



**Loan to Motion Money Pty Ltd**

	Date	Narrative	Debit	Credit	Balance	Quantity
Loan to Motion Money Pty Ltd						
	01/07/2021	Opening Balance	\$	0.00	\$ 0.00	Cr
	02/07/2021	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 6,241.66	Cr
	02/08/2021	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 12,483.32	Cr
	02/09/2021	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 18,724.98	Cr
	04/10/2021	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 24,966.64	Cr
	02/11/2021	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 31,208.30	Cr
	02/12/2021	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 37,449.96	Cr
	04/01/2022	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 43,691.62	Cr
	02/02/2022	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 49,933.28	Cr
	02/03/2022	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 56,174.94	Cr
	04/04/2022	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 62,416.60	Cr
	05/05/2022	HALHEAD PAUL IAN Kunning	\$	6,241.66	\$ 68,658.26	Cr
	02/06/2022	MONTHLY INTEREST HALHEAD PAUL IAN 010842	\$	6,241.66	\$ 74,899.92	Cr
Total Loan to Motion Money Pty Ltd		\$	0.00	\$ 74,899.92	\$ 74,899.92	Cr
Total Loan to Motion Money Pty Ltd		\$	0.00	\$ 74,899.92	\$ 74,899.92	Cr

Interest Income

Loan to unrelated party  
Interest is paid in arrears

July 2019  
\$100K loan at 12% interest rate pa = \$1,000 pm (see p31)  
\$400K Loan at 18% interest rate pa = \$6,000 pm (see p24)

July 2020  
The loans were combined  
Total amount = \$500K at 14% pa = \$5,833.33 pm (See p15)

June 2020  
Due to COVID-19 the trustees agreed to capitalise the interest payments for 6 months (total of \$35,000) (see p9)  
Monthly interest capitalised was \$5,833.33

Dec 2020  
Total loan value including the capitalised amount \$535K at 14% = \$6241.66 pm (see p9)

At 30 June 2022 Loan balance = \$535,000

## Matthew Smith

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**From:** Matthew Smith  
**Sent:** Tuesday, October 24, 2017 2:36 PM  
**To:** 'Glenn Kunning'  
**Subject:** RE: Kunning's Super Fund

Hi Glen

As the investment is being made by the Super Fund and the legal fees are in regard to this investment the expense would relate to the Super Fund and can be paid by the super fund.

Should you have any other queries please contact me.

Kind regards

Matt

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**From:** Glenn Kunning [mailto:futurewaysptyltd@bigpond.com]  
**Sent:** Tuesday, October 24, 2017 2:22 PM  
**To:** Matthew Smith <MatthewS@virtusuper.com.au>  
**Subject:** Kunning's Super Fund

Hello Matthew

I'm looking to invest (\$100K for 12 months returning 12%) with a group some monies sitting in our NAB CMA super fund account. I used a lawyer to vet an agreement with this group. Just checking in if the legal fee I incurred (\$550) for the lawyer is something I can charge back to the Super fund ?

Look forward to your thoughts.

Regards  
Glenn Kunning  
Business Coach  
Futureways Pty Ltd  
M: 0408 752 205  
E: [futurewaysptyltd@bigpond.com](mailto:futurewaysptyltd@bigpond.com)



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## Rachel Green-Luther

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**From:** Glenn Kunning <futurewaysptyltd@bigpond.com>  
**Sent:** Thursday, July 12, 2018 8:23 PM  
**To:** Rachel Green-Luther  
**Cc:** Brad Hoffman  
**Subject:** Re: Kunning Super Fund - Tax returns 17-18 Info Request  
**Attachments:** NAB Super Fund June 2018 Statements.pdf; Alton Sibanda.pdf

Hello Rachel

GK - Responses below.

Regards

Glenn Kunning  
Business Coach  
Futureways Pty Ltd  
M: 0408 752 205  
E: [futurewaysptyltd@bigpond.com](mailto:futurewaysptyltd@bigpond.com)



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On 10 Jul 2018, at 2:30 PM, Rachel Green-Luther <[rachelg@virtusuper.com.au](mailto:rachelg@virtusuper.com.au)> wrote:

Hi Glenn,

Hope you the new financial year is treating you well.

I will be here to help you with any super questions you have.

Also, may I introduce you to Brad Hoffman, our new Associate Principal, who will be looking after your super fund with me – cc'd in on this email.

For your superfund's 2017/2018 financial accounts and tax returns, could you please:

3. Loan to Motion Money Pty Ltd:

- a. Confirm Motion Money Pty Ltd is an unrelated party of the super fund? GK -  
Yes, confirmed.

If you have any questions, please feel free to contact myself or Brad.

Kind regards,

## Rachel Green-Luther

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**From:** Glenn Kunning <futurewaysptyltd@bigpond.com>  
**Sent:** Friday, June 26, 2020 2:01 PM  
**To:** Rachel Green-Luther  
**Cc:** Brad Hoffman  
**Subject:** Variation Agreement  
**Attachments:** Signed Deed of Variation Motion Money.pdf

Hello Rachael

Hope all is well and you're staying safe.

Please find attached a signed deed of variation for funds invested with Motion Money. **In summary, I deferred payments for the next 6 months (due to Covid 19) and capitalised the interest to the principal.**

Glenn Kunning  
Business Coach  
Futureways Pty Ltd  
M: 0408 752 205  
E: [futurewaysptyltd@bigpond.com](mailto:futurewaysptyltd@bigpond.com)



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**SECOND DEED OF VARIATION  
OF LOAN AND GUARANTEE**

BETWEEN:

**MOTION MONEY PTY LTD ACN 617 641 620**

"the Debtor"

AND:

**KUNNING PTY LTD ACN 622 605 878**

**AS TRUSTEE FOR THE KUNNING SUPERFUND**

"the Lender"

AND:

**PAUL IAN HALHEAD**

"the Guarantor"



**1/322 Old Cleveland Road**

**Coorparoo Qld 4151**

**P. (07) 3236 3999**

**F. (07) 3236 4506**

**E. [email@gsrlawyers.com.au](mailto:email@gsrlawyers.com.au)**

**W. [www.gsrlawyers.com.au](http://www.gsrlawyers.com.au)**

**THIS SECOND DEED OF VARIATION OF LOAN & GUARANTEE** made this <sup>18<sup>th</sup></sup> day of **JUNE** 2020.

**BETWEEN:** **MOTION MONEY PTY LTD ACN 617 641 620** of C/- Level 3/471 Adelaide Street, Brisbane in the State of Queensland.

“the Debtor”

**AND:** **KUNNING PTY LTD ACN 622 605 878 AS TRUSTEE FOR THE KUNNING SUPERFUND** of C/- Level 1/322 Old Cleveland Road, Coorparoo in the State of Queensland (hereinafter with his successors and assigns called “the Lender”).

“the Lender”

**AND:** **PAUL IAN HALHEAD** of C/- Level 3/471 Adelaide Street, Brisbane in the State of Queensland (hereinafter jointly and severally with their successors and assigns called “the Guarantor”).

“The Guarantor”

**RECITALS:**

- A. The Parties are Parties to the Transaction Documents.
- B. The Debtor and Guarantor have requested the Lender to vary the terms of the Transaction Documents on certain terms which the Lender has agreed to do upon the Debtor and the Guarantor entering into this Second Deed of Variation of Loan and Guarantee.

**OPERATIVE COVENANTS: -**

**1. DEFINITIONS:**

**“Capitalised Principal Sum”** means the sum of \$535,000.00.

**“First Deed of Variation of Loan and Guarantee”** means the Deed of Variation of Loan and Guarantee made 31<sup>st</sup> October 2019 between the Debtor, Lender and Guarantor.

**“Further Advance Deed”** means the Deed of Further Advance and Guarantee made 1<sup>st</sup> October 2018 between the Debtor, Lender and Guarantor.

**“Loan Deed”** means the Deed of Loan between the Debtor, Lender and Guarantor made 1<sup>st</sup> December 2017.

**“Parties”** means the Debtor, Lender and Guarantor.

**“Transaction Documents”** means the Loan Deed, Further Advance Deed and First Deed of Variation of Loan and Guarantee.

**2. INTERPRETATION:**

- a) The definitions of the terms set forth in Clause 1 of the Transaction Documents shall have the same meaning when used or referred to in this Deed.
- b) Words denoting the singular number only shall include the plural number and vice versa words importing any gender shall include every gender and words denoting individual persons only shall include corporations.
- c) A reference in this Deed to any Act of Parliament or any section thereof shall be read as though the words "or any statutory modification or re-enactment thereof or any statutory provision substituted therefor" were added to such reference.
- d) The expression "\$" or "dollars" means Australian dollars unless otherwise provided.
- e) Every agreement or obligation expressed or implied in this Deed by which two or more persons agree or are bound shall (except where otherwise expressly stated) bind such persons jointly and each of them severally and every provision expressed or implied in this Deed which applies to two or more persons shall (except where otherwise expressly stated) apply to such persons jointly and each of them severally.
- f) The headings in this Deed are included for convenience only and shall not affect the construction of this Deed.

**3. VARIATION**

- 3.1 The Parties agree that the terms of the Transaction Documents are varied as outlined set out hereunder: -

**4. PRINCIPAL AND INTEREST REPAYMENT PAUSE:**

- 4.1 The Lender agrees at the request of the Debtor and Guarantor to pause the repayment for the Debtor to pay interest on the New Principal Sum from 1<sup>st</sup> May 2020 to the 31<sup>st</sup> October 2020 on the basis hereunder that such interest due totalling \$35,000.00 will be capitalised and added to the New Principal Sum such that interest will recommence to be paid on the Capitalised Principal Sum as and from the 1<sup>st</sup> November 2020 in arrears, the first of such payments therein being due and payable on 1<sup>st</sup> December 2020 in the sum of \$6,241.66.

- 4.2 Extension of Settlement Date

The Settlement Date in the Transaction Documents is extended to 1<sup>st</sup> December 2022.

## **5. FINANCIAL HARDSHIP**

- 5.1 The Parties hereto agree that the provisions of Clause 4 of the Further Advance Deed will continue to apply to the Capitalised Principal Sum from the date of this Deed to the Settlement Date mutatis mutandis.

## **6. CONTINUING GUARANTEE**

- 6.1 The Guarantor as guarantor of the obligations of the Debtor under the Transaction Documents in favour of the Lender hereby acknowledges and agrees that he has requested the Lender to vary the terms of the Transaction Documents as set out herein and that all of his obligations as referred to in the Transaction Documents as guarantor in favour of the Lender continue to apply mutatis mutandis to the Capitalised Principal Sum on the terms of this Second Deed of Variation of Loan and Guarantee as if they had been set out in full herein.

## **7. CONTINUING SECURITY**

- 7.1 The Debtor acknowledges and agrees that the Security given by the Debtor under the Transaction Documents continues to secure the Capitalised Principal Sum on the terms of this Second Deed of Variation of Loan and Guarantee.
- 7.2 The Debtor must do all things as the Lender may require from time to time to:
- a) ensure that the Security given by the Debtor is a Perfected Security Interest and Perfected by Control to the extent possible and as referred to under the *Personal Property and Security Act* ("the PPS Act"); and
  - b) enable the Lender to register fully valid and effective Financing Statements or Financing Change Statements with respect to the Security as referred to in the PPS Act.

## **8. ACKNOWLEDGEMENT**

The Debtor and Guarantor hereby acknowledge that: -

- a) The covenants and terms contained in the Transaction Documents shall, subject to the variations made by this Deed, continue to be of full force and effect provided

that to the extent of any inconsistency between the terms of the Transaction Documents and the terms of this Deed, then the terms of this Deed shall prevail;

- b) The Transaction Documents shall henceforth be read and construed as one with this Deed and subject to the variations thereto made by this Deed so that a default by the Debtor and or Guarantor under this Deed shall be deemed to be a breach by the Debtor and Guarantor of the covenants under the Transaction Documents as if the obligations herein contained had been expressly contained in the Transaction Documents as covenants on the part of the Debtor and Guarantor;
- c) Nothing herein contained shall in any way be construed as a release in favour of the Debtor and Guarantor from their obligations and liabilities under the covenant's terms and conditions of the Transaction Documents;

## **9. COSTS**

The Debtor shall pay the legal costs of the Lender on a Solicitor and own client basis in relation to the preparation, execution and stamping (if applicable) of this Second Deed of Variation of Loan and Guarantee and of the copies thereof.

## **10. GENERAL**

### 10.1 No Waiver

A failure, delay, relaxation or indulgency by a party in exercising any power or right conferred on the party by this deed does not operate as a waiver of the power or right. A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this deed. A waiver of a breach does not operate as a waiver of any other breach.

### 10.2 Severability

If any provision of this deed offends any law applicable to it and is as a consequence illegal, invalid or unenforceable then:

- a. Where the offending provision can be read down so as to give it a valid and enforceable operation of a partial nature it must be read down to the extent necessary to achieve that result; and

In any other case the offending provision must be severed from this deed in which event the remaining provisions of the deed operate as if the severed provision had not been included.

10.3 Successors and Assigns

This deed binds and benefits the parties and their respective successors and permitted assigns.

10.4 Counterparts

If this deed consists of a number of counterparts, each is an original and all of the counterparts together constitute the same document.

10.5 No Adverse Condition

This deed is not to be construed to the disadvantage of a party because that party was responsible for its preparation.

10.6 Governing Law and Jurisdiction

This deed is governed by and must be construed in accordance with the laws of the State of Queensland. The parties submit to the non-exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters or things arising out of this deed.

10.7 Time of the Essence

Times limited in this Deed are essential, unless otherwise stated.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and year herein before mentioned.

**EXECUTED BY MOTION MONEY PTY LTD** )  
**ACN 617 641 620** In accordance with s 127(2) of )  
the Corporations Act in the presence of )

  
.....

.....  
Signature of Witness

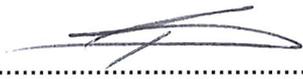
**EXECUTED BY KUNNING PTY LTD ACN** )  
**622 605 878 AS TRUSTEE FOR THE** )  
**KUNNING SUPERFUND** )  
In accordance with s 127(2) of the )

Corporations Act in the presence of

)  
)   
).....

.....  
Signature of Witness 

**SIGNED SEALED AND DELIVERED** by the  
said **PAUL IAN HALHEAD**  
in the presence of:

)  
)  
)   
).....

.....  
Signature of Witness 

# DEED OF VARIATION OF LOAN AND GUARANTEE

BETWEEN:

**MOTION MONEY PTY LTD ACN 617 641 620**

"the Debtor"

AND:

**KUNNING PTY LTD ACN 622 605 878**

**AS TRUSTEE FOR THE KUNNING SUPERFUND**

"the Lender"

AND:

**PAUL IAN HALHEAD**

"the Guarantor"



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W. [www.gsrlawyers.com.au](http://www.gsrlawyers.com.au)

**THIS DEED OF VARIATION OF LOAN & GUARANTEE** made this 31<sup>st</sup> day of OCT 2019.

**BETWEEN:** **MOTION MONEY PTY LTD ACN 617 641 620** of C/- Level 3/471 Adelaide Street, Brisbane in the State of Queensland.

“the Debtor”

**AND:** **KUNNING PTY LTD ACN 622 605 878 AS TRUSTEE FOR THE KUNNING SUPERFUND** of C/- Level 1/322 Old Cleveland Road, Coorparoo in the State of Queensland (hereinafter with his successors and assigns called “the Lender”).

“the Lender”

**AND:** **IAN PAUL HALHEAD** of C/- Level 3/471 Adelaide Street, Brisbane in the State of Queensland (hereinafter jointly and severally with their successors and assigns called “the Guarantor”).

“The Guarantor”

**RECITALS:**

- A. The Parties are Parties to the Loan Deed and Further Advance Deed.
- B. The Debtor and Guarantor have requested the Lender to vary the terms of the Loan Deed and Further Advance Deed on certain terms which the Lender has agreed to do upon the Debtor and the Guarantor entering into this Deed of Variation of Loan and Guarantee.

**OPERATIVE COVENANTS: -**

**1. DEFINITIONS:**

“**Further Advance Deed**” means the Deed of Further Advance and Guarantee made 1<sup>st</sup> October 2018 between the Debtor, Lender and Guarantor.

“**New Principal Sum**” means the amount set out in clause 3.1.

“**New Interest Rate**” means the rate of 14% per annum.

“**New Interest Commencement Date**” means the 1<sup>st</sup> December 2019.

“**Loan Deed**” means the Deed of Loan between the Debtor, Lender and Guarantor made 1<sup>st</sup> December 2017.

“**Parties**” means the Debtor, Lender and Guarantor.

**2. INTERPRETATION:**

- a) The definitions of the terms set forth in Clause 1 of the Loan Deed and Further Advance Deed shall have the same meaning when used or referred to in this Deed.

- b) Words denoting the singular number only shall include the plural number and vice versa words importing any gender shall include every gender and words denoting individual persons only shall include corporations.
- c) A reference in this Deed to any Act of Parliament or any section thereof shall be read as though the words "or any statutory modification or re-enactment thereof or any statutory provision substituted therefor" were added to such reference.
- d) The expression "\$" or "dollars" means Australian dollars unless otherwise provided.
- e) Every agreement or obligation expressed or implied in this Deed by which two or more persons agree or are bound shall (except where otherwise expressly stated) bind such persons jointly and each of them severally and every provision expressed or implied in this Deed which applies to two or more persons shall (except where otherwise expressly stated) apply to such persons jointly and each of them severally.
- f) The headings in this Deed are included for convenience only and shall not affect the construction of this Deed.

### **3. AMALGAMATION OF LOANS:**

- 3.1 The Parties agree that the Original Principal Sum of \$100,000.00 under the Loan Deed and the Further Advance of \$400,000.00 under the Further Advance Deed will be amalgamated, such that the "New Principal Sum" will be \$500,000.00.

### **4. EXTENSION OF SETTLEMENT DATE:**

- 4.1 The Settlement Date in the Loan Deed and Further Advance Deed is extended to 1 December 2021.

### **5. NEW INTEREST RATE**

- 5.1 As and from the New Interest Commencement Date, the Debtor will pay to the Lender interest on the New Principal Sum or on so much thereof as shall remain owing from time to time at the New Interest Rate calculated and chargeable in the first place from the New Interest Commencement Date and payable monthly in arrears, the first of such payment being due one month after the New Interest Commencement Date and payable calendar monthly thereafter on the same day each month until the Settlement Date.

### **6. VARIATION OF EARLY DISCHARGE**

- 6.1 The Parties hereto agree that Clause 4.01 of the Loan Deed shall be amended by deleting the words "THIRTY (30)" and in lieu thereof inserting the words "NINETY (90)".

### **7. FINANCIAL HARDSHIP**

- 7.1 The Parties hereto agree that the provisions of Clause 4 of the Further Advance Deed will continue to apply to the New Principal Sum from the New Interest Commencement Date to the Settlement Date mutatis mutandis.

## **8. CONTINUING GUARANTEE**

- 8.1 The Guarantor as guarantor of the obligations of the Debtor under the Loan Deed and Further Advance Deed in favour of the Lender hereby acknowledges and agrees that he has requested the Lender to vary the terms of the Loan Deed and Further Advance Deed as set out herein and that all of his obligations as referred to in the Loan Deed and Further Advance Deed as guarantor in favour of the Lender continue to apply mutatis mutandis to the New Principal Sum on the terms of this Deed of Variation of Loan and Guarantee as if they had been set out in full herein.

## **9. CONTINUING SECURITY**

- 9.1 The Debtor acknowledges and agrees that the Security given by the Debtor under the Loan Deed continues to secure the New Principal Sum on the terms of this Deed of Variation of Loan and Guarantee.
- 9.2 The Debtor must do all things as the Lender may require from time to time to:
- a) ensure that the Security given by the Debtor is a Perfected Security Interest and Perfected by Control to the extent possible and as referred to under the *Personal Property and Security Act* ("the PPS Act"); and
  - b) enable the Lender to register fully valid and effective Financing Statements or Financing Change Statements with respect to the Security as referred to in the PPS Act.

## **10. ACKNOWLEDGEMENT**

The Debtor and Guarantor hereby acknowledge that: -

- a) The covenants and terms contained in the Loan Deed and Further Advance Deed shall, subject to the variations made by this Deed, continue to be of full force and effect provided that to the extent of any inconsistency between the terms of the Loan Deed and Further Advance Deed and the terms of this Deed, then the terms of this Deed shall prevail;
- b) The Loan Deed and Further Advance Deed shall henceforth be read and construed as one with this Deed and subject to the variations thereto made by this Deed so that a default by the Debtor and or Guarantor under this Deed shall be deemed to be a breach by the Debtor and Guarantor of the covenants under the Loan Deed and Further Advance Deed as if the obligations herein contained had

been expressly contained in the Loan Deed and Further Advance Deed as covenants on the part of the Debtor and Guarantor;

- c) Nothing herein contained shall in any way be construed as a release in favour of the Debtor and Guarantor from their obligations and liabilities under the covenant's terms and conditions of the Loan Deed and Further Advance Deed;

## **11. COSTS**

The Debtor shall pay the legal costs of the Lender on a Solicitor and own client basis in relation to the preparation, execution and stamping (if applicable) of this Deed of Variation of Loan and Guarantee and of the copies thereof.

## **12. GENERAL**

### **12.1 No Waiver**

A failure, delay, relaxation or indulgency by a party in exercising any power or right conferred on the party by this deed does not operate as a waiver of the power or right. A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this deed. A waiver of a breach does not operate as a waiver of any other breach.

### **12.2 Severability**

If any provision of this deed offends any law applicable to it and is as a consequence illegal, invalid or unenforceable then:

- a. Where the offending provision can be read down so as to give it a valid and enforceable operation of a partial nature it must be read down to the extent necessary to achieve that result; and

In any other case the offending provision must be severed from this deed in which event the remaining provisions of the deed operate as if the severed provision had not been included.

### **12.3 Successors and Assigns**

This deed binds and benefits the parties and their respective successors and permitted assigns.

### **12.4 Counterparts**

If this deed consists of a number of counterparts, each is an original and all of the counterparts together constitute the same document.

### **12.5 No Adverse Condition**

This deed is not to be construed to the disadvantage of a party because that party was responsible for its preparation.

### **12.6 Governing Law and Jurisdiction**

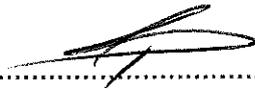
This deed is governed by and must be construed in accordance with the laws of the State of Queensland. The parties submit to the non-exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters or things arising out of this deed.

12.7 Time of the Essence

Times limited in this Deed are essential, unless otherwise stated.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and year herein before mentioned.

EXECUTED BY **MOTION MONEY PTY LTD** )  
**ACN 617 641 620** In accordance with s 127(2) of )  
the Corporations Act in the presence of )

  
.....

  
.....  
Signature of Witness

EXECUTED BY **KUNNING PTY LTD ACN** )  
**622 605 878 AS TRUSTEE FOR THE** )  
**KUNNING SUPERFUND** )  
In accordance with s 127(2) of the )  
Corporations Act in the presence of )

  
.....

  
.....  
Signature of Witness

SIGNED SEALED AND DELIVERED by the )  
said **IAN PAUL HALHEAD** )  
in the presence of: )

  
.....

  
.....  
Signature of Witness

# DEED OF PRIORITY ACKNOWLEDGMENT

*BETWEEN:*

**KUNNING PTY LTD ACN 622 605 878  
AS TRUSTEE FOR THE KUNNING SUPERFUND  
"Kunning"**

AND

**TRACEY ZEKULICH PTY LTD ACN 627 943 131  
AS TRUSTEE FOR THE TRACEY HAWTHORNE  
SUPERANNUATION FUND  
"Hawthorne"**



Level 1, 322 Old Cleveland Road  
Coorparoo Qld 4151

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W. [www.gsrlawyers.com.au](http://www.gsrlawyers.com.au)

THIS DEED OF PRIORITY ACKNOWLEDGEMENT made this <sup>1<sup>ST</sup></sup> day of <sup>OCTOBER</sup>  
2018

BETWEEN: **KUNNING PTY LTD ACN 622 605 878 AS TRUSTEE FOR THE KUNNING SUPERFUND** of C/- 1/322 Old Cleveland Road, Coorparoo in the State of Queensland (herein called "Kunning")

AND: **TRACEY ZEKULICH PTY LTD ACN 627 943 131 AS TRUSTEE FOR THE TRACEY HAWTHORNE SUPERANNUATION FUND** of C/- 1/322 Old Cleveland Road, Coorparoo in the State of Queensland (herein called "Hawthorne")

**RECITALS:**

- A. Kunning has lent and advanced to Motion Money Pty Ltd ("the Debtor") the sum of \$100,000.00 and holds a registered General Security Agreement by the Debtor to secure repayments thereof ("The Kunning Security").
- B. Kunning is about to make a further advance of \$400,000.00 to the Debtor to be added to the original advance and continue to be secured by the Kunning Security.
- C. Hawthorne is about to make on advance of \$100,000.00 to the Debtor to be secured by a second ranking registered General Security Agreement by the Debtor to secure repayment thereof ("the Hawthorne Security")
- D. The parties wish to regulate their priority of their respective securities.

**OPERATIVE**

**1. PRIORITY**

Hawthorne acknowledge and agrees that the further advance by Kunning referred to in Recital B to be secured by the Kunning Security is to rank as part of the Principal Sum referred to therein in priority to the subsequent Hawthorne Security.

**2. PROPERTY LAW ACT**

The Parties agree this Deed is made as an arrangement pursuant to Section 82(1)(a) of the *Property Law Act* (Qld).

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and date hereinbefore mentioned.

EXECUTED BY TRACEY ZEKULICH )  
PTY LTD ACN 627 943 131 AS )  
TRUSTEE FOR THE TRACEY )  
HAWTHORNE SUPERANNUATION )  
FUND in accordance with Section 127(2) )  
of the Corporations Act 2001 )  
in the presence of:- )

*Hawthorne*

*[Signature]*  
Witness Jessica Hodgkinson

EXECUTED BY KUNNING PTY LTD )  
ACN 622 605 878 AS TRUSTEE )  
FOR THE KUNNING SUPERFUND in )  
accordance with Section 127(2) of the )  
Corporations Act 2001 )  
in the presence of:- )

*[Signature]*

*[Signature]*  
Witness Jessica Hodgkinson

# DEED FOR FURTHER ADVANCE AND GUARANTEE

*BETWEEN:*

**MOTION MONEY PTY LTD ACN 617 641 620**  
"the Debtor"

**KUNNING PTY LTD ACN 622 605 878**  
**AS TRUSTEE FOR THE KUNNING SUPERFUND**

"the Lender"

**AND**

**PAUL IAN HALHEAD**

"The Guarantor"



Level 1, 322 Old Cleveland Road  
Coorparoo Qld 4151

P. (07) 3236 3999

F. (07) 3236 4506

E. [email@gsrlawyers.com.au](mailto:email@gsrlawyers.com.au)

W. [www.gsrlawyers.com.au](http://www.gsrlawyers.com.au)

THIS DEED FOR FURTHER ADVANCE AND GUARANTEE is made this <sup>1<sup>st</sup></sup> day of  
OCTOBER 2018.

BETWEEN: **MOTION MONEY PTY LTD ACN 617 641 620** of c/- Level 3/ 471 Adelaide Street, Brisbane, in the State of Queensland (hereinafter with its successors called "the Debtor") of the First Part

AND: **KUNNING PTY LTD ACN 622 605 878 AS TRUSTEE FOR THE KUNNING SUPERFUND** of c/- Level 1/ 322 Old Cleveland Road, Coorparoo, in the State of Queensland (hereinafter with his successors and assigns called "the Lender") of the Second Part

AND: **PAUL IAN HALHEAD** of c/- Level 3/ 471 Adelaide Street, Brisbane, in the State of Queensland (hereinafter with his successors and assigns called "the Guarantor")

RECITALS:

- A. The Parties are parties to the Loan Deed.
- B. Clause 3.03 of the Loan Deed provides for the making of further advances to the Debtor to form part of the Principal Sum if requested by the Debtor which the Lender may make in its absolute and unfettered discretion.
- C. The Debtor and Guarantor have requested the Lender to lend and advance the Further Advance to the Debtor.
- D. The Lender has agreed to advance the Further Advance on the Debtor and Guarantor agreeing to enter into this Deed on the terms herein.

OPERATIVE PART:

NOW THIS DEED WITNESSES and the Debtor and the Guarantor do hereby jointly and severally covenant and agree with the Lender as follows:-

**1.1 DEFINITIONS**

"Further Advance" means the sum of (Four Hundred Thousand Dollars) \$400,000.00 to be lent by the Lender as a further advance to the Debtor to be added to and be part of the Principal Sum referred to in the Loan Deed on the continuing security of the Security

- "Further Advance Date" means the date on which the advance of the Further Advance shall be made by the Lender to the Debtor, such date being not later than seven (7) days from the date of this Deed.
- "Loan Deed" means the Deed of Loan and Guarantee between the parties hereto dated 1<sup>st</sup> December 2017.
- "Parties" means the Debtor, Lender and Guarantor.

## 1.2 INTERPRETATION

- a) Words denoting the singular number only shall include the plural number and vice versa words importing any gender shall include every gender and words denoting individual persons only shall include corporations.
- b) A reference in this Deed to any Act of Parliament or any section thereof shall be read as though the words "or any statutory modification or re-enactment thereof or any statutory provision substituted therefor" were added to such reference.
- c) The expression "\$" or "dollars" means Australian dollars unless otherwise provided.
- d) Every agreement or obligation expressed or implied in this Deed by which two or more persons agree or are bound shall (except where otherwise expressly stated) bind such persons jointly and each of them severally and every provision expressed or implied in this Deed which applies to two or more persons shall (except where otherwise expressly stated) apply to such persons jointly and each of them severally.
- e) The headings in this Deed are included for convenience only and shall not affect the construction of this Deed.
- f) The definitions of the terms set forth in Clause 1 of the Loan Deed shall have the same meaning when used or referred to in this Deed.

## 2. FURTHER ADVANCE AND REPAYMENT

- 2.1 The lender at the request of the Debtor and Guarantor shall lend and advance the further Advance to the Debtor on the Further Advance Date.
- 2.2 The Debtor agrees on or before the Settlement Date (Subject always to the provisions of Clause 4 hereunder) to repay to the lender the Principal Sum (including the Further Advance) and any interest charges, costs and expenses which may be due by the Debtor hereunder.

### **3. INTEREST ON FURTHER ADVANCE**

- 3.1 The Debtor will pay to the lender interest on the Further Advance or on so much thereof as shall remain owing from time to time at the Higher Interest Rate calculated and chargeable in the first place from the Further Advance Date and payable monthly in arrears the first of such payment being due one month after the Further Advance date and payable calendar monthly thereafter on the same day each month until the Settlement Date.
- 3.2 The Parties acknowledge that the provisions of Clause 3.01 of the Loan Deed will continue to apply to the original advance of \$100,000.00 only referred to in the Loan Deed and that the proviso in Clause 3.01 referring to the Lower Interest Rate will not apply to the Further Advance.

### **4. FINANCIAL HARDSHIP**

- 4.1 In the occurrence of Financial Hardship by the Lender as described in Clause 4.2 herein the Lender may demand that the Debtor immediately repay the Principal Sum (including the Further Advance) and interest thereon and any costs charges or expenses relevant thereto and recover same from the Debtor upon giving the Borrower THIRTY (30) days' notice in writing of its requirement for it to do so.
- 4.2 For the purposes of Clause 4.1, an event of "Financial Hardship" means: -
- a) The death of Glenn Jude Kunning;
  - b) If the Lender is a company and if an application for winding up or similar process of the Lender is presented or an order is made or any effective resolution is passed for the winding up of the Lender or if any shareholder or director of the Lender either calls or threatens to call any meeting for the purpose of considering or passing any resolution for the winding up or similar process of the Lender is insolvent or likely to become insolvent at some future time and an administrator of the Lender should be appointed;
  - c) If proceedings are initiated with a view to obtaining an order for the winding up or analogous process of the Lender if a company or any shareholder or director either calls or threatens to call any meeting for the purpose of considering passing any resolution for the winding up or analogous process of the Lender;
  - d) If a Receiver, Receiver and Manager, Controller, Managing Controller, Administrator, Liquidator, Provisional Liquidator, Trustee, Inspector, Official Manager or similar person is appointed to the undertaking of the Lender or any part of it;
  - e) If a judgement is entered against the Lender or Glenn Jude Kunning for an amount of \$10,000.00 or more;
  - f) If Glenn Jude Kunning loses his employment during the Term;
  - g) If Glenn Jude Kunning becomes totally permanently disabled or loses his mental capacity as determined by a qualified medical practitioner.

## **5. CONTINUING GUARANTEE**

5.1 The Guarantor as guarantor of the obligations of the Debtor under the Loan Deed in favour of the Lender hereby acknowledge and agree that he has requested the Lender make the Further Advance to the Debtor and that all of his obligations as referred to in the Loan Deed or guarantor in favour of the Lender apply mutatis mutandis to the Further Advance made to the Debtor as if they had been set out in full herein.

## **6. CONTINUING SECURITY**

6.1 The Debtor acknowledges and agrees that the Security given by the Debtor under the Loan Deed also secures the Further Advance as part of the Principal Sum therein.

6.2 The Debtor must do all things as the Lender may require from time to time to:

- a) ensure that the Security given by the Debtor is a Perfected Security Interest and Perfected by Control to the extent possible and as referred to under the *Personal Property and Security Act* ("the PPS Act"); and
- b) enable the Lender to register fully valid and effective Financing Statements or Financing Change Statements with respect to the Security as referred to in the PPS Act.

## **7. VARIATION OF LOAN DEED**

The Parties agree that the Lender consents to the Debtor granting a second registered Security in favour of Tracey Zekulich Pty Ltd as Trustee for Tracey Hawthorne Superannuation Fund which will not be treated as a breach of the provision of Clause 6.02 of the Loan Deed.

## **8. ACKNOWLEDGEMENT**

8.1 The Debtor and Guarantor hereby acknowledge that: -

- a) The covenants and terms contained in the Loan Deed shall subject to the variations made by this Deed continue to be of full force and effect provided that to the extent of any inconsistency between the terms of the Loan Deed and the terms of this Deed then the terms of this Deed shall prevail;
- b) The Loan Deed shall henceforth be read and construed as one with this Deed and subject to the variations thereto made by this Deed so that a default by the Debtor and or Guarantor under this Deed shall be deemed to be a breach by the Debtor and Guarantor of the covenants on the part of the Debtor and Guarantor;
- c) A reference in the Security to the Loan Deed as a Transaction Document will be deemed to include a reference to this Deed of Further Advance and Guarantee;

- d) Nothing herein contained shall in any way be construed as a release in favour of the Debtor or Guarantor from their obligations and liabilities under the covenants terms and conditions of the Loan Deed.

## **9. General**

### **9.1 No Waiver**

A failure, delay, relaxation or indulgency by a party in exercising any power or right conferred on the party by this deed does not operate as a waiver of the power or right. A single or partial exercise of the power or right does not preclude a further exercise of it or the exercise of any other power or right under this deed. A waiver of a breach does not operate as a waiver of any other breach.

### **9.2 Severability**

If any provision of this deed offends any law applicable to it and is as a consequence illegal, invalid or unenforceable then:

- a. Where the offending provision can be read down so as to give it a valid and enforceable operation of a partial nature it must be read down to the extent necessary to achieve that result; and

In any other case the offending provision must be severed from this deed in which event the remaining provisions of the deed operate as if the severed provision had not been included.

### **9.3 Successors and Assigns**

This deed binds and benefits the parties and their respective successors and permitted assigns.

### **9.4 Costs**

The Debtor must pay the Lender's legal costs of and incidental to the preparation of this Deed.

### **9.5 Counterparts**

If this deed consists of a number of counterparts, each is an original and all of the counterparts together constitute the same document.

### **9.6 No Adverse Condition**

This deed is not to be construed to the disadvantage of a party because that party was responsible for its preparation.

### **9.7 Governing Law and Jurisdiction**

This deed is governed by and must be construed in accordance with the laws of the State of Queensland. The parties submit to the non-exclusive jurisdiction of

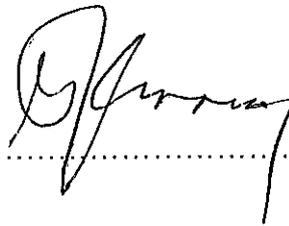
the courts of that State and the Commonwealth of Australia in respect of all matters or things arising out of this deed.

9.8 Time of the Essence

Times limited in this Deed are essential, unless otherwise stated.

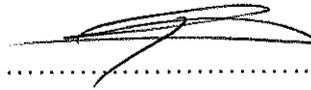
IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and date hereinbefore mentioned.

EXECUTED BY **KUNNING PTY LTD** )  
**ACN 622 605 878 AS TRUSTEE** )  
**FOR THE KUNNING SUPERFUND** in )  
accordance with Section 127(2) of the )  
Corporations Act 2001 )  
as a Lender in the presence of:- )



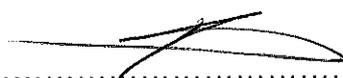
.....  
Witness 

EXECUTED BY **MOTION MONEY** )  
**PTY LTD ACN 617 641 620** in )  
accordance with Section 127(2) of the )  
Corporations Act 2001 as a Debtor in )  
the presence of:- )



.....  
Witness 

SIGNED, SEALED AND DELIVERED )  
by **PAUL IAN HALHEAD** )  
as a Guarantor in the presence of:- )



.....  
Witness 

# DEED OF LOAN AND GUARANTEE

*BETWEEN:*

MOTION MONEY PTY LTD ACN 617 641 620

"the Debtor"

*R*

*KUNNING PTY LTD*

~~GLENN JUDE KUNNING~~ AS TRUSTEE FOR THE KUNNING  
SUPERFUND

"the Lender"



Level 1, 322 Old Cleveland Road  
Coorparoo Qld 4151

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E. [email@gsrlawyers.com.au](mailto:email@gsrlawyers.com.au)

W. [www.gsrlawyers.com.au](http://www.gsrlawyers.com.au)

THIS DEED OF LOAN AND GUARANTEE is made this 1st day of December 2017.

BETWEEN: **MOTION MONEY PTY LTD ACN 617 641 620** of c/- Level 3/ 471 Adelaide Street, Brisbane, in the State of Queensland (hereinafter with its successors called "the Debtor") of the First Part

AND: ~~GLENN JUDE KUNNING~~ <sup>KUNNING PTY LTD</sup> AS TRUSTEE FOR THE **KUNNING SUPERFUND** of c/- Level 1/ 322 Old Cleveland Road, Coorparoo, in the State of Queensland (hereinafter with his successors and assigns called "the Lender") of the Second Part

AND: **PAUL IAN HALHEAD** of c/- Level 3/ 471 Adelaide Street, Brisbane, in the State of Queensland (hereinafter with his successors and assigns called "the Guarantor")

#### RECITALS:

- A. The Debtor and Guarantor have requested the Lender to lend and advance to the Debtor the Principal Sum.
- B. The Lender has agreed to advance the Principal Sum on the Debtor and Guarantor agreeing to enter into this Deed and the Security.

#### OPERATIVE PART:

NOW THIS DEED WITNESSES and the Debtor and the Guarantor do hereby jointly and severally covenant and agree with the Lender as follows:-

#### 1. DEFINITIONS

- "Advance Date" means the date on which the advance of the Principal Sum shall be made, such date being seven (7) days from the date of this Deed.
- "Conditions Precedent" means the conditions precedent to the advance of the Principal Sum as specified in clause 2.02 herein this Deed.
- "Debtor" means Motion Money Pty Ltd ACN 617 641 620 and its successors.
- "Encumbrances" means a Mortgage pledge lien or charge of any kind including any possessory lien
- "Event of Default" means any of the events specified in Clause 6 hereof

"Higher Interest Rate" means the rate set out in Schedule 3.

"Lower Interest Rate" means the rate set out in Schedule 2.

"Moneys Hereby Secured" means the aggregate of:-

- (a) the Principal Sum;
- (b) any and all charges, interest, costs or expenses which may be charged hereunder or under the Security;
- (c) all other moneys paid by the Lender on behalf of the Debtor pursuant to this Deed or the Security

"Month" means a calendar month

"Principal Sum" means the sum of (One Hundred Thousand Dollars) \$100,000.00 to be lent by Lender to the Debtor on the security of the Security

"Receiver" includes a receiver and a receiver and manager

"Security" means the security to be given by the Debtor to the Lender particularised in Schedule 1 hereto.

"Settlement Date" the date in Schedule 4

"Term of the Loan" means 2 years from the date Advance Date.

"Subsidiary" means a corporation which is or would be a subsidiary of the Debtor within the meaning of the Corporations Act and includes any future subsidiary.

"Writing" includes printing typing lithography and other modes of reproducing words in a visible form and "written" has a corresponding meaning.

Words denoting the singular number only shall include the plural number and vice versa words importing any gender shall include every gender and words denoting individual persons only shall include corporations.

A reference in this Deed to any Act of Parliament or any section thereof shall be read as though the words "or any statutory modification or re-enactment thereof or any statutory provision substituted therefor" were added to such reference.

The expression "\$" or "dollars" means Australian dollars unless otherwise provided.

Every agreement or obligation expressed or implied in this Deed by which two or more persons agree or are bound shall (except where otherwise expressly stated) bind such persons jointly and each of them severally and every provision expressed or implied in this Deed which applies to two or more persons shall (except where otherwise expressly stated) apply to such persons jointly and each of them severally.

The headings in this Deed are included for convenience only and shall not affect the construction of this Deed.

## **2. CONDITIONS PRECEDENT, LOAN AND REPAYMENTS**

### Loan

2.01 Subject to the Conditions Precedent being satisfied, the Lender shall lend and advance the Debtor the Principal Sum on the Advance Date.

### Conditions Precedent

2.02 The Lender shall not be bound or obliged to lend the Principal Sum or any parts thereof unless until:

- a) The Debtor shall have executed the Security;
- b) The solicitors for the Lender shall be satisfied that the documents for the security have been properly executed and are capable of immediate registration where necessary; and
- c) All formal settlement requirements of the Solicitors for the Lender shall have been met and satisfied.

### Registration

2.03 The Debtor consents to the Lender registering the Security as necessary and expedient for the purposes of securing the Debtors obligations herein.

### Re Payment

2.04 In consideration of the Lender advancing the Principal Sum to the Debtor at the request of the Debtor and the Guarantor for the Term of the Loan the Debtor hereby agrees on or before the Settlement Date to pay to the Lender the Principal Sum and any interest charges costs and expenses which may be due by the Debtor hereunder.

## **3. INTEREST**

3.01 The Debtor will pay to the Lender interest on the Principal Sum or on so much thereof as shall remain owing from time to time at the Higher Interest Rate calculated and chargeable in the first place from the Advance Date and payable monthly in arrears the first of such payments being due one month after the Advance Date and payable calendar monthly thereafter on the same day each month for the Term of the Loan PROVIDED that if on each interest monthly payment date, the Debtor and Guarantor are not in default in performing or observing any of the obligations in this Deed on the Security then the Lender agrees to accept such interest payments calculated and charged at the Lowest Interest Rate.

3.02 Notwithstanding any other provision of this Deed the Debtor may with the consent of the Lender elect to capitalise any interest payments required of it under this Deed and any such amount shall be considered a further advance under this clause and shall not in any way be considered a waiver of the Debtors obligations under this Deed.

3.03 The Lender may in its absolute and unfettered discretion make further advances to the Debtor or any other person at the request or direction of the Debtor and if the Lender makes any such further advances any amounts so advanced will form part of the Principal Sum and attract interest at the rate specified in this Deed computed from the date of the further advance and payable on the days provided in this Deed. There is and will be no obligation on the Lender to make further advances to the Debtor.

#### **4. EARLY DISCHARGE**

4.01 The Debtor shall have the right to repay the whole or part of the Principal Sum before the Settlement Date upon giving to the Lender THIRTY (30) days notice in writing of its intention to do so.

#### **5. PAYMENT**

5.01 All monies payable by the Debtor under this Deed must be paid in cleared funds without set-off or counter-claim and free of all deductions as and where the Lender may from time to time direct.

#### **6. EVENTS OF DEFAULT**

The Debtor shall at the option of the Lender be immediately in default upon the occurrence of any of the following Events of Default:

6.01 If there is default (other than by the Lender) in the performance of any term agreement or condition contained in or implied by this Deed, or under the Security.

6.02 If the Debtor without the prior written consent of the Lender creates or attempts or purports to create any Mortgage or Charge ranking or which might rank in priority to or pari passu with the Security without the prior written consent of the Lender (such consent not to be unreasonably withheld) or creates or attempts to create or purports to create any subsequent Mortgage or Charge to the Security.

6.03 If a Receiver, Receiver and Manager, Controller, Managing Controller, Administrator, Liquidator, Provisional Liquidator, Trustee, Inspector, Official Manager or similar person is appointed to the undertaking of the Debtor or any part of it.

6.04 If the Debtor stops payment or without the consent in writing of the Lender ceases or threatens to cease to carry on its business.

- 6.05 If the Debtor or Guarantor being individuals should die or is made or declared bankrupt or becomes incapable of managing his own affairs.
- 6.06 If there is any change in ownership or control of the Debtor if a company, or any company of which the Debtor is a subsidiary.
- 6.07 If the Debtor is a company and if an application for winding up or similar process of the Debtor is presented or an order is made or any effective resolution is passed for the winding up of the Debtor or if any shareholder or director of the Debtor either calls or threatens to call any meeting for the purpose of considering or passing any resolution for the winding up or similar process of the Debtor or any resolution to the effect that in the opinion of the directors, the Debtor is insolvent or likely to become insolvent at some future time and an administrator of the Debtor should be appointed.
- 6.08 If proceedings are initiated with a view to obtaining an order for the winding up or analogous process of the Debtor if a company or any shareholder or director either calls or threatens to call any meeting for the purpose of considering or passing any resolution for the winding up or analogous process of the Debtor.
- 6.09 If any action is initiated by any competent authority with a view to striking the name of the Debtor off any register of companies.
- 6.10 If the Debtor is a company and if the Debtor's shares are listed on any Stock Exchange, the listing is suspended or revoked and such suspension or revocation remains in force for a period greater than fourteen (14) days.
- 6.11 If any distress or execution is levied or enforced against any of the assets or property of the Debtor for a sum in excess of \$2,000.00.
- 6.12 If the Debtor breaches any undertaking at any time given to the Lender or any condition imposed by the Lender in agreeing to any matter or thing.
- 6.13 If the Debtor is unable to pay its debts as they fall due or is unable to certify that it is able to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general re-adjustment or re-scheduling of its indebtedness or enters or proposes to enter into any arrangement or composition with its creditors.
- 6.14 If in the opinion of the Lender there is a material adverse change in the financial condition of the Debtor.
- 6.15 If the Debtor is a company and reduces its capital or attempts to do so without the consent of the Lender.
- 6.16 If the Debtor fails to furnish to the Lender any information or report pursuant to Clause 8 of this Deed within the time stipulated therein.

- 6.17 If any of the events in clause 6.1 to 6.16 inclusive above occur in relation to the Guarantor.
- 6.18 If any representations warranties or conditions precedent or subsequent described in this Deed or otherwise or replies to any requisitions made by the Debtor are or become untrue, false or misleading.
- 6.19 If all or any part of this Deed or the Security or Guarantee herein becomes void illegal invalid unenforceable or of limited or reduced force effect or value.

AND a determination by the Lender that any of these events has occurred shall be prima facie evidence thereof. The Debtor shall promptly inform the Lender in writing upon the happening of any of the events described in this Clause.

## **7. RIGHTS UPON DEFAULT**

- 7.01 At any time after the occurrence of any Event of Default the Lender may in the manner and at the times the Lender in its absolute discretion deems appropriate but without any obligation to do so and notwithstanding any omission neglect delay or waiver of the right to exercise such option and without liability for loss:
  - (a) Demand and require immediate repayment of the Principal Sum and interest thereon and any costs charges or expenses relevant thereto and recover same from the Debtor.
  - (b) Exercise any powers rights or privileges conferred by law, this Deed, or the Security and/or
  - (c) perform any one or more of the Debtor's obligations under this Deed.
- 7.02 Any restriction requirements for notice or effluxion of time stipulated or required by any statute is hereby negated insofar as is lawful.
- 7.03 The Moneys Hereby Secured may be recovered by the Lender exercising its rights under this Deed or under the Security, or any of them without prejudice to and without reference to the Lender's rights under any other.
- 7.04 Notwithstanding any other provisions of this Deed or any of the Security, the Lender will not be entitled to possession of any property the subject of the Security without first having elected to exercise that right. If the Lender does so elect to exercise that right, it is not required to give notice to any person that it has done so and evidence of any election having been made to exercise that right may simply be a statement to that effect made and signed by any officer of the Lender or may be inferred by conduct only.

## **8. FINANCIAL INFORMATION**

- 8.01 The Debtor shall furnish the Lender from time to time with any such information regarding the business affairs and financial condition of the Debtor as the Lender may reasonably require. The Debtor hereby irrevocably authorises and directs the accountants and/or auditor of the Debtor at the expense of the Debtor to disclose to and discuss with the Lender and its officers and representatives at any time before the Settlement Date such information concerning the Debtor and its business and affairs as the Lender may from time to time reasonably require.
- 8.02 The Debtor shall procure that the Lender and its officers and representatives shall have at all reasonable times such full and free access to the offices and places of business of the Debtor and all books of account accounts records and data of the Debtor as the director or auditor of the Debtor would be entitled to.
- 8.03 Within fourteen (14) days after the end of each quarter of the financial year of the Debtor, the Debtor shall furnish the Lender with copies of the year to date Balance Sheet and Profit and Loss Account of the Debtor if requested by the Lender.

## **9. WARRANTIES AND REPRESENTATIONS**

- 9.01 The Debtor represents and warrants to the Lender that as at the date hereof and as at each respective date for payment of interest by the Debtor herein:
- (a) The annual Balance Sheet of the Debtor and the Profit and Loss Account of the Debtor to be produced to the Lender upon demand, are true and give a fair view are not misleading and have been made up in accordance with accepted Australian accountancy practices consistently applied and that in particular the said Balance Sheet discloses all liabilities (distinguishing between secured and unsecured liabilities) as at that date.
  - (b) The business of the Debtor has been carried on in the ordinary course and there have been no changes in the position or prospects of the Debtor which could materially adversely impair the ability of the Debtor to perform its obligations under this Deed.
  - (c) This Deed has been validly executed and delivered by the Debtor and constitutes the valid binding and enforceable obligations of the Debtor in accordance with its terms.
  - (d) The recitals to this Deed are true and correct.
  - (e) There are no other Encumbrances in favour of any person other than the Lender created by the Debtor over any part of its assets.
  - (f) There is no litigation proceedings or dispute pending or to the knowledge of the Debtor threatened against the Debtor or any other person or authority the adverse determination of which might substantially affect the Debtor's ability to comply with its obligations under this Deed and the Debtor is not in default in any material respect under any statute ordinance decree rule or

regulation of any governmental authority having jurisdiction over the Debtor the consequences of which might substantially affect the Debtor's ability to comply with its obligations under this Deed.

- (g) The execution delivery and performance by the Debtor of this Deed:
- (i) does not contravene any provision of law or regulation or rule or any writ injunction or decree of any court or administrative or regulatory body in effect at the time of such execution;
  - (ii) does not contravene any other agreement to which the Debtor is a party.

## **10. FURTHER ASSURANCES**

- 10.01 The Debtor hereby covenants with the Lender that the Debtor shall at all times comply with and observe each and every of the covenants obligations conditions and provisions in this Deed contained or referred to on its part to be observed and performed and shall make execute and do all such other acts assurances agreements and things as are reasonably necessary for giving effect to this Deed.

## **11. NON-WAIVER**

- 11.01 No waiver by the Lender or any breach by the Debtor shall be deemed a sanction or waiver of any continuing or recurring breach and the rights and remedies expressed or implied hereunder shall not be prejudiced or affected by any time or any indulgence granted to the Debtor.

## **12. NOTICES**

- 12.01 Any notice to be given or any demand to be made by the Lender to the Debtor under or pursuant to this Agreement may be given or made by writing under the hand of the Lender or of any Manager, Acting Manager, Secretary or Solicitor or other person acting on behalf of the Lender and such writing may be delivered to the Debtor at the aforementioned address of the Debtor or registered office of its affiliated company of the Debtor in the State of Queensland or sent through the medium of any postal or telegraph office or by facsimile transmission addressed to the Debtor aforesaid any of such modes or notices of demand being sufficient.

## **13. COSTS**

- 13.01 The Debtor shall pay the Lender's costs in connection with the preparation and stamping and registering of this Deed and the Security and all duty and registration fees therein. The Debtor will pay any costs incurred by the Lender in collecting the amount owing hereunder and interest thereon should the Debtor commit default in complying with the terms hereof.

## **14. STATUTES**

14.01 To the fullest extent to which it may from time to time be lawful so to do the provisions of all statutes whether now existing or hereafter to come into force and operating directly in indirectly to lessen or otherwise modify or vary or affect in favour of the Debtor the obligations of the Debtor or to stay, postpone or otherwise prevent or prejudicially affect the exercise by the Lender of all or any of the rights, powers and remedies conferred on it by this Deed shall be and the same are hereby expressly negated and excluded from this Deed.

**15. LENDER'S CALCULATION OF PRINCIPAL SUM AND INTEREST**

15.01 The Lender's determination of any calculation required hereunder or which may be done for the purposes of this Deed (including, without limiting the generality of the foregoing, the calculation of the Moneys Hereby Secured shall be prima facie evidence.

**16. SEVERABILITY**

16.01 If any term agreement or condition of this Deed or the application thereof to any person or any circumstance shall be or become illegal invalid or unenforceable in any jurisdiction the same shall be severed and the remaining terms agreements and conditions shall not be effected without affecting the validity or enforceability of such provision in any other jurisdiction.

**17. TIME**

17.01 Time shall be of the essence of all obligations of the Debtor under this Deed.

**18. GOVERNING LAW**

18.01 This Deed shall be governed by and construed in accordance with the law for the time being in force in Queensland and the Debtor and Guarantor agree to submit to the non-exclusive jurisdiction of the Courts thereof;

18.02 Any proceedings in respect of any cause of action arising under this Deed shall be instituted, heard and determined at the Lender's option in a Court of competent jurisdiction at Brisbane.

**19. SECURITY**

19.01 For the purpose of securing the Debtor's obligations under this Deed including payment of the Moneys Hereby Secured, the Debtor shall create or procure the creation in favour of the Lender the Security listed in Schedule 1 to be prepared by the Solicitors for the Lender at the cost of the Debtor.

**20. GUARANTEE**

20.01 The Guarantor in consideration of the Lender at his request agreeing to lend the Principal Sum to the Debtor under this Deed (hereinafter referred to as "the said Agreement") does hereby covenant with the Lender as follows:-

- (a) That if the Debtor at any time shall make default in the due and punctual payment to the Lender of the Principal Sum or other moneys payable to the Lender under the said Agreement or if default shall be made in the observance or performance of any of the covenants agreements conditions and stipulations on the part of the Debtor contained therein then the Guarantor will pay to the Lender the Moneys Hereby Secured which shall from time to time be or become payable to the Lender under the said Agreement and will promptly observe perform carry out all such covenants agreements conditions and stipulations in respect of which default may have been made by the Debtor.
- (b) That the Guarantor hereby indemnifies and agrees to keep always indemnified the Lender from and against all claims demands and all loss of any moneys owing under the said Agreement and from and against all costs charges and expenses of whatsoever nature which the Lender may incur in connection with the preparation stamping and registration of the said Agreement and from and against all loss or damage or liability by reason of any failure or inability to recover any moneys from the Debtor hereunder or by reason of the default of the Debtor in the observance or performance of the covenants agreements conditions and stipulations of the said Agreement whether express or implied.
- (c) That should the Debtor execute any Deed of Assignment or Arrangement or be subject to any Scheme of Arrangement under any Corporations Act applying to the Debtor or be subject to official management under the provisions of any Corporations Law applying to the Debtor or subject to any other scheme relating to its insolvency whether under the provisions of the Bankruptcy Act 1966 (as amended) or any other Act or otherwise or becomes bankrupt or goes into liquidation or is ordered to be wound up or is wound up or dissolved by any other means the Lender shall be entitled to lodge claims and/or prove in the Debtor's estate or assets or winding up for the total amount of the Debtor's indebtedness under the said Agreement without in any way affecting the liability of the Guarantor under this Deed or without in any way releasing or suspending postponing or prejudicing the rights of the Lender to recover under this Deed from the Guarantor the full amount of the Debtor's indebtedness under the said Agreement.
- (d) The Guarantee contained in this Deed shall be a continuing guarantee and shall not be considered as wholly or partially discharged by the payment at any time hereafter of any of the moneys payable pursuant to the said Agreement or this Deed unless and until such moneys have been paid in full AND the Guarantor hereby acknowledges that its liability hereunder shall not in any way be discharged or impaired by the Debtor for any reason not being liable to the Lender for the non-observance or non-performance of any provisions of the said Agreement.

- (e) The Guarantor will at the request of the Lender execute deliver and perfect such further instruments or documents and otherwise do and perform such further acts and things as the Lender may reasonably require to more effectually secure the obligations imposed on the Guarantor hereunder.
- (f) The Lender shall be at liberty to treat the Guarantor in all respects as principal debtor as if the Guarantor had executed the covenants agreements and conditions and stipulations contained in the said Agreement as the Debtor so that the liability of the Debtor and the Guarantor under such covenants agreements conditions and stipulations shall be deemed to be joint and several PROVIDED ALWAYS that nothing herein or in the said Agreement contained shall derogate from the personal liability of the Guarantor under these presents.
- (g) If any payment made to the Lender by or on behalf of the Debtor or the Guarantor shall subsequently be avoided by reason of any Statutory provision or otherwise such payment shall be deemed not to have discharged or affected the liability of the Guarantor under the said Agreement and in that event the Lender and the Guarantor shall be restored to the position in which each would have been and be entitled to exercise all the rights which each would have had if such payment had not been made.
- (h) That in the event of the bankruptcy or liquidation of the Debtor the Lender shall be entitled to prove in its or their estate or winding up for the full amount of their debt and the Guarantor shall not be entitled to prove or share in the bankruptcy or liquidation of the Debtor until the Lender is paid in full and the Guarantor shall not be entitled to the benefit of any securities held by the Lender in respect of the said Agreement until the Lender is paid in full.
- (i) The Lender shall have the fullest liberty without affecting these presents to postpone for any time or from time to time the exercise of any rights and remedies conferred upon the Lender or implied by or arising out of the said Agreement and to exercise the same at any time and in any manner and either to enforce or to forbear to enforce the covenants for payment of moneys or any other covenants agreements or stipulations contained in any other securities or remedies available to the Lender and the Guarantor shall not be released from any of the obligations under this Deed or otherwise to the Lender by any exercise by the Lender of its liability with reference to the matters aforesaid or any of them or by any time or other indulgence or consideration being given to the Debtor or the Guarantor or by any variation in the provisions of the said Agreement or by any other thing whatsoever which would under the laws relating to sureties but for these provisions have the effect of so releasing the Guarantor.
- (j) Without prejudice to the indemnity herein contained the Guarantor hereby guarantees to the Lender the due and punctual performance of all the covenants and obligations and the payment of all moneys which may now or hereafter become owing and payable to the Lender by the Debtor pursuant to the said Agreement.

- (k) A Certificate (whether forming part of a demand or not) signed by any Director or the secretary for the time being of the Lender stating the amount of moneys due and payable by the Guarantor to the Lender hereunder shall be Prima Facie evidence against the Guarantor that the amount so stated is the amount of moneys due and payable by the Guarantor to the Lender under this Deed as at the date referred to in the said Certificate.
- (l) The Guarantor shall make payment to the Lender of the moneys hereby guarantee on demand by or on behalf of the Lender to the Guarantor which demand shall be deemed duly made if the same be in writing signed by a Director or the Secretary for the time being of the Lender or Solicitors acting for the Lender and either left at the address of (if the Guarantor be a company) at the registered office of the Guarantor (or if more than one then at the address or registered office of any one) or sent by prepaid mail addressed to the Guarantor at such address or registered office and if posted as aforesaid shall be deemed received by the Guarantor on the third day next following the date of posting.

**SCHEDULE 1**

**Security:** A general security agreement overall the assets and undertaking of the Debtor.

**SCHEDULE 2**

**Higher Interest Rate:** 18% per annum

**SCHEDULE 3**

**Interest Rate:** 12% per annum

**SCHEDULE 4**

**Settlement Date:** 2 years from the Advance Date.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals on the day and date hereinbefore mentioned.

SIGNED, SEALED AND DELIVERED )

by ~~GLENN JUDE KUNNING AS~~ *KUNNING PTY LTD*  
As TRUSTEE FOR THE KUNNING  
SUPERFUND )

as a Lender in the presence of:- )

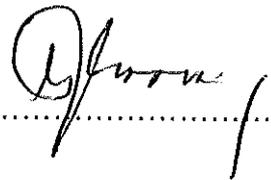
.....  
*[Signature]*

Witness

*[Signature]*

EXECUTED BY MOTION MONEY  
PTY LTD ACN 617 641 620 in  
accordance with Section 127(2) of the  
Corporations Act 2001 as a Debtor in  
the presence of:-

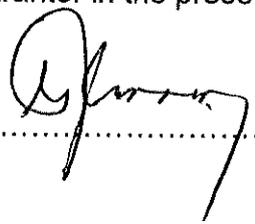
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Witness

SIGNED, SEALED AND DELIVERED )  
by **PAUL IAN HALHEAD** )  
as a Guarantor in the presence of:- )

)  
)  
)  
)  
)  
).....



Witness

# GENERAL SECURITY AGREEMENT

BETWEEN:

MOTION MONEY PTY LTD

ACN 617 641 620

"Grantor"

AND:

  ~~GLENN JUDE KUNNING~~ *PTY LTD*

AS TRUSTEE FOR THE KUNNING SUPERFUND

"The Secured Party"

## GRASSO SEARLES ROMANO

Level 1, 322 Old Cleveland Road

Coorparoo 4151

Telephone: (07) 3236 3999

Facsimile: (07) 3236 4506

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THIS GENERAL SECURITY AGREEMENT IS MADE THE 1<sup>st</sup> DAY OF Dec 2017  
2017

BETWEEN: MOTION MONEY PTY LTD ACN 617 641 620 (the Grantor)  
AND: ~~KUNNING PTY LTD~~  
GLENN JUDE KUNNING AS TRUSTEE FOR THE KUNNING  
SUPERFUND (the Secured Party)

IT IS AGREED

## 1. INTERPRETATION

### 1.1 Definitions

In this Security Agreement unless the context otherwise requires:

**Accession** is given the same meaning as under the Act.

**Account** is given the same meaning as under the Act.

**Account debtor** is given the same meaning as under the Act.

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

**Act Information** means any information or documentation of the type referred to in Section 275(1) of the Act.

**ADI** is given the same meaning as under the Act.

**Attorney** means any attorney appointed under this Security Agreement or any Collateral Security;

**Authorised Officer** means:

- (a) in respect of the Secured Party :
  - (i) an employee of the Secured Party whose title contains either of the words 'Director' or 'Manager';
  - (ii) a person performing the function of any of them;
  - (iii) a solicitor acting on behalf of the Secured Party; and
- (b) in respect of any other party to this Agreement:
  - (i) a director or secretary of that party; and

- (ii) any person appointed by that party to act as an authorised officer whose appointment is notified in writing by that party to the other party and a specimen of whose signature is given to the other party;

**Business Day** means a day on which banking institutions generally are open in Brisbane but excluding Saturdays, Sundays and public holidays;

**Collateral Security** means any Security Interest (other than this Security Agreement) or other agreement at any time created or entered into by the Grantor or another person as security for any Secured Money;

**Control:** is given the same meaning as under the Act

**Currency:** is given the same meaning as under the Act.

**Documents of Title:** is given the same meaning as under the Act.

**Encumbrance** in relation to any property means anything which:

- (a) reserves, constitutes or evidences any interest in or right over the property or any claim to any interest or right; or
- (b) prevents, restricts or delays the exercise of any right over the property or the registration by any person of any interest in or right over the property;

and, without limitation includes a Security Interest;

**Event of Default** means any default of the Grantor in any provision of this Security Agreement any Collateral Security or the Transaction Document any other agreement or arrangement between the Grantor the Secured Party or any other person or any of them in respect of the Secured Money and any agreement or arrangement amending or delivered pursuant to any of them;

**Expenses:** is given the same meaning as under the Act

**Financing Statement** has the meaning as under the Act.

**Financing Change Statement** has the meaning as under the Act.

**General Law** is given the same meaning as under the Act.

**Government Body** means:

- (c) any person, body or other thing exercising an executive, legislative, judicial or other governmental function of any country or political subdivision of any country;
- (d) any public authority constituted by or under a law of any country or political subdivision of any country; and
- (e) any person deriving a power directly or indirectly from any other Government Body;

**Grantor's Other Property** means all of the Grantor's property that is not Personal Property including all present and after acquired rights and interests therein;

**GST** has the same meaning as that term has in the GST Law;

**GST Law** means, as the context permits or requires, the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* and/or associated Commonwealth legislation, regulations and public available rulings;

**Indicator Rate** means the indicator lending rate determined from time to time by the Secured Party;

**Interest:** is given the same meaning as under the Act

**Mortgaged Collateral** means

- (a) the Grantor's Personal Property particularly described in the First Schedule hereto;
- (b) the Grantor's Other Property

**Personal Property** has the same meaning as under the Act.

**Power** means any power, right, authority, discretion or remedy conferred on the Secured party, Receiver or Attorney by this Security Agreement or any Collateral Security or by law in relation to this Security Agreement or any Collateral Security;

**Proceeds** has the same meaning as under the Act.

**Receiver** means any receiver or receiver and manager appointed under this Security Agreement or any Collateral Security;

**Representatives** of a person means that person's officers, employees, contractors, Attorneys and agents;

**Secured Money** means any and all amounts and damages which the Grantor in whatever capacity alone or jointly or jointly and severally with any other person as principal debtor or surety or otherwise now or in the future is or becomes liable or contingently or conditionally liable to pay to the Secured Party on any account whatsoever;

**Security Agreement:** is given the same meaning as under the Act

**Security Interest** is given the same meaning as under the Act with regards to Personal Property, otherwise, with regards to any Grantor's Other Property, means a mortgage, charge, lien, pledge, trust power or title retention or right by way of security for the payment of a debt or other monetary obligation or the

performance of any other obligation and any instrument which reserves, constitutes or evidences the interests and rights mentioned above.

**Taxable Supply:** is given the same meaning as under the GST Act.

**Taxes** means all present and future taxes (including GST), levies, imposts, deductions, charges, compulsory loans and withholdings (other than taxes on the overall net income of the Secured party) and any interest, penalties and expenses relating to any of them;

**Tax Invoice** means a document that complies with the requirements of the GST Law for a tax invoice.

**Transaction Document** means the Deed of Loan and Guarantee in respect of the Secured Money entered into by the Grantor in favour of the Secured Party.

## 1.2 Text

In this Security Agreement unless the contrary intention appears:

- (a) a reference to:
  - (i) this Security Agreement or another document includes any variation or replacement of it notwithstanding any change in the identity of the parties;
  - (ii) any statute, ordinance, code or other law includes regulations and other statutory instruments under any of them and consolidations, amendments re-enactments or replacement of any of them by any Government Body;
  - (iii) a person, firm, corporation, association or Government Body includes any other of them;
  - (iv) a person:
    - (A) is a reference to it in its personal and any agency or trustee (or both) capacity; and
    - (B) includes the person's successors and assigns;
  - (v) a time is a reference to Brisbane time or the time of the place where any thing is to be done or any document or notice is to be received;
  - (vi) writing includes any mode of representing or reproducing words in a tangible and visible form, and includes telex and facsimile transmission;
  - (vii) a right includes a remedy authority or power;
- (b) words importing:
  - (i) the singular includes the plural and vice versa;
  - (ii) a gender includes all other genders;

- (c) headings and underlinings shall not affect the construction;
- (d) if a word or phrase is defined cognate words and phrases have corresponding meaning;
- (e) where two or more persons are the Grantor that term means each of the persons jointly, each of them severally and any two or more of them jointly;
- (f) an agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and severally and an agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally.

## **2. COVENANTS FOR SECURITY**

2.1 The Grantor hereby grants a Security Interest to the Secured Party in the Mortgaged Collateral as security for the Secured Money and performance of all obligations hereunder and under the Transaction Document.

2.2 The Secured Party shall hold the Mortgaged Collateral subject absolutely to all other covenants provisos conditions and provisions contained in this Security Agreement PROVIDED that if the Grantor shall fully perform, satisfy and observe all the covenants conditions, obligations and provisions of this Security Agreement on its part to be performed or observed, then the Secured Party shall at any time thereafter upon the request and at the cost of the Grantor release this Security Agreement or otherwise discharge from this Security Agreement the Mortgaged Collateral (or such part as shall not have been disposed of under the provisions of this Security Agreement) but subject to:

- (a) all losses or deterioration by use accident or otherwise of the Mortgaged Collateral;
- (b) the occurrence of Events of Default;
- (c) the Secured Party exercising any Power.

## **3. DEALING WITH MORTGAGED COLLATERAL**

The Grantor shall not, without the prior written consent of the Secured party:

- 3.1 dispose of, deal with or part with possession of any interest in the Mortgaged Collateral;  
or
- 3.2 create or allow to exist an Encumbrance in respect of the Mortgaged Collateral.

## **4. PAYMENTS**

### **4.1 Without Deduction**

The Grantor shall pay the Secured Money to the Secured Party without set-off or counterclaim and without deduction for Taxes:

- (a) if an Event of Default has not occurred:

- (i) in accordance with any agreement which imposes the obligation to pay it; or
  - (ii) in the absence of agreement, on demand and in the manner notified by the Secured Party to the Grantor; or
- (b) after an Event of Default, on demand and in the manner notified by the Secured Party to the Grantor.

#### 4.2 Interest

- (a) If the Grantor is not otherwise obliged to pay interest on the Secured Money the Grantor must pay interest on it from when it becomes payable, during the period that it remains unpaid, on demand or at times determined by the Secured party, calculated on daily balances at the Indicator Rate.
- (b) Interest which is not paid when payable may be capitalised by the Secured Party at intervals which the Secured Party determines from time to time, or if no determination is made, every thirty (30) days.
- (c) Interest is payable on capitalised interest at the rate and in the manner referred to in clause 4.2(a).

#### 4.3 Merger

If the liability of the Grantor to pay to the Secured Party any moneys payable under this Security Agreement becomes merged in any deed, judgment, order or other thing the Grantor shall pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this Security Agreement and that fixed by or payable under that deed, judgment, order or other thing.

### 5. INSURANCE

#### 5.1 The Grantor shall:

- (a) keep the Mortgaged Collateral insured to the extent it is insurable with insurers approved by the Secured Party (which approval may not be unreasonably withheld) in the names of the Grantor and the Secured Party for their respective rights and interests, for its full insurable value against fire, the other usual risks against which a prudent owner would insure, and any other risks reasonably specified by the Secured party;
- (b) maintain with insurers approved by the Secured Party (which approval may not be unreasonably withheld) workers compensation, public risk and other insurances which a prudent person engaged in a similar business or undertaking to that of the Grantor would effect;
- (c) deposit with the Secured Party all insurance policies and certificates of insurance in connection with the Mortgaged Collateral;
- (d) pay each insurance premium at least three (3) days before the due date and, upon request from the Secured party, produce receipts for the payment;
- (e) not do or permit anything which prejudices any insurance;

- (f) immediately rectify anything which might prejudice any insurance and reinstate the insurance if it lapses;
- (g) not, without the prior written consent of the Secured party:
  - (i) insure the Mortgaged Collateral in the name of the Grantor alone; or
  - (ii) vary, cancel or allow to lapse insurance in connection with the Mortgaged Collateral; and
- (h) notify the Secured Party immediately when:
  - (i) an event occurs which gives rise or might give rise to a claim under or which could prejudice a policy of insurance required by this clause; or
  - (ii) any policy of insurance required by this clause is cancelled.

5.2 The proceeds of an insurance policy of the Mortgaged Collateral (even if in the name of the Grantor alone in contravention of clause 5.1(g)(i) which are not required by the insurer to be applied in replacement or reinstatement must be held by the recipient in a separate account for the Secured Party and paid:

- (a) first (after satisfaction of claims taking priority over this Security Agreement), towards satisfaction of the Secured Money or, at the r secured party's option, toward replacement or reinstatement of the Mortgaged Collateral; and
- (b) secondly, in the manner described in clause 23.

5.3 The Secured Party may, but the Grantor shall not without the prior written consent of the Secured party, enforce, conduct, settle or compromise claims under any policy of insurance required by clause 5.1 whether or not that policy also covers other property.

## 6. POSITIVE OBLIGATIONS OF GRANTOR

The Grantor shall:

### 6.1 Pay On Time:

pay on time all amounts payable now or in the future in connection with the Mortgaged Collateral;

### 6.2 Good Working Order:

keep the Mortgaged Collateral in good repair working order and condition;

### 6.3 Protect from Theft:

protect the Mortgaged Collateral from theft, loss or damage;

### 6.4 Rectify Defects:

at the Secured Party's request, promptly rectify defects in the condition of the Mortgaged Collateral;

**6.5 Efficient Conduct:**

- (a) conduct and maintain any business carried on by the Grantor in a proper and efficient manner and obtain all necessary licences and approvals for the same;
- (b) do all things necessary to maintain and renew all its licences trade marks patents designs and any interest therein;

**6.6 Mortgaged Collateral Obligations:**

at the Grantor's cost comply on time with all its obligations in connection with the Mortgaged Collateral including, without limitation, statutes and requirements and orders of authorities;

**6.7 Other Security Interest Obligations:**

comply on time with its obligations in respect of any Security Interest over the Mortgaged Collateral other than this Security Agreement;

**6.8 Deliver Receipts:**

at the Secured party's request, deliver to the Secured Party receipts for payments referred to in this clause 6;

**6.9 Deposit:**

deposit with the Secured Party immediately or as soon as the Grantor receives them any *documents of title* relating to the Mortgaged Collateral;

**6.10 Comply On Time:**

comply on time with terms attaching to any consent given by the Secured Party in connection with this Security Agreement;

**6.11 Provide Information:**

promptly give to the Secured Party the information and documents which the Secured Party requests from time to time in connection with:

- (a) this Security Agreement; or
- (b) the business, property or financial condition of the Grantor;

**6.12 Do Everything:**

do everything necessary to ensure that no Event of Default occurs;

**6.13 Certificate of Compliance:**

at the Secured Party's request, promptly provide the Secured Party with a certificate signed by the Grantor which states whether an Event of Default or

event which with the giving of notice, lapse of time or fulfilment of any condition would be likely to become an Event of Default continues unremedied;

**6.14 Notify Event of Default:**

notify the Secured Party promptly after it occurs of full details of an Event of Default or an event which with the giving of notice, lapse of time or fulfilment of any condition would be likely to become an Event of Default, and the steps taken to remedy it;

**6.15 Authorisations:**

obtain and renew on time each authorisation necessary to enter in to this Security Agreement, observe obligations under it and allow it to be enforced, and comply with its terms;

**6.16 Notify Acquisition of Assets:**

promptly notify the Secured Party of the particulars of any property acquired by the Grantor of a like nature to the Mortgaged Collateral;

**6.17 Give Copies of Orders:**

give the Secured Party as soon as the Grantor receives it any notice or order received from an authority about the use or condition of the Mortgaged Collateral; and

**6.18 Proper Records:**

keep proper and correct records, minutes and books of account in relation to its business and keep such records, minutes and books of account at its registered office or other place they are usually kept and shall make such records, minutes and books of account available to the Secured Party as the Secured Party may reasonably require to verify the accuracy of any document, statement or other information given in relation to the Mortgaged Collateral.

**6.19 Perfect Security**

execute and deliver any documents or instruments and do all other things reasonably required by the Secured Party to give effect to this document and to confirm and perfect the Secured Party's Security Interest, including:

- (i) providing Serial Numbers and other details of the Mortgaged Collateral;
- (ii) delivering possession or control of the Mortgaged Collateral to the Secured Party to perfect its Security Interest or to defeat the Security Interest of a third party; and
- (iii) providing all necessary information to register any Financing Statement, Financing Change Statement or notice in relation to the Secured Party's

Security Interest and each Transaction Document and ensure that those Security Interests have priority over all other Security Interests.

## **7. NEGATIVE OBLIGATIONS OF GRANTOR**

The Grantor shall not:

### **7.1 Change Business:**

without the prior written consent of the Secured Party change the general character of any business carried on by the Grantor;

### **7.2 Increase Amount Secured:**

increase or allow to be increased the amount secured by a Security Interest in the Mortgaged Collateral other than this Security Agreement;

### **7.3 Lessen Value:**

do or omit to do anything or knowingly permit or cause anything to be done or omitted which could mean in the reasonable opinion of the Secured Party that the Mortgaged Collateral or this Security Agreement is or is likely to become materially lessened in value or prejudicially affected;

### **7.4 Pulling Down or Removal:**

pull down or remove from its present position immovable property, plant or machinery forming part of the Mortgaged Collateral without the prior written consent of the Secured Party. But the Secured Party may not withhold that consent unreasonably if the pulling down or removal is:

- (a) necessary because the immovable property, building, plant or machinery is worn out or damaged (when it must be replaced by the Grantor with property of a similar nature and of no lesser value); or
- (b) required by law or in connection with its refurbishment.

## **8. SECURED PARTY'S ACTIONS UNDER THE ACT**

### **8.1 Taking steps to perfect security interest:**

For the realisation of the security interest and in order to perfect and continue the Security Interest of the Secured party which is to protect and preserve the Mortgaged collateral, the Grantor hereby authorises the Secured Party to:

- (a) File all Financing Statements and any other documents; and
- (b) Do all things (including the addition of schedules to this Security Agreement to further identify the Mortgaged Collateral)

- 8.2 The Grantor must reimburse the Secured Party on demand for any costs or expenses it incurs in complying with the request for information if the Secured party receives this request.

## **9. PERFECTING SECURITIES**

At the Secured Party's request the Grantor shall at its own expense:

- 9.1 execute in favour of the Secured Party, or as the Secured Party directs, and in form stipulated by the Secured Party, further documents, including, without limitation, Security Interests; and
- 9.2 do the things the Secured Party stipulates;

to provide more effective security to the Secured Party over the Mortgaged Collateral for the payment of the Secured Money and to enable the Secured Party to exercise the Powers.

## **10. SECURED PARTY'S RIGHT TO RECTIFY**

The Secured Party may do anything which should have been done by the Grantor under this Security Agreement but which has not been done or which the Secured Party considers has not been done properly.

## **11. RIGHT OF ENTRY OF SECURED PARTY**

- 11.1 A person authorised by the Secured Party may enter at all times on land or buildings on or in which any part of the Mortgaged Collateral is situated to:
- (a) inspect the condition of the Mortgaged Collateral;
  - (b) determine whether the terms of this Security Agreement are being complied with;
  - (c) inspect and take copies of records relating to the Mortgaged Collateral;
  - (d) investigate the affairs and financial position of the Grantor; or
  - (e) exercise the rights of the Secured Party under clause 13.
- 11.2 The Grantor agrees to obtain for the Secured Party the same rights in connection with lands or buildings owned or occupied by a third party.
- 11.3 The Secured Party agrees to give the Grantor reasonable notice of entry.
- 11.4 The Grantor agrees to give the person authorised to enter reasonable assistance including, without limitation, obtaining any necessary consent.

## **12. GRANTOR'S WARRANTY**

- 12.1 The Grantor warrants that the Grantor has or is entitled to an absolute and indefeasible title to the Mortgaged Collateral and that the Mortgaged Collateral is not subject to any

Encumbrance or other *interest* having priority over or competing with this Security Agreement except Encumbrances which have been expressly and unequivocally accepted and recognised by the Secured Party.

12.2 The Grantor warrants the Grantor has full and free right to assign the Mortgaged Collateral to the Secured Party.

12.3 The warranties and representations in clauses 12.1 and 12.2 are taken to be made on each date on which the Grantor acquires Mortgaged Collateral.

### 13. WHEN ENFORCEABLE

13.1 This Security Agreement and any Collateral Security shall become enforceable and the Secured Party may exercise all its Powers upon the occurrence of an Event of Default.

13.2 The rights of the Secured Party under this Security Agreement may be exercised notwithstanding that any negotiable or other instrument, Security Interest, contract or other engagement may still be current, in circulation, outstanding or not then due.

### 14. APPOINTMENT OF RECEIVER

#### 14.1 Appointment

- (a) At any time after an Event of Default the Secured Party may:
  - (i) appoint any person or persons jointly and/or severally as Receiver of all or any of the Mortgaged Collateral;
  - (ii) remove any Receiver and in case of the removal, retirement or death of any Receiver may appoint another in his place; and
  - (iii) fix the remuneration of any Receiver.
- (b) The Receiver may exercise powers only in connection with that part of the Mortgaged Collateral specified in his appointment and the appointment does not affect the rights of the Grantor to deal with the remainder of the Mortgaged Collateral in the manner permitted by this Security Agreement.
- (c) The power to appoint a receiver or receiver and manager over all of the Mortgaged Collateral may be exercised whether or not a Receiver has already been appointed over part of it.

#### 14.2 Agent of Grantor

Subject to clause 14.4 every Receiver shall be the agent of the Grantor and the Grantor shall alone be responsible for his acts, defaults and remuneration.

#### 14.3 Receiver's Powers

In addition to any powers granted by law, and except to the extent specifically excluded by the terms of his appointment, every Receiver shall without the need for any consent on the part of the Grantor have power to do anything in respect

of the Mortgaged Collateral that the Grantor could do, including (without limitation):

- (a) to enter, take possession of, collect, manage and get in all or any of the Mortgaged Collateral;
- (b) to carry on or concur in carrying on any business or pursuit of the Grantor in relation to the Mortgaged Collateral;
- (c) to acquire in any manner (including without limitation to take on lease) any property or any interest in any property, which will thereupon be included in the Mortgaged Collateral;
- (d) to borrow or raise from any bank or such other persons as the Secured Party Secured Partymay in writing specify or approve any money which may be required for any of the purposes of this Security Agreement;
- (e) in the name of the Grantor or otherwise to secure any moneys so borrowed or raised by any Security Interest over all or any of the Mortgaged Collateral so that such Security Interest may rank in priority to or equally with or after the security created by this Security Agreement and the Grantor agrees that no person making available any such moneys to the Receiver shall be bound to enquire as to the necessity or propriety of any such borrowing or raising or be responsible for the misapplication or non-application of any such moneys;
- (f) to sell or concur in selling any of the Mortgaged Collateral and such sale may be made on any terms, including without limitation:
  - (i) whether or not the Receiver has taken possession of the Mortgaged Collateral;
  - (ii) either by public auction or private treaty or by tender for cash or on credit;
  - (iii) in one lot or in parcels;
  - (iv) either with or without special conditions or stipulations as to title or time or mode of payment of purchase money or otherwise;
  - (v) fixtures may be severed and sold apart from any real property;
  - (vi) the whole or any part of the purchase money may be deferred with or without any security;
  - (vii) whether or not in conjunction with the sale of any property by any person;
- (g) do anything to complete any sale which the Receiver considers necessary, and set aside from the proceeds of sale the amount which the Receiver considers necessary to meet future claims until the possibility of claims being made is ended;
- (h) enter into, rescind or vary a contract for sale, and resell without being responsible for loss, and execute assurances of the Mortgaged Collateral in the name and on behalf of the Grantor or otherwise;

- (i) to employ any person as employee, contractor, agent, professional adviser, consultant or auctioneer for any purpose at such remuneration as the Receiver shall think fit;
- (j) to make or accept any arrangement or compromise;
- (k) receive rents and profits and income from the Mortgaged Collateral;
- (l) to give receipts for all moneys and other assets which may come into the hands of the Receiver and such receipts shall exonerate any person paying or handing over such moneys or other assets from all liability to see to the application of such moneys or assets and from all liability to enquire whether this Security Agreement has become enforceable or otherwise as to the propriety or regularity of the appointment of the Receiver;
- (m) to perform or enforce, to exercise or refrain from exercising the Grantor's rights and powers under, or otherwise to obtain the benefit of, any documents or agreements or rights which form part of the Mortgaged Collateral and any documents or agreements entered into in exercise of any Power;
- (n) to make debtors bankrupt and to wind up companies and to do all things in relation to any bankruptcy or winding up which the Receiver shall think necessary or desirable (including without limitation to attend and vote at meetings of creditors and appoint proxies for such meetings);
- (o) institute, conduct, defend, submit to arbitration, settle, compromise or defer in the name of the Grantor or otherwise on any terms, any proceeding, claim, question or dispute in connection with the Mortgaged Collateral or this Security Agreement and execute releases or other discharges in connection with them;
- (p) pull down, rebuild, erect, alter, improve, provide services to, insure and maintain the Mortgaged Collateral;
- (q) to enter into and execute documents or agreements on behalf of itself or the Grantor for any of the purposes of this Security Agreement (including, without limitation, to sign, accept or endorse cheques, promissory notes and bills of exchange);
- (r) lease or licence, end, renew, surrender, or accept the surrender of a lease or licence of, the Mortgaged Collateral, and compromise with or make concessions to tenants, lessors or licensees, or agree to do any or these things, for any period and on any terms;
- (s) grant a person an option to purchase the Mortgaged Collateral on any terms;
- (t) to surrender or transfer any of the Mortgaged Collateral;
- (u) to exchange with any person any of the Mortgaged Collateral for other property which will thereupon be included in the Mortgaged Collateral;
- (v) remove personal property from the Mortgaged Collateral and store that property in the name of the Grantor without liability for loss or damage suffered by the Grantor;
- (w) to promote the formation of companies with a view to purchasing all or any of the Mortgaged Collateral or assuming obligations of the Grantor or otherwise;

- (x) do the things necessary to redress failure by the Grantor to observe the Grantor's obligations under this Security Agreement;
- (y) to delegate to any person for such time or times as the Secured Party shall approve any of the powers conferred upon the Receiver;
- (z) to have access to and make use of the premises, plant, equipment and accounting and other services of the Grantor and the services of its staff for any of the above purposes;
- (aa) to insure and keep insured in an amount and manner all or part of the Mortgaged Collateral as the Receiver shall think fit; and
- (bb) to make, enforce, compromise and settle all claims in respect of insurance; and
- (cc) to do anything incidental to the exercise of any other Power.

All of the above paragraphs shall be construed independently. None limits the generality of any other.

Any dealing under any such power shall be on such terms and conditions as the Receiver thinks fit.

#### **14.4 Receiver Appointed After Commencement of Winding Up**

The power to appoint a Receiver under this clause 14 may be exercised notwithstanding that:

- (a) at the time when this Security Agreement becomes enforceable or at the time when such an appointment is made an order may have been made or a resolution may have been passed for the winding up of the Grantor; and
- (b) a Receiver appointed in those circumstances may or may not in some respects (as determined by the Secured Party), act as the agent of the Grantor.

### **15. POWERS OF SECURED PARTY**

#### **15.1 Exercise of Powers**

At any time after an Event of Default, the Secured Party may do all that is necessary to exercise or enforce their rights, remedies and powers in relation to the Mortgaged Collateral, including the Secured Party's rights pursuant to the Act or otherwise conferred by law. Notwithstanding that a Receiver may or may not be appointed the Secured Party may at any time after an Event of Default without giving any notice exercise all or any of the Powers which might be exercised by a Receiver.

#### **15.2 Not to Account as Mortgagee in Possession**

If either the Secured Party or a Receiver exercises its rights under this Security Agreement or takes possession of all or any part of the Mortgaged Collateral, then neither of them is liable to account as mortgagee in possession.

### **15.3 Withdrawal**

The Secured Party may at any time give up possession of any of the Mortgaged Collateral and may at any time withdraw any receivership.

### **15.4 Indemnity**

The Secured Party may give such indemnities to the Receiver with respect to the exercise by the Receiver of the Powers as are permitted by law and if the Secured Party pays any moneys pursuant to any such indemnity the same shall become part of the Secured Money.

## **16. PROTECTION OF SECURED PARTY AND RECEIVER**

To the extent permitted by law, the Secured Party and any Receiver shall not be liable in respect of any omission or delay in the exercise of any Power, nor for any losses which shall result from the exercise or non-exercise of any Power, except where such omission, delay or loss arises from fraud or gross negligence on the part of the Secured Party or Receiver.

## **17. PROTECTION OF PURCHASERS**

Upon any sale, disposal or dealing purporting to be made in exercise of any Power no purchaser or other party to any dealing or disposal:

17.1 shall be bound to enquire whether any default has been made or otherwise as to the propriety or regularity of any such sale, disposal or dealing; or

17.2 shall be affected by express notice that any such sale, disposal or dealing is unnecessary or improper.

Notwithstanding any irregularity or impropriety in any such sale, disposal or dealing, it shall as regards the protection of the purchaser or other party to any such dealing or disposal be deemed to be authorised and shall be valid accordingly.

## **18. PRESERVATION OF SECURED PARTY'S RIGHTS**

### **18.1 Liability Not Affected**

The liabilities under this Security Agreement of the Grantor and the rights under this Security Agreement of the Secured Party, a Receiver or an Attorney appointed under this Security Agreement are not affected by anything which might otherwise have that effect at law or in equity including, without limitation, one or more of the following (whether occurring with or without the consent of a person):

- (a) the Secured Party or another person granting time or other indulgence (with or without the imposition of an additional burden) to, compounding or compromising with, or wholly or partially releasing the Grantor or another person in any way;

- (b) laches, acquiescence, delay, acts, omissions or mistakes on the part of the Secured Party or another person or both the Secured Party and another person;
- (c) any variation or novation of a right of the Secured Party or another person, or material alteration of a document, in respect of the Grantor or another person including, without limitation, an increase in the limit of or other variation in connection with the Secured Money;
- (d) the transaction of business, expressly or impliedly, with, for or at the request of the Grantor or another person;
- (e) changes which from time to time may take place in the membership, name or business of a firm, partnership, committee or association whether by death, retirement, admission or otherwise whether or not the Grantor or another person was a member;
- (f) the loss or impairment of a Collateral Security or a negotiable instrument;
- (g) a Security Interest being void, voidable or unenforceable;
- (h) the failure to take a Security Interest or guarantee from the Grantor or another person;
- (i) a person dealing in any way with a Security Interest, guarantee, judgement or negotiable instrument (including, without limitation, taking, abandoning or releasing (wholly or partially), realising, exchanging, varying, abstaining from perfecting or taking advantage of it);
- (j) the appointment of a trustee in bankruptcy or receiver to the Grantor or another person or the occurrence of any event leading to that appointment;
- (k) the death or bankruptcy of any natural person;
- (l) the winding up, dissolution, change in *control*, change in status, reconstruction scheme, any assignment for the benefit of creditors, arrangement or compromise with creditors of or in relation to the Grantor or any other person;
- (m) a change in the legal capacity, rights or obligations of a person;
- (n) the fact that a person is a trustee, nominee, joint owner, joint venturer or a member of a partnership, firm or association;
- (o) a judgement against the Grantor or another person for payment of the whole or any part of the Secured Money;
- (p) the receipt of a dividend after the Grantor has become insolvent or other payment of a sum or sums into the account of the Grantor or another person at any time (whether received or paid jointly, jointly and severally or otherwise);
- (q) any part of the Secured Money being irrecoverable;
- (r) an amalgamation or merger of the Grantor with another person;
- (s) a postponement or an assignment of rights in connection with the Secured Money;

- (t) the acceptance of repudiation or other termination in connection with the Secured Money;
- (u) the invalidity or unenforceability of an obligation or liability of a person other than the Grantor;
- (v) invalidity or irregularity in the execution of this Security Agreement by the Grantor or any deficiency in the powers of the Grantor to enter into or observe its obligations under this Security Agreement;
- (w) the opening of a new account by the Grantor with the Secured Party or another person or the operation of a new account;
- (x) any obligation of the Grantor or any other person being discharged by operation of law or otherwise; or
- (y) property secured under a Security Interest being forfeited, extinguished, surrendered, resumed or determined.

#### **18.2 No Merger**

- (a) The Secured Party's right to payment of the Secured Money arising in any way (including, without limitation, under a negotiable instrument or another contract with the Grantor) does not merge with the Grantor's undertaking to pay the Secured Money under this Security Agreement.
- (b) This Security Agreement does not merge with, postpone, lessen or otherwise prejudicially affect any other Security Interest over the Mortgaged Collateral to which the Secured Party is entitled.
- (c) The Secured Party shall hold a judgment or order which it obtains against the Grantor in respect of the Secured Money collaterally with this Security Agreement, and this Security Agreement shall not merge in the judgment or order.

#### **18.3 Exercise of Rights**

The Secured Party may exercise its Powers under this Security Agreement even if a negotiable instrument, security, contract or other obligation relating to the Secured Money is still current or has not fallen due.

#### **18.4 No Need to Resort**

The Secured Party is not obliged to resort to any other Security Interest it may hold for payment of the Secured Money before it resorts to this Security Agreement.

#### **18.5 Co-Surety**

The liability of the Grantor under this Security Agreement is not affected:

- (a) because any other person who was intended to become a co-surety or co-indemnifier for payment of the Secured Money has not done so or has not done so effectively; or

- (b) because a person who is a co-surety or co-indemnifier for payment of the Secured Money is discharged under an agreement or under statute or a principle of law or equity.

#### **18.6 Preference**

If a claim is made that all or part of a payment, obligation, settlement, transaction, conveyance or transfer in connection with the Secured Money is void or voidable under law relating to insolvency or the protection of creditors or for any other reason and the claim is upheld, conceded or compromised:

- (a) the Secured Party is entitled immediately as against the Grantor to the rights in respect of the Secured Money to which it would have been entitled if all or that part of that payment, obligation, settlement, transaction, conveyance or transfer had not taken place; and
- (b) the Grantor agrees to immediately do any act and sign any document at the Secured party's request to restore to the Secured Party any Security Interest or guarantee held by it from the Grantor immediately before that payment, obligation, settlement, transaction, conveyance or transfer.

#### **19. CONTINUING SECURITY**

This Security Agreement and each Collateral Security shall be a continuing security notwithstanding any settlement of account, intervening payment or other matter or thing whatsoever until a final discharge of this Security Agreement and each Collateral Security shall have been given to the Grantor.

#### **20. OTHER SECURITIES**

##### **20.1 Not to be Affected by this Security**

Nothing contained in this Security Agreement or any Collateral Security shall merge in or otherwise in any way prejudicially affect:

- (a) any other Security Interest; or
- (b) any right or remedy against any person;

which the Secured Party or any person claiming through the Secured Party may have at any time.

##### **20.2 Not to Affect this Security**

No other Security Interest at any time held by the Secured Party shall in any way prejudicially affect this Security Agreement, any Collateral Security or any Power.

## 21. COMPLETION OF BLANK INSTRUMENTS

The Secured Party or any Authorised Officer of the Secured Party or any Receiver or Attorney may fill in any blanks in this Security Agreement and complete in favour of the Secured Party, or any purchaser any document at any time executed by or on behalf of the Grantor in blank and deposited with any Secured Party under or as collateral security to this Security Agreement or any Collateral Security.

## 22. COSTS, CHARGES, EXPENSES AND INDEMNITIES

### 22.1 Payment

The Grantor shall pay or reimburse the Secured Party on demand for:

- (a) the reasonable costs, charges and expenses of the Secured Party or any Receiver or Attorney in connection with:
  - (i) the negotiation, preparation, execution, stamping, registration and completion of this Security Agreement;
  - (ii) any consent, exercise or non-exercise of rights, waiver, variation, release or discharge in connection with this Security Agreement or the Mortgaged Collateral;
  - (iii) the contemplated or actual enforcement, or preservation of any rights under this Security Agreement (including, without limitation, any expenses incurred in retaining any independent consultant or other person to evaluate any matter of concern and, in the case of the Secured Party, its administration costs in connection with these events); and
- (b) Taxes, stamp duties, registration fees and other duties and fines and penalties in respect of any of them, which may be payable or determined to be payable in connection with this Security Agreement or a payment or receipt or any other transaction contemplated by this Security Agreement including the costs of preparation, registration, maintenance and the amending of any Financing Statement under the Act;

including in each case, without limitation, reasonable legal costs and expenses.

### 22.2 Indemnity

- (a) The Grantor indemnifies the Secured Party against liability, loss, costs, charges or expenses arising because of:
  - (i) the payment, omission to make payment or delay in making payment of an amount referred to in clause 22.1; or
  - (ii) an Event of Default; or
  - (iii) actions, proceedings costs, claims and demands in connection with the Mortgaged Collateral;

including in each case, without limitation, reasonable legal costs and expenses.

- (b) The Grantor must pay to the Secured Party an amount equal to any liability, loss, costs, charges or expenses of the kind referred to in clause 22.1 suffered or incurred by any Receiver, any Attorney or any employee, officer, agent or contractor of the Secured Party or any Receiver or Attorney.
- (c) If a judgment, order or proof of debt in connection with the Secured Money is expressed in a *currency* other than the currency in which the Secured Money is due, the Grantor shall indemnify the Secured Party against:
  - (i) any difference arising from converting the other currency if the spot rate of exchange as determined by the Secured Party for converting the other currency into the due currency available to the Secured Party, the Secured Party receives a payment in the other currency is less favourable than the rate of exchange used for the purpose of the judgment, order or acceptance of proof of debt; and
  - (ii) the costs of conversion.

The Grantor acknowledges that it may be necessary to convert the other currency through more than one currency to ascertain the spot rate of exchange available to the Secured Party.

## 23. APPLICATION OF MONEY

- 23.1 (a) If section 140 of the Act is applicable, any amount, Personal Property or Proceeds received by the Secured Party or any Receiver as a result of securing a security Interest in the Mortgaged Collateral will be applied in accordance with section 140 of the Act.
- (b) If section 140 of the Act is not applicable, then the amount, Personal Property or Proceeds received by the Secured Party or any Receiver, will then be applied in the following manner, when the Secured Party decides;
- (i) Pursuant to clause 22.2 payments of amounts which are payable or owing.
  - (ii) In paying all expenses, incidental and otherwise, incurred in appointing the Receiver and the debts and liabilities and other expenses of the Secured Party or the receiver incurred in the exercise of power
  - (iii) In paying Receiver's remuneration.
  - (iv) In paying for Encumbrances that have a higher priority than the Secured Party
  - (v) In discharging the Secured money;
  - (vi) If any surplus to or to the credit of an Account in the name of the Grantor.
- (b) The Surplus mentioned in Clause 23(b)(vi) will not include interest and this surplus may be paid by the Receiver or Secured Party to the credit of an Account in the Grantor's name in the books of the Secured Party or, in the Grantor's name at any

*ADI.* The Secured Party and Receiver do not have any further liability upon the crediting of that surplus.

### **23.2 No Interest**

Moneys available for application under clause 23 shall not bear interest. The Secured Party may discharge its liability to account for it by crediting it to an account in its books in the name of the person to whom it is payable, or by paying it into Court.

### **23.3 Actual Receipt**

In an application of money under clause 23 the Grantor is to be credited only with so much of that money as is actually received by the Secured Party. The credit dates from the time of receipt.

## **24. POWER OF ATTORNEY**

### **24.1 Appointment**

The Grantor irrevocably appoints the Secured Party, each officer of the Secured Party and each Receiver severally its Attorney In the Grantor's name or on their behalf, the Attorneys appointed pursuant to this clause may:

(a) Do all that is necessary and reasonable in the opinion of the Secured Party or the Attorney, for the Grantor to do or to give effect to rights, powers or remedies granted to the Secured Party under this Security Agreement.

(b) Request information pursuant to section 275 of the Act, from other Secured Parties;

(c) In the opinion of the Secured Party or Attorney, do all that is necessary for the Grantor to enter into under this Security Agreement, including signing and/or entering into all assurance, documents, deeds and agreements for the Grantor;

(d) In exercising its powers under this Security Agreement, and the General law or otherwise, the Secured Party may use the Grantor's name.

The Grantor acknowledges all things that the Attorney is permitted to do under this Clause.

### **24.2 Powers:**

Each Attorney may:

(a) in the name of the Grantor or the Attorney do anything which the Grantor may lawfully authorise an attorney to do in connection with this Security Agreement or the Mortgaged Collateral or which in the Attorney's opinion is necessary or expedient to give effect to any Power;

- (b) delegate its powers (including, without limitation, this power of delegation) to any person for any period and may revoke a delegation;
- (c) exercise or concur in exercising its powers even if the Attorney has a conflict of duty in exercising its powers or has a direct or personal interest in the means or result of that exercise of powers.
- (d) without limiting the generality of clause 24.2(a) the Secured Party may sell the Mortgaged Collateral by auction, tender or private treaty in such parcels as the Secured Party may determine and for this purpose any Authorised Officer of the Secured Party may do all such acts and things and sign and complete where necessary all transfers agreements and other documents necessary or expedient for the purpose of completing any such sale.

## **25. WAIVERS, REMEDIES CUMULATIVE**

- 25.1 No failure to exercise and no delay in exercising any Power shall operate as a waiver, nor shall any single or partial exercise of any Power preclude any other or further exercise of such Power, or the exercise of any other Power.
- 25.2 The rights, powers and remedies provided to the Secured Party in this Security Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law.

## **26. SEVERABILITY OF PROVISIONS**

- 26.1 Any provision of this Security Agreement or any Collateral Security which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability but that shall not invalidate the remaining provisions of this Security Agreement or any Collateral Security or affect the validity or enforceability of such provision in any other jurisdiction.
- 26.2 Without limiting the generality of clause 26.1:
  - (a) the definition of Secured Money shall not include any obligation to the extent that that obligation if included would avoid or invalidate or render ineffective clause 2 of the Security Interest constituted by this Security Agreement whether by operation of the Act or otherwise; and
  - (b) the definition of the Mortgaged Collateral shall not include any property so long as and to the extent that that property if included would invalidate or avoid or render ineffective the Security Interest constituted by this Security Agreement;

but the Grantor shall use its best endeavours to satisfy any condition or obtain any consent which may be necessary so that such obligation or property may validly be included under this Security Agreement.

## **27. MORATORIUM LEGISLATION**

To the full extent permitted by law all legislation which at any time directly or indirectly:

- 27.1 lessens or otherwise varies or affects in favour of the Grantor any obligation under this Security Agreement or any Collateral Security; or
- 27.2 delays or otherwise prevents or prejudicially affects the exercise by the Secured Party, Receiver of Attorney of any Power;

is negated and excluded from this Security Agreement and any Collateral Security.

## **28. ASSIGNMENTS**

### **28.1 Assignments by Secured Party**

The Secured Party may assign its rights under this Security Agreement and each Collateral Security without the prior written consent of the Grantor.

### **28.2 Assignment by Grantor**

The Grantor shall not assign all or any part of its rights under this Security Agreement or any Collateral Security unless receives prior written consent of the Secured Party.

## **29. NOTICES**

### **29.1 General**

Any notice or other communication to or by any party shall be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient shown in this Agreement or to such other address as it may have notified the sender; and
- (c) be signed by an Authorised Officer of the sender.

### **29.2 Method of Service**

In addition to any means authorised by law any communication may be given by:

- (a) being personally served on a party;
- (b) being left at the party's current address for service;
- (c) being sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail; or

- (d) by facsimile to a party's current number for service.

### 29.3 Deemed Service

A communication shall be deemed duly given or made in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
  - (i) in Australia to an Australian address the second Business Day after posting;  
or
  - (ii) in any other case on the tenth Business Day after posting;
- (c) a facsimile upon a transmission report being printed by the sender's facsimile machine stating that the document has been sent to the recipient's facsimile number;

but if delivery is not made before 4:00pm on a Business Day it shall be deemed to be received at 9:00am on the next Business Day in that place.

### 29.4 Form Received

A communication sent by facsimile shall be deemed given in the form transmitted unless the message is not received in a legible form and the recipient immediately notifies the sender of that fact.

### 29.5 Address for Service

- (a) The addresses and numbers for service are initially:

**The Secured Party:**

C/- Grasso Searles Romano  
Address: Level 1, 322 Old Cleveland Road, Coorparoo  
Facsimile: (07) 3236 4506  
Attention: Alfio Michele Romano

**The Grantor:**

C/-Motion Money Pty Ltd  
Address: Level 3, 471 Adelaide Street, Brisbane

- (b) A party may from time to time change its address or numbers for service by notice to the other party.

## 30. GOVERNING LAW AND JURISDICTION

### 30.1 Governing Law

This Security Agreement shall be governed by and construed in accordance with the laws of Queensland.

### 30.2 Jurisdiction

The Grantor irrevocably and unconditionally submits to the non exclusive jurisdiction of the Courts of Queensland whether State or Federal and each waives any immunity or any objection it may have to any action in those Courts and to a claim that any action has been brought in an inconvenient forum or to those Courts not having jurisdiction.

## 31. TRUSTEE

If the Grantor is or becomes a Trustee of a Trust (whether that fact has been disclosed to the Secured Party or not) it:

- 31.1 acknowledges that this Security Agreement binds or as the case may be shall bind it personally and in its capacity as Trustee;
- 31.2 agrees that the definition of **Mortgaged Collateral** includes the present and future right title and interest in the Trust Fund of the Trust;
- 31.3 shall cause any of its successors as Trustee of the Trust to execute such documents as the Secured Party may require to ensure that this Security Agreement binds that successor;
- 31.4 shall on written demand by the Secured Party exercise its rights of indemnity in relation to the Trust Fund and its rights against the beneficiaries to cause payment of the Secured Money to the Secured Party or shall otherwise hold those rights for the Secured party;
- 31.5 warrants or if the Grantor becomes a Trustee after the date of this Security Agreement shall be deemed to warrant on the date it becomes a Trustee that (unless it has disclosed the contrary to the Secured Party in writing):
  - (a) it is without restriction or condition empowered by the Trust Deed governing the Trust or otherwise to execute and perform this Security Agreement and any and all necessary consents and resolutions have been given and passed;
  - (b) it is the present and only Trustee of the Trust;
  - (c) it has an unrestricted right of indemnity out of the Trust's assets in respect of the Secured Money;
  - (d) any Trust Deed produced to the Secured Party at the date of this Security Agreement or as the case may be on the date that the Grantor becomes a Trustee is current and has not been altered in any way;
  - (e) no funds of the Trust have been re-settled, set aside or transferred to other Trusts;

- (f) there are no claims against the Trust Fund or against the assets of the Trust Fund having priority to the Secured Money;
- (g) there is no material fact or circumstance relating to the matters or affairs of the Trust or the Trust Fund which might if disclosed be reasonably expected to affect the Secured Party's decision to grant accommodation to the Debtor;
- (h) it has not entered into any partnership joint venture profit sharing or similar agreement;
- (i) no powers conferred on the Trustee of the Trust by the Trust Deed have been deleted;
- (j) no guarantee or indemnity affecting the Trust Fund has been given;
- (k) no vesting date has been determined under the provisions of the Trust Deed;
- (l) it is not in default under the provisions of the Trust Deed;
- (m) no notice of the character of notices under Section 67 of the *Trusts Act 1973* as amended has been given in connection with the Trust; and
- (n) each of these warranties shall remain true as long as this Security Agreement remains in force;

31.6 undertakes that unless the Secured Party has given its prior written consent:

- (a) it shall not default under the provisions of the Trust Deed or otherwise;
- (b) it shall remain as the only Trustee of the Trust;
- (c) it shall not suffer any restriction or limitation on the right of indemnity or subrogation;
- (d) the Trust Deed shall not be altered or revoked;
- (e) there shall be no:
  - (i) capital distribution under the Trust;
  - (ii) exercise of any power of determination, revocation, appropriation, or advancement;
  - (iii) settlement, setting aside or transfer to other Trusts of any of the funds of the Trust;

provided that such restriction shall not apply:

- (iv) to the distribution of Trust income in terms of the Trust Deed; or
- (v) so as to infringe the law against perpetuities or relating to accumulation;
- (f) it shall not permit where the Trust is a unit Trust the issue of new units in the Trust or the transfer transmission or redemption of existing units in the Trust;

- (g) the vesting date of the Trust shall not be determined;
- (h) where the Grantor is a company there shall be no issue of shares in the Grantor and no change in its directors; and

31.7 undertakes otherwise than in the ordinary course of business, not to:

- (a) permit the compromise of any claim in relation to the Trust Fund;
- (b) permit any debt to be incurred against the Trust Fund (other than a debt in favour of the Secured party);
- (c) dispose or part with the possession of the Trust Fund;
- (d) permit the delegation of any of the powers of the Trustee of the Trust;
- (e) permit to be given any guarantee or indemnity over or in respect of the Trust Fund;
- (f) publish any notice under Section 67 of the *Trusts Act 1973* as amended;
- (g) grant an Encumbrance over the Trust Fund;
- (h) increase or allow to be increased the remuneration payable to a Trustee of the Trust; or
- (i) exercise any power or provision of the Trust after default under this Security Agreement or after notice has been given by the Secured Party specifying the powers and provisions that shall no longer be exercisable without the prior written consent of the Secured party.
- (j) In this clause:

**Trust** means any trust of which the Grantor is a trustee;

**Trust Deed** means the trust deed constituting the Trust and all variations and amendments made to that deed;

**Trust Fund** means the trust fund comprising any assets the subject of and held by the Grantor as Trustee pursuant to the Trust Deed;

**Trustee** means the Grantor from time to time appointed as a trustee pursuant to a Trust Deed.

## 32. REGISTRATION

The Grantor agrees that the Secured Party may register or cause to be registered this Security Agreement or a copy thereof with the Personal Property Securities Register.

### 33. MISCELLANEOUS

#### 33.1 Certificate

- (a) A certificate by the Secured Party relating to this Security Agreement is, in the absence of manifest error, conclusive evidence against the Grantor of the matters certified.
- (b) If under this document any matter is to be resolved by the determination or opinion of the Secured Party:
  - (i) the determination or opinion of the Secured Party will be binding upon the Grantor:
    - (A) if it is expressly required to be reasonable, if it is reasonable; or
    - (B) if it is not expressly required to be reasonable, if it is not made or formed in bad faith;
  - (ii) the Secured Party is not obliged to give the reasons for a determination or opinion; and
  - (iii) the Grantor will have the onus of proving that a determination or opinion of the Secured Party is made or formed in bad faith or is unreasonable, as the case may be.
- (c) A determination or an opinion of an Authorised Officer of the Secured Party which is given to the Grantor or otherwise expressed or acted upon by the Secured Party as being a determination or an opinion of the Secured Party will be deemed to be a determination or opinion of the Secured Party.

#### 33.2 Waivers

- (a) A right in favour of the Secured Party this Security Agreement, subject to any express provision to the contrary, may be waived prospectively or retrospectively by writing signed by the Secured Party;
- (b) No other act, omission or delay by the Secured Party will constitute a waiver of a right.

#### 33.3 Exercise Rights

- (a) A single or partial exercise or waiver by the Secured Party of any right relating to this Security Agreement will not prevent any other exercise of that right or the exercise of any other right;
- (b) The Secured Party and its Representatives will not be liable for any loss, cost or expense of the Grantor caused or contributed to by the waiver of, exercise of, attempted exercise of, failure to exercise or delay in exercising a right and the Secured Party holds the benefit of this clause 33.3 upon trust for itself and its Representatives.

### 33.4 Time

Time is of the essence in respect of any obligation of the Grantor under this Security Agreement.

### 33.5 Business Day

- (a) If the day on which:
  - (i) anything, other than a payment, is to be done is not a Business Day, that thing shall be done on the preceding Business Day; and
  - (ii) a payment is to be made is not a Business Day it shall be made on the next Business Day but if the next Business Day falls in the next calendar month it shall be made on the preceding Business Day;
- (b) If an act, other than a payment or the giving of a communication, is required to be done on a particular day and the act is done after 5:00pm on that day, it will be deemed to have been done on the following day.

### 33.6 Effect of Execution

This Security Agreement shall be binding upon each person who has executed it other than the Secured Party notwithstanding the failure of any other person named as a party to execute it.

### 33.7 Counterparts

This Security Agreement may be executed in any number of counterparts and all counterparts taken together shall constitute one and the same instrument.

### 33.8 Survival of Indemnities

Each indemnity in this Security Agreement is a continuing obligation, separate and independent from the other obligations of the Grantor and survives termination of this Security Agreement.

## 34. PARTNERSHIP

Where this Security Agreement is given in respect of the indebtedness of a partnership:

- 34.1 This Security Agreement shall continue to be binding notwithstanding any changes which may from time to time take place in the partners whether by the death or retirement of any partner or the admission of any new partner or otherwise and notwithstanding that the partnership no longer carried on business; and
- 34.2 This Security Agreement shall be binding on the Grantor notwithstanding that the Grantor is not, or is no longer, a member of the partnership;

but the Secured Party without notice to the Grantor or the partnership, may discontinue all or any transactions with the Grantor or the partnership and decline to

pay any cheques, make any advances or meet any obligations to, for or on account of the Grantor or the partnership.

### **35. GOODS AND SERVICES TAX**

35.1 If the Secured Party is obliged pursuant to the GST Law to pay an amount of GST in respect of a taxable supply made by the Secured Party to the Grantor pursuant to the provisions of this Security Agreement or any other collateral agreement or instrument, the Grantor will pay to the Secured Party that amount of GST at the same time and in the same manner as the Grantor is required to pay for the taxable supply or (at the Secured Party's election) on demand.

35.2 The Secured Party must issue to the Grantor a Tax Invoice in respect of each taxable supply to which clause 35.1 applies within such time as the GST Law may prescribe from time to time.

35.3 Where the Grantor is required to pay, reimburse or indemnify the Secured Party for an amount, the Grantor will pay the relevant amount (including any GST) less the amount of any input tax credits which the Secured Party determines that it is entitled to claim in respect of that amount the intention being that the Grantor only reimburses the Secured Party for the net cost to it and thus avoids any element of price exploitation.

35.4 The Grantor agrees that the Secured Party has not made any allowance for GST in pricing any supply to be made under or in connection with this Security Agreement or any other collateral agreement or instrument.

Other expressions used in clause 35.1 which are not specifically defined have the meanings as defined in the GST Law.

### **36. CONTRACTING OUT OF THE ACT**

The Grantor acknowledges that if the Mortgaged collateral are not predominantly used as personal, domestic or household assets, the following provisions of the Act are not applicable:

- (a) Section 95 (notice of removal of accession), to the extent of it being required that the Secured Party give the Grantor notice;
- (b) Sub-section 124(4) (notice to Grantor with regards to enforcement of liquid assets);
- (c) Section 130 (notice of disposal), to the extent of it being required that the Secured Party give the Grantor notice;
- (d) Sub-section 132(3)(d) (Statement of account contents after disposal)
- (e) Sub-section 132(4) (Statement of account if not disposal);
- (f) Section 142 (Collateral redemption); and
- (g) Section 143 (Security Agreement Reinstatement).

### 37. THE ACT CONFIDENTIALITY AGREEMENT

- (a) The Act Information is agreed by all parties to be kept strictly confidential and that it not be disclosed, unless where section 275(7)(b) or (e) of the Act requires it and the party that is required under the said sections to disclose this information gives all available notice to the other party to enable the required disclosure to be legally challenged by that party and takes all reasonable steps to keep that Act Information confidential.
  
- (b) Pursuant to section 275(7)(c) or section 275(7)(d) of the Act, it is agreed by all parties that disclosure of the Act Information to any third party is prohibited, except in circumstances where the other party to this Security Agreement expressly agrees.

## FIRST SCHEDULE

### **The Mortgaged Collateral:**

All of the Grantor's Personal Property whether presently held or as may be after acquired, including all present and future rights in relation thereto and without limiting the generality of the foregoing, all of the Grantors interest in Motor Vehicle Loan Contracts and securities relevant thereto entered into by the Grantor as Lender.

EXECUTED as a Security Agreement.

EXECUTED by MOTION MONEY PTY ]  
LTD ACN 617 641 620 in accordance with ]  
Section 127(2) of the Corporations Act 2001 as ]  
the Grantor in the presence of:

  
.....  
Signature of Witness

  
.....

.....  
GLENN KUNNING  
.....

Name of Witness (BLOCK LETTERS)

.....  
33/27 CUNNINGHAM ST, NEWSSTEAD, 4006.  
.....

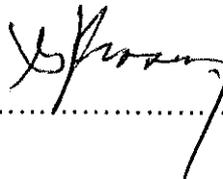
Address of Witness

.....  
DIRECTOR  
.....

Occupation/Office of Witness

  
KUNNING ]  
PTY LTD ]  
SIGNED SEALED AND DELIVERED by ]  
GLENN JUDE KUNNING AS TRUSTEE ]  
OF THE KUNNING SUPERFUND as the ]  
Secured Party in the presence of: ]

  
.....  
Signature of Witness

  
.....

.....  
PAUL HALHEAD  
.....

Name of Witness (BLOCK LETTERS)

.....  
4/11 HELEN ST, TENERIFF Q 4005 ,  
.....

Address of Witness

.....  
DIRECTOR  
.....

Occupation/Office of Witness