

Security Trust Deed for Limited Recourse Borrowing Arrangement

Between

S Grant SMSF Pty Ltd (ACN 627 398 314) (“Security Trustee”)

And

Stuart Grant Super Pty Ltd (ACN 627 385 979) as trustee of Stuart Grant Superannuation Fund (“Super Trustee”)

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Security Trust Deed for Limited Recourse Borrowing Arrangement

Parties: S Grant SMSF Pty Ltd (ACN 627 398 314) of c/- Coastal Accounting Service, Shop 4/73 Broad Street, Sarina QLD 4737 ("Security Trustee")

And: Stuart Grant Super Pty Ltd (ACN 627 385 979) as trustee of Stuart Grant Superannuation Fund of c/- Coastal Accounting Service, Shop 4/73 Broad Street, Sarina QLD 4737 ("Super Trustee")

Background:

- A. The Super Trustee is the trustee of a regulated superannuation fund under the Superannuation Industry (Supervision) Act ("SIS").
- B. The Super Trustee wishes to borrow monies to purchase certain property in its capacity as trustee of the Superannuation Fund.
- C. Section 67 (A and B) of SIS allows the trustee of a regulated superannuation fund to borrow monies to acquire property provided certain conditions are met.
- D. The Security Trustee has agreed to hold the property that the Super Trustee wishes to acquire as trustee for the Superannuation Fund upon the terms herein so as to permit the Super Trustee to comply with SIS.

Agreement:

1. Definitions and Interpretation

1.1. Compliance with SIS

- (a) The parties intend this deed to contain the terms and conditions upon which the Security Trustee will acquire and hold Property on trust for the Super Trustee.
- (b) The intention is to ensure the terms and conditions of this deed comply in all respect with the requirements of SIS and the regulations made under SIS including without limitation:
 - (i) Section 67 (A and B) SIS - Borrowing;
 - (ii) Regulation 13.14 and 13.15 - Charges over assets of regulated superannuation;
 - (iii) Section 71 and 83 (SIS) - In-house assets.
- (c) If the interpretation of or the inclusion of any clause (or part thereof) in this deed means that the arrangement entered into between the Super Trustee and the Security Trustee (as described herein) would not comply with SIS such that the Superannuation Fund would no longer be a regulated superannuation fund (as that term is defined in SIS) then such clause (or part thereof) shall be:
 - (i) Given the interpretation which ensures that the arrangement does comply with SIS; and

- (ii) If it is not possible to give the clause (or part thereof) an interpretation to ensure compliance with SIS then such clause (or part thereof) shall be severed from this deed without invalidating or affecting the remaining provisions of this deed in which case the Super Trustee shall insert a new provision that complies with SIS and yet strives to give effect to the intent behind the clause or part of the clause that was severed from this deed.

1.2. Definitions

In this deed, unless the context otherwise requires, the following words shall have the meaning set out adjacent to them:

- (a) "Acquirable Asset" has the meaning given to it in section 67A of the SIS Act.
- (b) "Business Day" means a day that is not a Saturday, Sunday, public holiday or bank holiday in //*///Mackay/Brisbane, Queensland.
- (c) "Claim" includes a claim, notice, demand, action, proceeding, litigation, investigation, judgment, damage, Loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute and whether involving a third party or a party to this deed.
- (d) "Contract of Sale" in respect of any Property means the contract or agreement entered into or to be entered into by the Security Trustee (as trustee for the Super Trustee) to purchase the Property from the owner thereof.
- (e) "Government Agency" means a local authority, government or government department, a governmental, semi-governmental or judicial person and a person (whether autonomous or not) charged with administration of any applicable law.
- (f) "GST" has the meaning it has in the GST Act.
- (g) "GST Act" means A New Tax System (Goods and Services Tax) Act 1999 (Cth).
- (h) "Income" means all and any entitlements arising out of ownership of the Property including rent, dividends, interest, licence fees and other forms of income in respect of the Property.
- (i) "Limited Recourse Borrowing Arrangement" means an arrangement whereby a Lender lends money to the Super Trustee for the acquisition of Property to be held by the Security Trustee as trustee for the Super Trustee with such loan being a limited recourse loan that complies in all respects with section 67 (A and B) of SIS.
- (j) "Loss" includes any loss, damage, cost, Claim, liability (including Tax liability) or expense (including legal costs and expenses on an indemnity basis).
- (k) "Property" means a single Acquirable Asset, either real or personal property, the legal title to which is to be held by the Security Trustee and the beneficial interest in which is to be held by the Super Trustee. Unless the context in which the term is used suggests otherwise the term includes:
 - (i) Any improvements (already existing) to the Property;
 - (ii) Any rights or property acquired with or affixed to that Property; and

- (iii) Any money derived in respect of the sale of the Property or derived from the Property; and
- (iv) Any Replacement Property.
- (l) "Purchase Money" means money paid by the Super Trustee to fund the whole or part of the price paid for the Property. The term includes money paid for the deposit under any contract, stamp duty payable on the acquisition of the Property, legal costs or otherwise relating to the purchase of the Property.
- (m) "Purchase Price" means the purchase price payable for the Property but does not include other costs incidental to the purchase such as stamp duty and legal costs.
- (n) "Replacement Property" means Property received or otherwise acquired by the Security Trustee in place of Property that has been sold or otherwise disposed of by the Security Trustee pursuant to the terms of this Deed and as provided in section 67B of the SIS Act.
- (o) "Security" means any form of mortgage, lien, bill of sale, charge or other form of security over the Property to secure repayment of a loan or other financial accommodation.
- (p) "SIS" means the Superannuation Industry (Supervision) Act and the regulations and determinations made under that Act.
- (q) "Super Deed" means the deed that established the Superannuation Fund named herein and all amendments to or variations of that deed.
- (r) "Superannuation Fund" means the regulated superannuation fund known as "Stuart Grant Superannuation Fund" established by deed dated and any variation thereto.
- (s) "Tax" means all taxes, duties, imposts, charges, withholdings, rates, levies or other governmental impositions of whatever nature and by whatever authority imposed, assessed or charged together with all costs, charges, interest, penalties, fines, expenses and other additional statutory charges, incidental or related to the imposition.
- (t) "Trust Fund" means all monies and other property held as trustee by the Security Trustee for the Super Trustee pursuant to this deed from time to time including as appropriate the Purchase Money, the Property acquired with the Purchase Money, the Income and all other monies arising out of the ownership of the Property and any Replacement Property (including the proceeds of sale of any Property) in respect of each Trust constituted pursuant to this Deed.

1.3. Interpretation

In this deed unless the context otherwise requires:

- (a) A reference to the Super Trustee is to the Super Trustee as trustee of the Superannuation Fund.
- (b) A reference to:
 - (i) Legislation (including subordinate legislation) is to that legislation as amended re-enacted or replaced, and includes any subordinate legislation issued under it;

- (ii) A document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
- (iii) A party to this deed or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
- (iv) A person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
- (v) Anything (including a right, obligation or concept) includes each part of it.
- (vi) A singular word includes the plural, and vice versa.
- (vii) A word which suggests one gender includes the other genders.
- (viii) Information is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programs, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets.
- (ix) Dollars or \$ is to an amount in Australian currency.
- (c) If a word is defined, another part of speech has a corresponding meaning.
- (d) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (e) If the day on or by which a person must do something under this deed is not a Business Day, if the act involves payments that are due on demand, the person must do it on or by the next Business Day, and in any other case, the person must do it on or by the previous Business Day.
- (f) Any agreement, representation or warranty by more than one party binds and is given by them jointly and severally.
- (g) A rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it.
- (h) A reference to any party to this deed, or any other document or arrangement, includes that party's executors, administrators, substitutes, successors and permitted assigns.
- (i) Headings are for convenience of reference only and do not affect interpretation.

2. Limited Recourse Borrowing Arrangement

2.1. Declaration of a Trust

The Super Trustee may, from time to time, appoint the Security Trustee as its trustee to purchase on behalf of the Super Trustee, any Property which the Super Trustee so directs the Security Trustee to purchase. The Super Trustee and Security Trustee will execute a declaration of trust for each separate Property to be held by the Security Trustee as trustee on trust on the terms and conditions of this deed.

2.2. Payment of Purchase Money

The Super Trustee agrees to provide to the Security Trustee all the Purchase Money (including any deposit payable under any contract for the purchase of Property) for the acquisition of the Property.

2.3. Application of Loan Monies

The Super Trustee and the Security Trustee agree that:

- (a) No monies borrowed by the Security Trustee from a Lender will be applied to expenses incurred in improving the Property.
- (b) The Security Trustee may apply monies borrowed from a Lender to pay for conveyancing fees, stamp duty, brokerage or loan fees incurred in acquiring the Property.
- (c) Both the Super Trustee and the Security Trustee agree to keep a proper record of the application of the loan monies so as to be able to demonstrate that they have complied with SIS.

2.4. Refinance of Loan Monies

Subject to the any third parties' rights, the Super Trustee may elect to refinance monies lent by a third party pursuant to a Limited Recourse Borrowing Arrangement in accordance with s67A and s67B. If the Super Trustee elects to refinance the loaned monies, the Security Trustee shall do all things necessary to give effect to the refinance.

2.5. Super Trustee has Vested Interest

At all times:

- (a) The Super Trustee will have a vested and indefeasible interest in the Trust Fund; and
- (b) The Super Trustee will be absolutely entitled to the Trust Fund as against the Security Trustee.

2.6. No beneficial interest

The Security Trustee declares that it will have no beneficial interest in the Trust Fund.

3. More than one trust can be created

3.1. Appointment for more than one Property

The parties acknowledge that the Super Trustee may appoint the Security Trustee as its trustee at different times to acquire Property as trustee for the Super Trustee.

3.2. Separate Trusts

On each occasion where the Super Trustee so directs the Security Trustee to acquire a Property, the Super Trustee will execute a new declaration of trust and Property acquired pursuant to that trust shall be held on a separate trust upon the terms set out in this deed.

3.3. Acquisition of Replacement Property does not create a new trust

By way of clarification, where the Super Trustee merely directs the Security Trustee to sell or otherwise dispose of any Property already held by the Security Trustee pursuant to this deed and to acquire Replacement Property then a new trust is not thereby created.

3.4. Name of Trusts

The trust in respect of any particular item of Property created pursuant to the appointment of the Security Trustee as trustee under this deed may be named by the Super Trustee any name that the Super Trustee may choose to use.

4. Period of Trust

4.1. Commencement of Trust

The trust in respect of any Property commences on the date that the Security Trustee accepts any part of the Purchase Price from the Super Trustee or executes the declaration of trust pursuant to this deed which ever is the earlier.

5. Dealings with property

5.1. Powers of Beneficial Owner

The Security Trustee shall have the power to deal with and engage in any transaction or dealing in respect of the Trust Fund in the manner that the Super Trustee directs from time to time.

5.2. Pass on Information

The Security Trustee will use its best endeavours to obtain and pass on to the Super Trustee all information concerning the Property which the Super Trustee may reasonably require to make decisions in respect of dealing with the Property. For example, where the Property consists of securities listed on a stock exchange the Security Trustee will pass on information it receives in respect of voting, or about participating in bonus issues, capital reductions, share buy backs, rights plans, and the like.

5.3. Possession

The Security Trustee may, as and when directed by the Super Trustee, permit any person to have possession or control of the Property from time to time.

5.4. Securities held by a CHESSE sponsor

Although the Security Trustee is to hold the legal title to the Property, if the Property includes securities listed on a stock exchange, then the Security Trustee may engage a duly licensed CHESSE sponsor to electronically register the ownership of the securities on the relevant CHESSE sub-register and to facilitate the settlement and clearing of trades in the securities as directed by the Security Trustee.

5.5. Security over the Property

If directed by the Super Trustee, the Security Trustee must grant Security over the Property.

5.6. No Recourse Against Super Trustee Assets

Notwithstanding any right the Security Trustee may have at law or otherwise, the Security Trustee shall have no recourse whatsoever against the Super Trustee in respect of any demand made by or payment to any party in respect of the loan or other financial accommodation granted to the Super Trustee.

5.7. Transfer legal title

The Security Trustee will hold the legal title to the Property on trust pursuant to the terms of this deed and will transfer such legal title to the Super Trustee upon request from the Super Trustee to transfer the legal title.

5.8. Security Trustee duties

Except as expressly provided in this deed, the Security Trustee will have no duties to perform in respect of the Property and will incur no liability to the Super Trustee or any other person for the non-performance of any duty which might otherwise be implied or imposed upon persons who hold property as trustee for others.

6. Income from the Property

6.1. Income to be collected by Super Trustee

The Super Trustee may:

- (a) Directly collect in and retain all and any Income and other payments arising from ownership of the Property; and
- (b) Direct the Security Trustee to pay the Income and other payments directly to any party; and
- (c) Direct the Security Trustee to receive the Income or other payments and to account to the Super Trustee for them.

6.2. Super Trustee requests Security Trustee to collect Income

If the Security Trustee receives Income or other monies arising from ownership of the Property then the Security Trustee must not mix the monies with its own monies but must immediately account to the Super Trustee in respect of such Income and payments.

6.3. Open Account

If the Security Trustee cannot account for the Income and other payments it receives without first processing the payment in its name then the Security Trustee must establish one or more bank accounts into which it will deposit all Income and other payments (unless otherwise agreed with the Super Trustee).

6.4. Security Trustee to provide information

The Security Trustee will immediately give to the Super Trustee details of all Income and other payments received by the Security Trustee in respect of the Property.

6.5. Written direction

The Security Trustee must, on request from the Super Trustee, provide such written directions or authorities as are necessary or desirable to give effect to any direction from the Super Trustee pursuant to this clause.

7. Insurance

The Security Trustee agrees to effect and maintain insurance in respect of the Property upon direction from the Super Trustee and shall also;

- (a) Produce to the Super Trustee any insurance policies and evidence satisfactory to the Super Trustee of the renewal thereof whenever requested by the Super Trustee.
- (b) Should the Security Trustee receive any monies in respect of insurance cover then the Security Trustee shall hold the same upon trust for the Super Trustee.
- (c) The Super Trustee shall pay all the premiums payable in respect of such insurance.

8. Power of Attorney

The Security Trustee may from time to time appoint one or more attorneys to act for it upon the terms herein:

- (a) The attorneys may be appointed jointly or severally.
- (b) The attorneys may be appointed generally in respect of each distinct Trust Fund created pursuant to this Deed or only in respect of a particular dealing with an asset comprised in the Trust Fund or in respect of a specific transaction or class of transactions.
- (c) The attorneys may be authorised to exercise any powers, authorities, duties or functions conferred on the Security Trustee by this deed or by law whether or not the Security Trustee has disclosed that the Security Trustee is acting as a trustee.
- (d) Any power of attorney granted pursuant to this clause:
 - (i) Does not require the consent of any person; and
 - (ii) Will remain valid and effectual for the period nominated by the Security Trustee or until revoked by the Security Trustee in its discretion.

9. Indemnities

9.1. Indemnity from Super Trustee

Subject to sub-clause 2, the Super Trustee agrees to indemnify, and keep indemnified, the Security Trustee, its officers, employees, agents and representatives against all proceedings, claims, demands, damages, actions, reasonable settlement payments made in compromise of any claims, reasonable costs and expenses, losses and liabilities of whatever nature (whether actual or contingent) suffered or incurred by or sustained or threatened against, the Security Trustee (including interest and legal fees and expenses on a full indemnity basis) arising out of, or in connection with:

- (a) The negotiation, preparation, execution, stamping and registration of this Deed;

- (b) The enforcement or attempted enforcement or preservation or attempted preservation of any rights under this Deed; and
- (c) Any amendment to, or consent, waiver or release of or under, this Deed.
- (d) The Security Trustee holding the Property in its name as trustee;
- (e) The Security Trustee's meeting its obligations under this deed;
- (f) The Security Trustee complying with any direction of the Super Trustee under this Deed;
- (g) Any transaction relating to the ownership of or dealing with the Property;
- (h) There being insufficient funds available to the Security Trustee to meet the Purchase Price and other Purchase Money, holding costs and disposal costs of the Property including any Tax, brokerage, commission, legal costs, penalties and other expenses arising out of any purchase, holding or disposal of the Property under this deed or the performance of the obligations of the Security Trustee under this deed;
- (i) The certification and reporting requirements under SIS or any other legislation or regulation;
- (j) Any claims for exemption or refund, additions for late payment, interest, penalties and other expenses (including legal expenses) that may be assessed against the Security Trustee on account of the Super Trustee or the Property;
- (k) Any breach of this deed by the Super Trustee or its officers, agents, employees or representatives, including without limitation any breach of a warranty, covenant, or obligation under this deed;
- (l) Penalties, fines, compensation, penalties claims, rehabilitation or restoration, orders under any environmental issues or risks, environmental, heritage, planning or other law strictly or personally imposed on the Security Trustee as a result of it being the holder, legal owner, lessee or lessor of land or otherwise having an interest in land; and
- (m) The existence or suspected existence of any contamination or the actual or potential occurrence of pollution in, on, from or in connection with, the Property at any time.

9.2. Limit of liability of Super Trustee under Indemnity

Notwithstanding the above or any other provision in this deed or any principle of law:

- (a) The liability of the Super Trustee to the Security Trustee in respect of any particular trust will be limited to its interest in the Property and the Security Trustee will not be entitled to exercise its rights against any other assets of the Super Trustee or any other trust in that regard; and
- (b) The Super Trustee will not be liable to the Security Trustee to the extent to which damage or loss results from or is caused by any breach of this deed by the Security Trustee; and
- (c) The Super Trustee will not be liable to the Security Trustee under any indemnity in this clause to the extent to which the grant of such an indemnity would result in the

Superannuation Fund no longer being a regulated superannuation fund (as that term is defined in SIS).

9.3. Enforcing right of indemnity

The Security Trustee need not incur expenses or make payment before enforcing a right of indemnity under this deed.

10. Audit

The Super Trustee can, at any time but on reasonable notice and at its own cost, inspect and audit the Security Trustee's records relating to the Trust Fund and compliance with this deed. The Security Trustee must provide all reasonable access and assistance to any registered auditor engaged to conduct an audit in relation to the Super Trustee.

11. Taxes

The Super Trustee agrees to bear any taxes payable or assessed in connection with this deed including the delivery or transfer of the Property to the Security Trustee or from the Security Trustee to any other person in accordance with this deed or direction from the Super Trustee.

12. Third parties

Except in case of fraud, no person dealing with or contracting with the Security Trustee will be required to enquire or ascertain the terms of this deed or whether any contract or dealing with the Security Trustee is proper or has been authorised or to see to the application of any money paid to the Security Trustee.

13. Replacement of Security Trustee

13.1. Super Trustee may add, remove, or replace the Security Trustee

The Super Trustee may at any time by deed in respect of any Property, remove the Security Trustee, appoint a replacement Security Trustee or appoint an additional Security Trustee.

13.2. Duties of outgoing Trustee

The outgoing Security Trustee must as soon as practicable after being removed or replaced as trustee in respect of any Property:

- (a) Sign all documents and do all things necessary to transfer legal title to the Property to the new or continuing Security Trustee;
- (b) Sign all documents and do all things necessary to transfer any charge or security in respect of the Property to the new or continuing Security Trustee.

13.3. Duties of Continuing Trustee

If a new Security Trustee is added as trustee in respect of any Property, then any continuing Security Trustee must sign all documents and do all things necessary to transfer legal title to the Property to the new trustee jointly with the continuing trustee or trustees.

14. Revocation and Amendment of Trust Deed

- (a) The Security Trustee will, at the direction of the Super Trustee, by deed, revoke add to or vary all or any of the terms of this deed or the terms contained in any variation or alteration or addition made to it from time to time.

15. General provisions

15.1. Governing law

This deed is governed by and construed in accordance with the law for the time being in force in Queensland.

15.2. GST

If any payment made by one party to any other party under or relating to this document constitutes consideration for a taxable supply for the purposes of GST or any similar tax, the amount to be paid for the supply will be increased so that the net amount retained by the supplier after payment of that GST is the same as if the supplier was not liable to pay GST in respect of that supply. This provision is subject to any other agreement regarding the payment of GST on specific supplies, and includes payments for supplies relating to the breach or termination of, and indemnities arising from, this document.

15.3. Notices

- (a) Any notice to or by a party under this document must be in writing and signed by the sender or, if a corporate party, an authorised officer of the sender.
- (b) Any notice may be served by delivery in person or by post or transmission by facsimile or email.
- (c) Any notice is effective for the purposes of this document upon delivery to the recipient or production to the sender of a facsimile transmittal confirmation report before 4.00 pm local time on a day in the place in or to which the written notice is delivered or sent or otherwise at 9.00am on the next day following delivery or receipt. A notice sent by e-mail is effective when the electronic communication enters the information system of the addressee.

15.4. Further assurance

Each party must execute any document and perform any action necessary to give full effect to this document, whether before or after performance of this document.

15.5. Continuing performance

The provisions of this document do not merge with any action performed or document executed by any party for the purposes of performance of this document. Any representation in this document survives the execution of any document for the purposes of, and continues after, performance of this document. Any indemnity agreed by any party under this document:

- (a) Constitutes a liability of that party separate and independent from any other liability of that party under this document or any other agreement; and
- (b) Survives and continues after performance of this document.

15.6. Waivers

Any failure by any party to exercise any right under this document does not operate as a waiver and the single or partial exercise of any right by that party does not preclude any other or further exercise of that or any other right by that party.

15.7. Remedies

The rights of a party under this document are cumulative and not exclusive of any rights provided by law.

15.8. Severability

Any provision of this deed which is invalid in any jurisdiction is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining provisions of this document or the validity of that provision in any other jurisdiction.

15.9. Counterparts

This deed may be executed in any number of counterparts, all of which taken together are deemed to constitute one and the same document.

15.10. Guarantee and Indemnity by Security Trustee

If directed by the Super Trustee, the Security Trustee must provide a Guarantee and Indemnity to secure repayment of a loan or other financial accommodation provided by a Lender to the Super Trustee in respect of the acquisition of the Property. Such Guarantee and Indemnity is to be limited in recourse to the Property acquired from the loan or financial accommodation provided by the Lender.

Executed as a Deed

Executed by S Grant SMSF Pty Ltd (ACN 627)
398 314) as Security Trustee in accordance)
with Section 127 of the Corporations Act 2001)
(Cth))

Dated this 9th day of)
July, 2018)

Director/Sole Director

Director/Secretary

Executed by Stuart Grant Super Pty Ltd (ACN)
627 385 979) as trustee of Stuart Grant)
Superannuation Fund as Super Trustee in)
accordance with Section 127 of the)
Corporations Act 2001 (Cth))

Dated this 9th day of)
July, 2018)

Director/Sole Director

Director/Secretary