of director

Peter Cook  
Full name of director who states that they are a  
director of **Novatti Global Services Pty Ltd**

DocuSigned by:  
*Steven Stamboultgis*  
B8CA19C26E9142B  
Signature of company secretary/director

Steven Stamboultgis  
Full name of company secretary/director who states  
that they are a company secretary/director of  
**Novatti Global Services Pty Ltd**