

ASSIGNMENT OF DEBT

THIS ASSIGNMENT dated for reference the 30th day of October, 2018

BETWEEN:

PHARMALOGIX INVESTMENT CORP.

(the "Assignor")

AND:

BLUE AQUA HOLDINGS LTD.

(the "Assignee")

WHEREAS:

A. Pursuant to the terms of a Loan Agreement dated August 21st, 2018 (the "Loan Agreement") with The Orley Group Pty. Ltd. ("Orley"), Orley is indebted to the Assignor for the principal sum of AUS\$100,000 (the "Outstanding Amount"), as at the date hereof.

B. The Assignor has agreed to accept CDN\$ 95,000.00 from the Assignee in satisfaction of the Outstanding Amount and has agreed to assign to the Assignee all of the Assignor's right, title and interest in and to the Loan Agreement, the Outstanding Amount and any related security interests (together with all evidences thereof and all rights and benefits of the Assignor pertaining thereto and proceeds derived therefrom, the "Assigned Rights") in accordance with this Assignment.

NOW THEREFORE, in consideration of the sum of CDN\$ 95,000.00 now paid by the Assignee to the Assignor (the receipt and sufficiency of which are hereby acknowledged by the Assignor), the Assignor covenants and agrees as follows:

1. The Assignor hereby absolutely and unconditionally forever assigns, transfers and sets over unto the Assignee all of the Assignor's right, title and interest in and to the Assigned Rights and all benefits and advantages to be derived therefrom; and the full benefit of all covenants and agreements on the part of Orley, or any third parties with respect to any of the Assigned Rights; with full power and authority to collect payment of the Outstanding Amount and the interest accrued thereon, or enforce, demand, collect, sue for breach of any said warranty, guarantee, indemnity or covenant or for specific performance of any said warranty, guarantee, indemnity or covenant contained in the Outstanding Amount or any instrument of Orley given in support thereof, in the name of the Assignor.
2. The Assignor warrants to the Assignee that:
 - (a) the Assignor has full right, power and authority to enter into this Assignment and to assign the Assigned Rights to the Assignee;
 - (b) except as set out in this Assignment, the Assignor has not assigned all or any part of its interest in any of the Assigned Rights and has not granted any options, interests or other rights in or to any of the Assigned Rights;

- (c) no payment is required to be made to any person other than the Assignor in order for the Assignee to enjoy the full benefit of, the Assigned Rights;
- (d) none of the Assignment Agreement or any instrument of Orley given in support thereof have been amended, modified, terminated or surrendered nor has the Assignor waived any of its rights thereunder; and
- (e) the outstanding principal balance of the Outstanding Amount as of the date hereof is AUS\$100,000, not including accrued and unpaid interest.

3. In consideration of the assignment of the Outstanding Amount from the Assignor, the Assignor has agreed to accept CDN\$ 95,000.00 from the Assignee, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged the Assignor for itself, and for its agents, servants, successors and assigns, does hereby remise, release and forever discharge Orley from any and all manner of actions, causes of action, suits, debts, due accounts, bonds, covenants, contracts, claims, demands, damages, costs, expenses and any and all legal obligations and compensation of whatsoever kind and howsoever arising and whether known or unknown, suspected or unsuspected and which the Assignor had or now has or which its agents, servants, successors and assigns hereafter can, shall or may have, arising out of or in connection with the Loan Agreement and including, but not limited to any and all agreements, arising from or pertaining thereto.

4. The Assignor will at all times hereafter execute and deliver, at the request of the Assignee, all such further documents, deeds and instruments, and will do and perform all such acts as may be necessary or desirable to give full effect to the intent and meaning of this Assignment. Without limiting the generality of the foregoing, the Assignor will execute such financing statements, financing change statements, notices or directions as may be necessary or advisable to cause all pertinent offices of public record to amend their records to show the interests of the Assignee in the Assigned Rights and to direct Orley to fulfil its obligations under the Outstanding Amount or any instrument made by Orley in favour of the Assignor in respect thereof for the benefit of the Assignee.

5. Each of the parties to this Assignment acknowledges that such party has read this document and fully understands the terms of this Assignment, and acknowledges that this Assignment has been executed voluntarily after either receiving independent legal advice, or having been advised to obtain independent legal advice and having elected not to do so

6. This Assignment will enure to the benefit of the Assignees and their successors and assigns, and will be binding upon the Assignor and its successors and assigns.


7. This Assignment will be governed by and construed in accordance with the laws in force in the Province of British Columbia and the parties submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia in any proceedings pertaining to the Assigned Rights or this Assignment.

8. This Assignment may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts will be construed together and will constitute one and the same agreement.

IN WITNESS WHEREOF the parties hereto have executed this Assignment as of the day and year first above written.

PHARMALOGIX INVESTMENT GROUP

Per:


Authorized Signatory

BLUE AQUA HOLDINGS LTD.

Per:


Authorized Signatory

Assignment of the Outstanding Amount acknowledged
this 31st day of October, 2018

THE ORLEY GROUP PTY. LTD.

Per:


Authorized Signatory

DATED *August 21,*

2018

PHARMALOGIX INVESTMENT CORP

and

THE ORLEY GROUP PTY LTD

and

GLENN OSSY-ORLEY

LOAN AGREEMENT

Squire Patton Boggs (AU)
Level 21
300 Murray Street
Perth WA 6000
Australia
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Reference: BLS700-215000-00001

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DETAILS

Date

Parties

Name **Pharmalogix Investment Corp (BC1001872)**
Short form name **Lender**
Notice details #335-1917 W 4th Ave. Vancouver, BC V6J 1M7
Email: lucasbirdsall@gmail.com
Attention: Lucas Birdsall

Name **The Orley Group Pty Ltd (ACN 626 549 237)**
Short form name **Borrower**
Notice details Globe BD, Unit 6, 78-84 Catalano Circuit, Canning Vale, Western
Australia 6155
Email: info@wyits.biz
Attention: The Company Secretary

Name **Glenn Ossy-Orley**
Short form name **Guarantor**
Notice details 587 Barrabup Road, Nannup, Western Australia 6275
Email: barrabup@me.com
Attention: Glenn Ossy-Orley

Introduction

This agreement sets out the terms on which the Lender agrees to provide a loan to the Borrower.

AGREED TERMS

1 DEFINED TERMS & INTERPRETATION

1.1 Defined terms

In this agreement:

Advance means an amount of \$A100,000.

Authorised Representative means, in respect of a party, a director or company secretary, or a person it notifies to the other party as being authorised to act as its authorised representative for the purposes of this agreement.

Business Day means:

- (a) for receiving a Notice under clause 15, a week day on which banks are open for general banking business in the place of receipt; and
- (b) for all other purposes, a week day on which banks are open for general banking business in Perth, Western Australia.

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

Default means an event or circumstance specified in clause 9.1.

Dollars and **A\$** mean the lawful currency of Australia.

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Government Agency means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

GST has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Insolvency Event means, in respect of a person, any of the following occurring:

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;
- (b) except with the Lender's consent:
 - (i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or
 - (ii) an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation;

- (c) an External Administrator is appointed to it or any of its assets or a step is taken to do so;
- (d) if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;
- (e) if a trustee of a trust, it is unable to satisfy out of the assets of the trust the liabilities incurred by it for which it has a right to be indemnified from the assets of the trust as and when those liabilities fall due;
- (f) an analogous or equivalent event to any listed above occurs in any jurisdiction; or
- (g) it stops or suspends payment to creditors generally.

Interest Rate means 4% per annum.

Liquidation means:

- (a) a winding up, deregistration, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them.

Loan Account means the bank account to be opened and maintained in the name of the Borrower in accordance with clause 6.

Loss means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

Money Owing means all money (in any currency) that the Borrower is or may become liable at any time (presently, prospectively or contingently) to pay to or for the account of the Lender (whether alone or not and in any capacity) under or in connection with this agreement (including by way of principal, interest, fees, costs, charges, expenses, duties, indemnities, guarantee obligations or damages and money which a person would be liable to pay but for an Insolvency Event in respect of that person).

Notice means a notice given in accordance with clause 15.

Other Property means all of the Lender's present and future property, assets and undertaking wherever situated, but excluding any Personal Property.

Outstanding Amount means, at any time, the principal amount of the Advance then outstanding.

Personal Property means all of the Lender's present and after-acquired personal property to which the PPSA applies, and all of the Lender's present and future rights in relation to any personal property to which the PPSA applies.

Potential Default means any event, thing or circumstance which would become a Default with the giving of notice, the making of a determination under this agreement or the passage of time (or any combination of those things).

Power means any right, power, discretion or remedy of the Lender under this agreement or applicable law.

PPS Law means:

- (a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended from time to time); and
- (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

PPS Regulations means the Personal Property Securities Regulations 2010 (Cth).

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

PPSA Registration Commencement Time means the 'Registration Commencement Time' as defined in the PPSA.

Real Property means all of the Lender's present and future estates and interests in freehold and leasehold land and in all buildings, structures and fixtures from time to time on that land.

Secured Property means the Personal Property and the Other Property, and includes any part of it.

Security Interest means any:

- (a) on and from the PPSA Registration Commencement Time, 'security interest' as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); and
- (c) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,

and includes any agreement to create any of them or allow them to exist.

Tax means any tax, levy, duty, rate, impost or charge imposed, levied or assessed by a Government Agency, and any related penalty, fine, fee or interest. It includes stamp duty, GST and transaction taxes and duties.

Termination Date means:

- (a) the date that is 1 Business Day after the date on which the Lender demands repayment of the Outstanding Amount together with any accrued but unpaid interest and all other Money Owing to the Lender in full in accordance with clause 3; or
- (b) any earlier date on which the Money Owing becomes due and payable under this agreement.

1.2 Interpretation

In this document:

- (a) headings are for reference only and do not affect interpretation;
- (b) unless stated otherwise, all interest, amounts in the nature of interest (including discount amounts) and fees are to be calculated on a daily basis and a year of 365 days;
- (c) the singular includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;
- (d) a Default or Potential Default **subsists** until either:
 - (i) remedied to the Lender's satisfaction; or
 - (ii) waived by the Lender in writing;
- (e) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day;
- (f) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting; and
- (g) examples and use of the word **including** and similar expressions do not limit what else may be included.

Unless the context requires otherwise, a reference in this document to:

- (h) a party to any document includes that person's successors and permitted substitutes and assigns;
- (i) an agreement includes any legally enforceable arrangement, understanding, undertaking or representation whether or not in writing;
- (j) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;
- (k) any thing includes any part of it and a reference to a group of things or persons includes each thing or person in that group;
- (l) clauses, schedules and annexures are to those in this document, and a reference to this document includes any schedule and annexure;
- (m) a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;
- (n) time is to Perth, Western Australia time unless stated otherwise;
- (o) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement; and

- (p) property or an asset includes any real or personal, present or future, tangible or intangible property or asset and any right, interest, revenue or benefit in, under or derived from the property or asset.

2 LOAN

2.1 Commitment

Subject to this agreement, the Lender agrees to provide the Advance to the Borrower.

2.2 Requesting the Advance

Subject to this agreement, the Borrower may request the Advance by notice to the Lender. To be effective, the notice must:

- (a) specify the amount of the Advance and the remittance details for the Loan Account;
- (b) specify the date (which must be a Business Day) on which the Borrower requires the Advance; and
- (c) be given no later than 11.00am on that date (or such later time agreed by the Lender).

2.3 Purpose

The Borrower must use the Advance for working capital or for any other purposes approved in writing by the Lender and must continue to do so until the Outstanding Amount for the Advance is repaid in full.

3 REPAYMENT

The Borrower must pay the Outstanding Amount together with any accrued but unpaid interest and all other Money Owing to the Lender within 1 Business Day of its receipt of a notice of demand from the Lender requiring repayment of the Outstanding Amount.

4 PREPAYMENTS

4.1 Voluntary prepayment

Subject to this agreement, the Borrower may prepay all or part of the Outstanding Amount only by giving at least 2 Business Days' irrevocable notice (**Prepayment Notice**) to the Lender. The Borrower must make a prepayment in accordance with any Prepayment Notice.

4.2 Application of prepayments

Prepayments will be applied against the remaining Outstanding Amount, as at the date of receipt of the prepayment.

4.3 Additional amounts due

At the time of the prepayment of all or part of the Outstanding Amount, the Borrower must pay to the Lender:

- (a) any amount indemnified under clause 11.3 in relation to the prepayment (despite the fact that the Borrower is permitted to make it); and
- (b) any interest accrued on any amount prepaid.

5 INTEREST

Interest accrues daily at the Interest Rate on the Outstanding Amount. The Borrower must pay accrued interest in arrears on the Termination Date.

6 LOAN ACCOUNT

6.1 Loan Account

The Borrower must open and operate the Loan Account in the name of the Borrower. The Advance must be paid to the Loan Account and all payments made from the Loan Account must be:

- (a) made in connection with this Agreement and for the purposes specified in clause 2.3; and
- (b) authorised by the Lender in writing.

6.2 Signatory

The parties must procure that the Lender is an authorised signatory to the Loan Account and that no withdrawal or fund transfer can be made from the Loan Account without the signature of the Lender.

7 GUARANTEE AND INDEMNITY

7.1 Guarantee

The Guarantor irrevocably and unconditionally guarantees to the Lender the due and punctual performance by the Borrower of all of its obligations under this agreement.

7.2 Non-payment or non-performance

If the Borrower:

- (a) fails to pay any amount when due under this agreement, the Guarantor must pay that amount on demand as if they were the principal obligor; or
- (b) fails to perform any of its other obligations under the agreement, the Guarantor must perform, or procure the performance of, those obligations on demand as if they were the principal obligor.

7.3 Guarantor Indemnity

The Guarantor must pay to the Lender on demand amounts equal to, any losses, liabilities, expenses and Taxes incurred as a result of, or in connection with:

- (a) any obligation or liability of, or obligation or liability guaranteed by, the Guarantor under this clause being or becoming unenforceable, invalid or illegal;

- (b) the Borrower failing, or being unable, to pay any Outstanding Amount or to perform any of its other obligations under this agreement; or
- (c) a Default occurring in respect of the Borrower.

7.4 Limitation on Liability

The liability of the Guarantor under this clause will not exceed the liability which the Guarantor would have had to the Lender arising out of or in connection with this agreement if the Guarantor had been named in this agreement as the Borrower.

8 REPRESENTATIONS AND WARRANTIES

8.1 Representations and warranties

The Borrower represents and warrants to the Lender that:

- (a) **(status)** it is:
 - (i) properly registered and incorporated as a corporation and validly exists in its jurisdiction of incorporation; and
 - (ii) not a trustee of any trust other than as specified in this agreement;
- (b) **(power and authority)** it has the power, right and necessary corporate authority to carry on its current and contemplated business, and to enter into, and exercise its rights and observe and perform its obligations under this agreement;
- (c) **(no immunity)** neither it nor any of its assets is immune from suit or execution;
- (d) **(loan agreement)** this agreement is (subject to equitable principles generally affecting creditors' rights and applicable stamping and registration) valid, binding and enforceable against it in accordance with its terms, and the transactions contemplated by this agreement are for its commercial benefit;
- (e) **(no conflicts)** its execution and performance of this agreement will not:
 - (i) conflict with or contravene any other law or a judgment, ruling, order, document or agreement applying to it or its assets or its constituent documents;
 - (ii) result in a Security Interest being created on, or crystallising over, any of its assets; or
 - (iii) result in a default under any agreement relating to any actual or contingent debt or other monetary liability in respect of money borrowed or raised or any financial accommodation;
- (f) **(solvency)** it is solvent and there are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable.

8.2 Representations and warranties repeated

The Borrower repeats each representation and warranty in this clause 8 with reference to the facts and circumstances at the time, on each day until the Money Owed has been finally paid in full.

9 DEFAULT

9.1 Default

A Default occurs if any one or more of the following occurs:

- (a) **(non-payment)** the Borrower fails to pay any of the Money Owing payable by it, in the way and in the currency required, when due;
- (b) **(other obligation not complied with)** the Borrower fails to comply with any of its obligations under this agreement (other than an obligation referred to in paragraph (a)) and, if in the Lender's opinion the failure is capable of remedy, it continues unremedied for 5 Business Days after the earlier of receipt by the Borrower of a notice from the Lender identifying the failure to comply or the Borrower becoming aware of the failure to comply;
- (c) **(incorrect statement or representation)** a statement, representation or warranty made by or on behalf of the Borrower in this agreement, or in a document provided in connection with this agreement, is untrue, incorrect or misleading in a material respect when made or repeated;
- (d) **(Security Interest)** any Security Interest over an asset of the Borrower is enforced or becomes enforceable;
- (e) **(Insolvency Event)** an Insolvency Event occurs with respect to the Borrower;
- (f) **(vitiation of agreement)** any of the following occurs or is alleged by the Borrower to have occurred:
 - (i) all or part of this agreement is terminated or is or becomes void, avoided, illegal, invalid, unenforceable or limited in its effect;
 - (ii) any party has the right to terminate due to breach or to rescind or avoid all or part of this agreement;
- (g) **(material adverse effect)** an event or change occurs which would, in the opinion of the Lender, have or be likely to have a material adverse effect on:
 - (i) the validity or enforceability of all or a material part of this agreement;
 - (ii) the Lender's material rights or remedies under this agreement;
 - (iii) the ability of the Borrower to observe or perform its obligations under this agreement; or
 - (iv) the assets, operations, condition (financial or otherwise) or business of the Borrower;
- (h) **(change of control)** if, in the Lender's opinion, there is a change in the management, ownership or control of the Borrower

9.2 Effect of Default

If a Default subsists, the Lender may by Notice to the Borrower declare that the Money Owing is immediately due and payable, in which case the Borrower must immediately pay to the Lender the Money Owing.

10 GRANT OF SECURITY

10.1 Security interest, charge and agreement to mortgage

To secure payment of the Money Owed and the performance of the Borrower's obligations under this agreement, the Borrower:

- (a) **(security interest over Personal Property)** grants a security interest in its Personal Property to the Lender;
- (b) **(charge over Other Property)** charges to the Lender its Other Property; and
- (c) **(agreement to mortgage Real Property)** agrees to mortgage to the Lender its present and future interests in any Real Property,

(the **Security**).

10.2 Transfer and assignment

The Security granted under clause 10.1(a) will:

- (a) **(transfer)** to the extent that it relates to present and future accounts (as defined in the PPSA) and chattel paper, and present and future rights in relation to any accounts (as defined in the PPSA) and chattel paper, take effect as a transfer to the Lender; and
- (b) **(assignment)** to the extent that it relates to present and future rights or choses in action to which clause 10.2(a) does not apply, take effect as an assignment by way of security to the Lender.

10.3 Section 20(2)

To avoid doubt, but without limiting this clause, for the purposes of section 20(2)(b) of the PPSA, under this agreement, the Lender takes a Security Interest in all of the Borrower's present and after-acquired property.

10.4 Nature of charge in relation to Other Property

The charge created under this agreement is a fixed charge in relation to Other Property. However, if that charge is not legally and fully effective as a fixed charge then, for so long as and to the extent it may not be so legally and fully effective, that charge is a floating charge until such time as it becomes a fixed charge by virtue of clause 10.5.

10.5 Crystallisation of floating charge

Any floating charge created under this agreement will become a fixed charge:

- (a) **(without notice)** automatically, without the need for any notice or action by the Lender, immediately prior to or, if that would not result in the fixed charge being legally and fully effective, contemporaneously with, the occurrence of any Default; or
- (b) **(with notice)** on notice from the Lender to the Borrower, in respect of such of the Other Property subject to that floating charge as is specified in the notice, if in the Lender's opinion, any of that Other Property is or might be or become seized or taken, subject to any Security Interest, or otherwise in jeopardy.

10.6 Continuing security and obligations

The Security granted under this agreement is a continuing security until the Lender release all Secured Property from the Security, despite any intermediate payment, discharge, settlement, release or other matter. The Borrower's obligations under this agreement continue despite any full or partial release of the Secured Property and no full or partial release of Secured Property will release the Borrower from personal liability under this agreement until all Money Owing has in fact been received by the Lender and is not liable to be disgorged.

10.7 Mortgage

The Borrower must, if the Lender requires at any time, promptly:

- (a) grant in favour of the Lender an all obligations mortgage in the form required by the Lender over such of the Borrower's interests in any Real Property as the Lender may require; and
- (b) deliver to the Lender any document, and do any other thing, which the Lender requires in order to register any such mortgage.

The Borrower acknowledges and agrees that any such mortgage will be in substitution for the agreement to mortgage given by the Borrower in clause 10.1(c) and will not in any way affect, or limit, the Security granted under clause 10.1.

10.8 Registration

The Borrower must, if the Lender requires at any time, promptly deliver to the Lender any document, and do any other thing, which the Lender requires in order to register the Security in accordance with the PPSA including signing and delivering to the Lender any general security deed or general security agreement.

11 COSTS, TAXES AND GENERAL INDEMNITY

11.1 Costs and expenses

The Borrower must pay or reimburse on demand all costs and expenses of the Lender in connection with:

- (a) the negotiation and preparation of this agreement;
- (b) a variation, release or discharge of this agreement;
- (c) giving a consent or approval or waiving a requirement in connection with this agreement;
- (d) enforcing this agreement, or exercising, enforcing or protecting a Power, or preparing or attempting to do so; and
- (e) a Default or Potential Default,

this includes legal costs and expenses (on a full indemnity basis).

11.2 Taxes, fees and charges

The Borrower must pay, or reimburse the Lender on demand for, all:

- (a) Taxes, fees and charges in connection with this agreement or any payment, receipt, supply or other transaction carried out pursuant to, or contemplated by, this agreement, including Taxes passed onto the Lender by a financial institution or supplier of goods and services; and
- (b) fines and penalties for late payment or non-payment of those amounts, except where the Borrower places the Lender in cleared funds to make the payment not less than 5 Business Days before the due date and the Lender fail to make the payment.

The Borrower must pay or reimburse the Lender on demand for all such amounts which are payable or which the Lender determines in good faith to be payable.

11.3 General indemnity

The Borrower indemnifies the Lender against, and must pay to the Lender on demand amounts equal to, any Loss arising as a result of or in connection with:

- (a) a Default;
- (b) any payment required under this agreement not being made on its due date;
- (c) the exercise or attempted exercise of any Power; and
- (d) the Lender acting or relying in good faith on any Notice or other communication from, or genuinely believed to be from, the Borrower,

including any legal costs and expenses (on a full indemnity basis).

12 INTEREST ON OVERDUE AMOUNTS

12.1 Accrual and calculation

The Borrower must pay to the Lender on demand interest on any of the Money Owing which is due and payable by the Borrower (including on unpaid interest under this clause) but unpaid:

- (a) from and including the due date (or, for an amount payable by reimbursement or indemnity, any earlier date the amount was incurred), up to but excluding the date of actual payment; and
- (b) subject to clause 12.2, at the rate determined by the Lender as the sum of 7% per year plus the rate applicable to the overdue amount immediately before the due date (or if no such rate applied, to the Lender's cost of funding the overdue amount).

12.2 Judgment or order

If the Borrower's liability under this agreement is the subject of a judgment or order:

- (a) its obligation to pay interest under clause 12.1 is separate from, and continues despite, the judgment or order; and
- (b) the interest accrues both before and after judgment at the higher of the rate determined under clause 12.1 and the rate payable under that judgment or order.

13 PAYMENTS

13.1 Payment requirements

All payments by the Borrower under this agreement must be made by 12.00 noon on the due date (or, if not a Business Day, on the next Business Day in the same calendar month or, if none, the preceding Business Day) to an account nominated by the Lender. Payments must be made in Australian Dollars (unless agreed otherwise in writing by the Lender), in immediately available funds, and in full without set-off, counterclaim or, subject to clause 13.3, deduction or withholding.

13.2 Amounts payable on demand

Any amount which is not expressed by this agreement to be payable on a specified date is payable immediately on demand by the Lender.

13.3 Deduction or withholding required

If the Borrower is required by law to deduct or withhold Taxes from a payment to the Lender, it must:

- (a) make that deduction and/or withholding, pay to the appropriate Government Agency the full amount deducted and/or withheld as required by law and give the Lender a receipt for the payment; and
- (b) unless the Tax is a Tax on the net income of the Lender, pay additional amounts to the Lender which will result in the Lender receiving (after deduction or withholding of any Taxes in respect of any additional amount) the full amount which it would have received if no deduction or withholding had been required.

14 ASSIGNMENT

14.1 By Borrower

The Borrower may not assign, transfer or otherwise deal with its rights, interests or obligations under this agreement without the Lender's prior written consent.

14.2 By Lender

The Lender may assign, transfer, novate or otherwise deal with all or any of its rights or obligations under this agreement without the consent of any person.

15 NOTICES, DEMANDS AND COMMUNICATIONS

15.1 Service

A notice, demand, consent, approval or communication (**Notice**) given by a party in connection with this agreement must be:

- (a) in writing, in English and signed by an Authorised Representative of the party; and
- (b) hand delivered or sent by prepaid post, courier, facsimile or email or other electronic means (**Electronic Communications**) to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

15.2 Electronic Communications

Notices may be delivered using a form of Electronic Communication unless and until a party (the **Notifying Party**) gives a Notice to the other party stating that Electronic Communications is no longer an accepted form of communication for Notices addressed to the Notifying Party.

15.3 Effective on receipt

A Notice given in accordance with clause 15.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by courier, on the date of delivery;
- (d) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,
- (e) if sent by Electronic Communications, at the time of transmission unless, within 24 hours of transmission or, if the unsuccessful transmission is as consequence of any act or omission of the sender or defect or deficiency in the sender's transmitting equipment, any time after transmission, the sender receives advice that the transmission has been unsuccessful,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

16 OTHER PROVISIONS

16.1 Term of obligations

The Borrower agrees that its obligations in this agreement continue from the date of the relevant document until, the Money Owing is fully and finally repaid unless agreed otherwise by the Lender.

16.2 Notification from the Borrower

If the Borrower is required under this agreement to notify the Lender about anything, it must do so in writing.

16.3 Powers

Powers under the this agreement are cumulative and do not limit or exclude Powers under law. Full or partial exercise of a Power does not prevent a further exercise of that or any other Power.

16.4 Waivers

No failure or delay in exercising a Power operates as a waiver or representation. A waiver by the Lender in relation to this agreement is effective only if in writing.

16.5 Indemnities and reimbursement obligations

The Lender need not incur an expense or make a payment before enforcing an indemnity or reimbursement obligation in this agreement. Unless otherwise stated, each such indemnity or reimbursement obligation is separate and independent of each other obligation of the Borrower, is absolute, unconditional and payable on demand and continues despite any settlement of account, termination of this agreement or anything else.

16.6 Notices or demands as evidence

A notice or certificate from or demand by the Lender stating that a Default has occurred, or that a specified sum of money is owing or payable under this agreement or stating any other fact or determination relevant to the rights or obligations of the Lender or the Borrower under this agreement, is taken to be correct unless proved incorrect.

16.7 Law and legislation

To the extent permitted by law:

- (a) this agreement prevails to the extent of inconsistency with any law; and
- (b) any present or future legislation operating to reduce the Borrower's obligations under this agreement or the effectiveness of the Powers is excluded.

16.8 Severability

A provision of this agreement that is illegal or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of this agreement in any jurisdiction.

16.9 Variation

A variation of this agreement must be in writing and signed by or on behalf of each party to it.

16.10 Governing law, jurisdiction and service of process

- (a) This agreement is governed by the laws of Western Australia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.
- (b) Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this agreement.

16.11 Counterparts

This agreement may be executed in any number of counterparts.

SIGNING PAGE

EXECUTED as an agreement.

Borrower

EXECUTED by **THE ORLEY GROUP**)
PTY LTD (ACN 626 549 237) in)
accordance with Section 127 of the)
Corporations Act 2001 (Cth))

Signature of sole director and sole
company secretary

Name of sole director and sole company
secretary (print)

Guarantor

Signed by Glenn Ossy-Orley in the
presence of:

Signature of witness

Glenn Ossy-Orley

Name of witness (print)

Lender

Signed by Lucas Birdsall and Wayne Soo
in the presence of:



Signature of witness



Pharmalogix Investment Corp
(BC1001872)

Eiza Redila

Name of witness (print)

SIGNING PAGE

EXECUTED as an agreement.

Borrower

EXECUTED by **THE ORLEY GROUP**)
PTY LTD (ACN 626 549 237) in)
accordance with Section 127 of the)
Corporations Act 2001 (Cth))



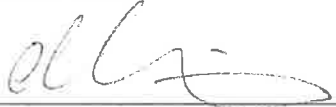
Signature of sole director and sole
company secretary

Jonathan Sreto

Name of sole director and sole company
secretary (print)

Guarantor

Signed by **Glenn Ossy-Orley** in the
presence of:



Signature of witness



Glenn Ossy-Orley

Melissa Marie Hinds

Name of witness (print)

Lender

Signed by []
in the presence of:

Signature of witness

_____ []

Name of witness (print)

DATED *August 21*

2018

PHARMALOGIX INVESTMENTS CORP

and

THE ORLEY GROUP PTY LTD

GENERAL SECURITY DEED

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GENERAL SECURITY DEED

DETAILS

Date 2018

Parties

Name **Pharmalogix Investment Corp**
Short form name **Secured Party**
Notice details #335-1917 W 4th Ave. Vancouver, BC V6J 1M7
Email: lucasbirdsall@gmail.com
Attention: Lucas Birdsall

Name **The Orley Group Pty Ltd (ACN 626 549 237)**
Short form name **Grantor**
Notice details Globe BD, Unit 6, 78-84 Catalano Circuit, Canning Vale, Western Australia 6155
Email: info@wyits.biz
Attention: The Company Secretary

Background

- A The Grantor agrees to:
- (i) grant the Secured Party a Security Interest in its Personal Property;
 - (ii) charge to the Secured Party its Other Property; and
 - (iii) mortgage to the Secured Party its present and future interests in any Real Property,
- to secure payment of the Secured Money and performance of the Secured Obligations.
- B The Grantor does this in return for the Secured Party entering into the Finance Document, the transactions required under that document and other valuable consideration.

AGREED TERMS

1 DEFINED TERMS & INTERPRETATION

1.1 Defined terms

In this document:

Attorney means an attorney appointed by the Grantor under this document.

Authorisation means any consent, authorisation, registration, filing, agreement, notarisation, certificate, permit, licence, approval, authority or exemption of, from or required by, a Government Agency or required by law. Where intervention or action of a Government Agency within a specified period would fully or partly prohibit or restrict something by law, **Authorisation** includes the expiry of that period without that intervention or action.

Authorised Representative means a director or company secretary, or:

- (a) in respect of the Grantor, a person it notifies to the Secured Party (with a certified copy of that person's specimen signature) as being its authorised representative for the purposes of the Finance Document where the Secured Party has no notice of revocation of that authority; and
- (b) in respect of the Secured Party, a person whose title or acting title includes 'associate', 'manager', 'director', 'executive', 'chief', 'head', 'counsel' or 'president', or a person notified to the other parties as being its authorised representative for the purposes of the Finance Document.

Avoidance has the meaning given to that term in clause 17.5.

Collection Account means the account established under clause 6.4.

Default means an event or circumstance specified in clause 8.1.

Dollars and **A\$** mean the lawful currency of Australia.

Electronic Communications

Excluded Tax means a Tax imposed by a jurisdiction on, or calculated by reference to, the net income of the Secured Party in a jurisdiction because the Secured Party has a connection with that jurisdiction, other than a Tax:

- (a) calculated by reference to the gross amount of a payment (without allowing for any deduction) derived by the Secured Party under the Finance Document or any other document referred to in the Finance Document; or
- (b) imposed because the Secured Party is taken to be connected with that jurisdiction solely by being a party to the Finance Document or a transaction to which the Finance Document relates .

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Finance Document means:

- (a) the document entitled "Loan Agreement" entered into between the Grantor, the Secured Party and Glenn Ossy-Orley on or about the date of this document; and
- (b) this general security deed.

Government Agency means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

GST has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Insolvency Event means, in respect of a person, any of the following occurring:

- (c) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;
- (d) except with the Secured Party's consent:
 - (i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or
 - (ii) an effective resolution is passed or meeting summoned or convened to consider a resolution for its Liquidation;
- (e) an External Administrator is appointed to it or any of its assets or a step is taken to do so or its Related Body requests such an appointment;
- (f) if a registered corporation under the Corporations Act, a step is taken under sections 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;
- (g) if a trustee of a trust, it is unable to satisfy out of the assets of the trust the liabilities incurred by it for which it has a right to be indemnified from the assets of the trust as and when those liabilities fall due;
- (h) an analogous or equivalent event to any listed above occurs in any jurisdiction; or
- (i) it stops or suspends payment to creditors generally.

Insurance Policy means each policy relating to the insurance required to be obtained or maintained by the Grantor under the Finance Document.

Lease means any arrangement whereby an asset may be used, occupied, operated or managed by a person other than the owner. It includes a licence.

Liquidation means:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them.

Loss means a loss, claim, action, damage, liability, cost, charge, expense, penalty, compensation, fine or outgoing suffered, paid or incurred.

Notice means a notice, demand, consent, approval or communication given in accordance with clause 15.

Other Property means all of the Grantor's present and future property, assets and undertaking wherever situated, including all Trustee Property, but excluding any Personal Property.

Permitted Security Interest means:

- (a) each Security;
- (b) a Security Interest consented to by the Secured Party in writing (unless the consent was conditional and any of the conditions are not complied with); and
- (c) a lien arising by operation of law in the ordinary course of ordinary business (unless the lien secures overdue debts).

Personal Property means all of the Grantor's present and after-acquired personal property to which the PPSA applies, and all of the Grantor's present and future rights in relation to any personal property to which the PPSA applies.

Potential Default means any event, thing or circumstance which would become a Default with the giving of notice, the making of a determination under the Finance Document or the passage of time (or any combination of those things).

Power means any right, power, discretion or remedy of the Secured Party, a Receiver or an Attorney under any Finance Document or applicable law.

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

PPS Regulations means the Personal Property Securities Regulations 2010 (Cth).

Real Property means all of the Grantor's present and future estates and interests in freehold and leasehold land and in all buildings, structures and fixtures from time to time on that land.

Receiver means a receiver or receiver and manager appointed under this document.

Records means, in relation to a person, all information relating in any way to that person's business or any transaction entered into by the person, whether recorded electronically, magnetically or otherwise.

Related Body means, regardless of any body's trustee or other capacity, a body corporate which would be related under section 50 of the Corporations Act on the basis that the term 'subsidiary' in that section had the meaning given in this document.

Secured Money means all money and amounts (in any currency) that the Grantor is or may become liable at any time (presently, prospectively or contingently, whether alone or not and in any capacity) to pay to or for the account of the Secured Party (whether alone or not and in any capacity). It includes money and amounts under or in connection with the Finance Document:

- (a) in the nature of principal, interest, fees, costs, charges, expenses, duties, indemnities, guarantee obligations or damages;
- (b) whether arising before or after the date of this document or as a result of the assignment (with or without the Grantor's consent) of any debt, liability or Finance Document; and
- (c) which a person would be liable to pay but for an Insolvency Event in respect of that person.

Secured Obligations means all obligations of the Grantor (whether present, prospective or contingent and whether owed alone or not and in any capacity) to the Secured Party (whether alone or not and in any capacity) under or in connection with the Finance Document. It includes obligations:

- (a) whether arising before or after the date of this document or as a result of the assignment (with or without the Grantor's consent) of any debt, liability or Finance Document;
- (b) whether liquidated or sounding in damages only;
- (c) whether relating to the payment of money or the performance or omission of any act;
- (d) whether accruing as a result of a Default; or
- (e) which a person would be liable for but for an Insolvency Event in respect of that person.

Secured Property means the Personal Property and the Other Property, and includes any part of it.

Security means:

- (a) this document; and
- (b) each other present or future Security Interest, guarantee or other document or agreement created or entered into as security (directly or indirectly) for the payment of any Secured Money or the performance of any obligation in favour of the Secured Party under the Finance Document.

Security Interest means any:

- (a) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge (whether fixed or floating), lien, pledge, hypothecation, encumbrance, trust, power or title retention arrangement, finance lease, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements);

- (b) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset; and
- (c) 'security interest' as defined in the PPSA,

and includes any agreement to create any of them or allow them to exist.

Serial Numbered Goods means goods that may or must be described by serial number under the PPSA or the PPS Regulations.

Title Documents means each certificate, confirmation, grant, assurance, conveyance, deed and other document of title or evidencing title to, or rights to acquire, possess, use or dispose of, any Secured Property.

Trustee Property means, in respect of each present and future trust of which the Grantor is trustee, the Grantor's rights, property and interests:

- (a) in the property and assets held by it as trustee; and
- (b) under its rights of indemnity from the property, assets and beneficiaries of the trust and any equitable lien and other Security Interest held in respect of its administration of the trust and those rights of indemnity.

1.2 PPSA terms incorporated

In this document, unless the context requires otherwise, the following words and expressions (and grammatical variations of them) have the same meanings given to them in the PPSA or the PPS Regulations (as applicable): **accession, account debtor, ADI, ADI account, advance, after-acquired property, amendment demand, attach, chattel paper, consumer property, control, documents of title, financing change statement, financing statement, future advance, goods, inventory, investment instrument, land, negotiable instrument, personal property, proceeds, purchase money security interest, serial number and verification statement.**

1.3 Interpretation

In this document:

- (a) headings are for reference only and do not affect interpretation;
- (b) unless stated otherwise, all interest, amounts in the nature of interest (including discount amounts) and fees are to be calculated on a daily basis and a year of 365 days;
- (c) any undertaking, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (d) the singular includes the plural and vice versa, a gender includes other genders and different grammatical forms of defined expressions have corresponding meanings;

- (e) a Default or Potential Default '**subsists**' until it is either:
 - (i) remedied to the Secured Party's satisfaction before a Power relating to that Default or Potential Default is exercised; or
 - (ii) waived by the Secured Party in writing in accordance with this document;
- (f) unless stated otherwise, anything (other than making a payment) required to be done on or by a day which is not a Business Day, must be done on or by the next Business Day;
- (g) no provision or expression is to be construed against a party on the basis that the party (or its advisers) was responsible for its drafting; and
- (h) examples and use of the word '**including**' and similar expressions do not limit what else may be included.

Unless the context requires otherwise, a reference in this document to:

- (i) a party to any document includes that person's successors and permitted substitutes and assigns;
- (j) an agreement includes any legally enforceable arrangement, understanding, undertaking or representation whether or not in writing;
- (k) a document or agreement includes that document or agreement as novated, altered, amended, supplemented or replaced from time to time;
- (l) any thing includes any part of it and a reference to a group of things or persons includes each thing or person in that group;
- (m) clauses, schedules and annexures are to those in this document, and a reference to this document includes any schedule and annexure;
- (n) a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;
- (o) time is to the time in Perth, Western Australia unless stated otherwise;
- (p) legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement;
- (q) to '**grant a security interest**' includes to charge, mortgage, pledge, encumber, assign by way of security and transfer by way of security; and
- (r) '**property**' or an '**asset**' includes any real or personal, present or future, tangible or intangible property or asset and any right, interest, revenue or benefit in, under or derived from the property or asset.

1.4 Grantor capacity

If the Grantor is trustee of a trust:

- (a) the Finance Document to which it is a party and each obligation it incurs under that document binds it in its personal capacity and as trustee of the trust; and

- (b) the Secured Party has recourse to all of the Secured Property, including the Trustee Property, when seeking to recover the Secured Money, whether that property is owned by the Grantor beneficially or held by it as trustee.

1.5 Joint and several liability of Grantors

If there is more than one Grantor under this document, each reference to the "Grantor" is to be treated as a reference to each of the Grantors individually, and to each of the Grantors jointly with any one or more of the others. This means the Secured Party can take action against any number of the persons who are a Grantor together or against one Grantor alone.

2 GRANT OF SECURITY

2.1 Security interest, charge and agreement to mortgage

To secure payment of the Secured Money and for performance of the Secured Obligations, the Grantor:

- (a) **(security interest over Personal Property)** grants a security interest in its Personal Property to the Secured Party;
- (b) **(charge over Other Property)** charges to the Secured Party its Other Property; and
- (c) **(agreement to mortgage Real Property)** agrees to mortgage to the Secured Party its present and future interests in any Real Property.

2.2 Transfer and assignment

The Security Interest granted under clause 2.1(a) will:

- (a) **(transfer)** to the extent that it relates to present and future accounts (as defined in the PPSA) and chattel paper, and present and future rights in relation to any accounts (as defined in the PPSA) and chattel paper, take effect as a transfer to the Secured Party; and
- (b) **(assignment)** to the extent that it relates to present and future rights or choses in action to which clause 2.2(a) does not apply, take effect as an assignment by way of security to the Secured Party.

2.3 Section 20(2)

To avoid doubt, but without limiting this clause, for the purposes of section 20(2)(b) of the PPSA, under this document, the Secured Party takes a security interest in all of the Grantor's present and after-acquired property.

2.4 Nature of charge in relation to Other Property

The charge created under this document is a fixed charge in relation to Other Property. However, if that charge is not legally and fully effective as a fixed charge then, for so long as and to the extent it may not be so legally and fully effective, that charge is a floating charge until such time as it becomes a fixed charge by virtue of clause 2.5.

2.5 Crystallisation of floating charge

Any floating charge created under this document will become a fixed charge:

- (a) **(without notice)** automatically, without the need for any notice or action by the Secured Party, immediately prior to or, if that would not result in the fixed charge being legally and fully effective, contemporaneously with, the occurrence of any Default; or
- (b) **(with notice)** on notice from the Secured Party to the Grantor, in respect of such of the Other Property subject to that floating charge as is specified in the notice, if in the Secured Party's opinion, any of that Other Property is or might be or become seized or taken, subject to any Security Interest other than a Permitted Security Interest, or otherwise in jeopardy.

2.6 Continuing security and obligations

The Security Interest granted under this document is a continuing security until the Secured Party release all Secured Property from the Security Interest, despite any intermediate payment, discharge, settlement, release or other matter. The Grantor's obligations under this document continue despite any full or partial release of the Secured Property and no full or partial release of Secured Property will release the Grantor from personal liability under this document until all Secured Money has in fact been received by the Secured Party and is not liable to be disgorged.

2.7 Mortgage

The Grantor must, if the Secured Party requires at any time, promptly:

- (a) grant in favour of the Secured Party an all obligations mortgage in the form required by the Secured Party over such of the Grantor's interests in any Real Property as the Secured Party may require; and
- (b) deliver to the Secured Party any document, and do any other thing, which the Secured Party requires in order to register any such mortgage.

The Grantor acknowledges and agrees that any such mortgage will be in substitution for the agreement to mortgage given by the Grantor in clause 2.1(c) and will not in any way affect, or limit, the Security Interest granted under clause 2.1.

3 PRIORITY

3.1 Priority of Security Interest in Personal Property

The Security Interest granted in Personal Property has the same priority in relation to all Secured Money, including future advances. Nothing in this clause 3.1 restricts the Secured Party from claiming that the Security Interest is a purchase money security interest in respect of all or part of the Personal Property.

3.2 No agreement or consent to subordination, attachment or accessions

Nothing in this document may be construed as an agreement or consent by the Secured Party to:

- (a) **(subordination)** subordinate the Security Interest created under this document in favour of any person;

- (b) (**security**) permit any Security Interest other than any Permitted Security Interest attaching to or being created in any Secured Property;
- (c) (**deferral of attachment**) defer or postpone the date of attachment of the Security Interest created under this document in any Personal Property;
- (d) (**accessions to Personal Property**) any personal property that is not Personal Property becoming an accession to any Personal Property; or
- (e) (**accessions to non-Secured Property**) any Personal Property becoming an accession or affixed to any asset that is not Secured Property.

3.3 Priority of each Secured Party

- (a) Each Secured Party agrees that the Security Interest granted to it pursuant to this document ranks on a pari passu basis.
- (b) In a situation where the Secured Party has a right or obligation under this document, the Secured Party will have a pro rata right or obligation in the proportion that its applicable Outstanding Amount as defined in the Finance Document bears to the aggregate of all Outstanding Amounts under the Finance Document.

4 GENERAL SECURITY PROVISIONS

4.1 Security continuing and independent

Each of this document, the Security Interest created under it, and each Security is:

- (a) in addition to and enforceable independently of any other Security Interest, Guarantee or Security; and
- (b) to remain in full force and effect (whether or not at any given time the Grantor is indebted to the Secured Party) until the execution by the Secured Party and delivery to the Grantor of an unconditional release of this document and each Security.

4.2 Collateral Securities

This document is collateral to each other Security. This document and each other Security will be read and construed together so that:

- (a) a default under one of them will be deemed to be a default under each of them; and
- (b) the Secured Party may exercise any of their rights under any one or more of them separately or concurrently or not at all, and in such order as they choose.

4.3 Release of Secured Property

The Grantor may require the Secured Party to release the Secured Property from this document or the Security Interest created under it if the Secured Party is satisfied that:

- (a) all Secured Money has been irrevocably paid in full and all commitments which might give rise to Secured Money have terminated;

- (b) no amount will subsequently become Secured Money due to an Avoidance (as defined in clause 17.5);
- (c) all Secured Obligations have been satisfied and there are no liabilities or obligations which will subsequently fall within the description of the Secured Obligations; and
- (d) if a Default has occurred, the Secured Party has not sold or agreed to sell any Personal Property and is not deemed to have taken any Personal Property in satisfaction of the Secured Money.

5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties

The Grantor represents and warrants to the Secured Party, except as to matters disclosed by it to the Secured Party and accepted by the Secured Party in writing, that:

- (a) **(other representations and warranties)** all of its representations and warranties in the Finance Document are true, correct and not misleading when made or repeated (or if not yet made, will be true, correct and not misleading when made or repeated);
- (b) **(details of Grantor)** all information in the 'Details' section of this document is true, correct and complete and reflects the information contained in the source document from which information in relation to the Grantor must be taken for the purposes of the PPS Regulations in order to register a financing statement in respect of any Security Interest in Personal Property created by any Finance Document;
- (c) **(no foreign property)** all the Secured Property is situated in Australia;
- (d) **(inventory)** it does not hold any of its Personal Property as inventory;
- (e) **(consumer property)** none of its Personal Property is consumer property;
- (f) **(ownership of Secured Property)** it is the sole legal owner and, subject to any trust which is specified in this document, sole beneficial owner of the Secured Property, and it will be the sole legal owner and, subject to any such trust, sole beneficial owner of any property or asset it acquires as Secured Property; and
- (g) **(Security Interests)** the Secured Property is free from any Security Interest other than a Permitted Security Interest.

5.2 Repetition

The Grantor repeats each representation and warranty in:

- (a) **(generally)** this clause 5 with reference to the facts and circumstances at the time when representations and warranties are repeated in the Finance Document; and
- (b) **(after-acquired property)** clauses 5.1(f) and 5.1(g) in respect of any Secured Property (including after-acquired property) which comes into existence, or in which the Grantor acquires rights or an interest, after the date of this document,

at the time that Secured Property comes into existence or the Grantor acquires rights or an interest in it.

5.3 Reliance and survival

The Grantor acknowledges that:

- (a) the Secured Party has entered into the Finance Document in reliance on the representations and warranties in this clause 5; and
- (b) those representations and warranties survive execution and delivery of the Finance Document and the provision of financial accommodation under them.

6 UNDERTAKINGS

6.1 General undertakings

The Grantor must:

- (a) **(Secured Money)** pay the Secured Money at the times and in the way specified in the Finance Document, or if no time for payment is specified, on demand;
- (b) **(no set-off)** not directly or indirectly claim, exercise or attempt to exercise a right of set-off or counterclaim (whether its or any other person's right) against the Secured Party;
- (c) **(Secured Obligations)** fully and punctually perform, satisfy, or procure the performance or satisfaction of, all of the Secured Obligations at the times and in the way specified in the relevant Finance Document;
- (d) **(details of Grantor):**
 - (i) without limiting any restrictions contained in the Finance Document, not change any of its details as set out in the 'Details' section of this document without giving the Secured Party 14 days' prior written notice; and
 - (ii) provide to the Secured Party, on request, a certified copy of each source document necessary (in the Secured Party's opinion), for the purposes of the PPS Regulations, to verify the information in the 'Details' section of this document (or any part of it) or to otherwise register one or more financing statements in relation to any Security Interest in Personal Property created by any Finance Document;
- (e) **(notify details of or changes relating to Secured Property)** notify the Secured Party promptly:
 - (i) if any Secured Property becomes a fixture;
 - (ii) if any personal property which is not Secured Property and which is subject to a Security Interest that has attached becomes an accession to any Secured Property;
 - (iii) if any Secured Property is moved outside Australia;

- (iv) on the Secured Party's request, of the present location of any Secured Property;
 - (v) if it acquires, or enters into an agreement to acquire, any intermediated securities, investment instruments, negotiable instruments or chattel paper;
 - (vi) of the acquisition of any Serial Numbered Goods which form part of the Grantor's assets;
 - (vii) on the Secured Party's request, of the details of each purchase money security interest and each Security Interest perfected by control in any of the Grantor's Personal Property; and
- (f) **(no Default)** ensure that no Default occurs.

6.2 Dealing with Secured Property

Except where the Secured Party has first consented in writing, the Grantor must not, and must not agree or attempt to, sell, assign, transfer, dispose or part with possession of, lease, licence or otherwise deal with, any of the Secured Property.

6.3 Undertakings relating to Secured Property

The Grantor must:

- (a) **(other Security Interests)** not, unless the Secured Party first consent in writing, create or permit to exist any Security Interest (other than a Permitted Security) over any Secured Property (or if by law its creation cannot be restricted, the Grantor must procure that the holder of the Security Interest first enters into a priority arrangement in form and substance acceptable to the Secured Party);
- (b) **(accessions and fixtures)** not allow any Personal Property to become an accession or fixture to any asset (other than land) that is not Secured Property (or otherwise subject to a Security Interest in favour of the Secured Party) or to be affixed to any land (other than any freehold interest in land in respect of which the Secured Party has a first-ranking registered mortgage);
- (c) **(no set-off)** not allow any of its accounts (as defined in the PPSA) or chattel paper to be subject to any right of set-off, combination of accounts or other defence or claim in favour of the account debtor;
- (d) **(location of Secured Property)** not move (or allow to be moved) any Secured Property situated in Australia as at the date of this document outside Australia,, otherwise than in the ordinary course of business;
- (e) **(Leases)** comply in all material respects with the terms of, and take all action (including as reasonably required by the Secured Party) to enforce, each Lease binding on it in respect of the Secured Property from time to time;
- (f) **(compliance with laws)** comply with all laws and requirements of Government Agencies in respect of the Secured Property, and ensure that any person occupying or using any Secured Property does the same;

- (g) **(Title Documents)** unless the Secured Party agrees otherwise in writing, deposit with the Secured Party all Title Documents relating to the Grantor's interests in the Secured Property as soon as they are available to the Grantor or its agents;
- (h) **(delivery of Secured Property)** without limiting paragraph (g), on request by the Secured Party, deliver to the Secured Party, or ensure the Secured Party has possession of all chattel paper, negotiable instruments, documents of title and all other documents of title to the Secured Property where possession of that Secured Property by a third party could have the result that the interest of that third party in that Secured Property would defeat or have priority over the Security Interest of the Secured Party (except to the extent that such documents or evidence of title are in the possession of the holder of a Permitted Security Interest for the purpose of giving effect to that Permitted Security Interest);
- (i) **(replacement Title Documents)** where title to any Secured Property is evidenced by a certificate, obtain the issue of replacement certificates if the original certificates are lost or destroyed or believed by the Secured Party to be so;
- (j) **(protect title)** protect and enforce its title to, and the Secured Party's title as Secured Party and mortgagee of, the Secured Property;
- (k) **(income)** if the Secured Party directs following a Termination Event, ensure that rent and other income from the Secured Property is paid to the Secured Party (or that the Grantor pays over such amounts to the Secured Party), to be applied in accordance with clause 12.2;
- (l) **(perform obligations, Taxes)** pay on time all rates, Taxes, calls for payment, instalments and any other amounts for which it is liable as owner of the Secured Property ;
- (m) **(access and inspection)** permit the Secured Party (or its designated representatives), on reasonable written notice:
 - (i) access during normal office hours to any documents and records relating to the Secured Property; and
 - (ii) to inspect, take extracts from, and make photocopies of, the same,
 - (iii) and to provide (at the expense of the Grantor), such clerical and other assistance which the Secured Party may reasonably require to do this;
- (n) **(condition and protection)** save for ordinary wear and tear, not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Secured Property (or make any wilful omission which has such an effect); and
- (o) **(compliance with material covenants)** comply with all material covenants and obligations affecting the Secured Property (or their manner of use).

6.4 Collection Account

If the Secured Party requests at any time following the occurrence of a Termination Event which is continuing then the Grantor must:

- (a) open and maintain an account designated as 'Collection Account' with an ADI at a branch approved by the Secured Party;
- (b) sign and do everything necessary (including give notice to the ADI and execute all documents required by the ADI and the Secured Party) so that the Secured Party's nominated Authorised Representatives are signatories to the Collection Account and no withdrawal or fund transfer can be made from the account without the signature of at least one of those Authorised Representatives;
- (c) ensure that any money withdrawn from the Collection Account in breach of this document or any other Finance Document is kept separate from any other money and is held in trust for the Secured Party; and
- (d) not close, make withdrawals from or transfer funds from the Collection Account, without the Secured Party's prior written consent or otherwise operate the Collection Account except as expressly required in the Finance Document.

The Grantor agrees that:

- (e) the Secured Party is not responsible for the Grantor's performance of its obligations in relation to the Collection Account; and
- (f) the Secured Party has no duties in relation to the Collection Account except as specified in the Finance Document, and will not be liable for any error of judgment or any mistake of fact or law, except to the extent of its own gross negligence or fraud.

6.5 Collection and deposit of proceeds

- (a) If the Secured Party requests at any time following the occurrence of a Termination Event which is continuing and if the Grantor has any customer that pays the Grantor for goods or services in A\$ in Australia, then the Grantor must until the Secured Party otherwise directs, ensure the prompt collection (as agent for the Secured Party) and immediate deposit directly into the Collection Account, of all proceeds, money and other amounts on account or in respect of:
 - (i) any book debt or other debt due to the Grantor (whether or not received by it);
 - (ii) any amount payable to the Grantor under the Finance Document;
 - (iii) any insurance (other than workers compensation or public liability insurance proceeds payable to another person entitled to compensation) where the Secured Party is not the loss payee; and
 - (iv) the disposal of any Secured Property.
- (b) If the Secured Party notifies the Grantor at any time that the Secured Party intends to collect the amounts referred to in clause 6.5(a), the Grantor agrees that:
 - (i) the Secured Party will collect those amounts instead of the Grantor and the Grantor is prohibited from doing so;
 - (ii) the Secured Party may notify relevant persons of the Secured Party's interest in those amounts; and

- (iii) the Grantor must use its best endeavours to assist the Secured Party to collect those amounts (including but not limited to signing and doing anything desirable, in the Secured Party's reasonable opinion, for that purpose).

6.6 Further assurances

The Grantor must do (and must procure that anyone else who has an interest in the Secured Property or who claims under or in trust for the Grantor does) whatever the Secured Party requires to:

- (a) better secure the Secured Property for payment of the Secured Money and for performance or satisfaction of the Secured Obligations, and to enable the better exercise of any Power (including the granting of further specific security in the form required by the Secured Party and depositing with the Secured Party documents or evidence of titles and transfers in relation to investment instruments);
- (b) perfect, preserve, maintain, protect, or otherwise give full effect to the Secured Property, this document or the Security Interest intended to be created under this document, and the priority of that Security Interest required by the Secured Party. This includes:
 - (i) anything the Secured Party requires in order for them to:
 - (A) register and maintain (including renew before expiry) one or more financing statements in relation to any Security Interest in Personal Property created by any Finance Document;
 - (B) remove any financing statement which is registered against the Grantor or any caveat which is lodged against land which is Other Property in relation to any Security Interest which is not a Permitted Security Interest; or
 - (C) obtain possession or control of any Secured Property for the purpose of perfecting the Secured Party's Security Interest in that Security Interest by possession or control; and
 - (ii) providing details of the Secured Property;
- (c) perfect or improve the Grantor's title to, or other right or interest in, all or any part of the Secured Property;
- (d) facilitate the exercise of any right by the Secured Party or any Receiver or Attorney at any time or the realisation of the Secured Property following the occurrence of a Default, including the exercise of all rights of inspection, requesting all Records and taking all necessary copies, which the Grantor is entitled to exercise, request or take;
- (e) paying any Taxes on this document;
- (f) executing and delivering to the Secured Party transfer forms in relation to any of the Secured Property, undated and blank as to transferee and consideration; and
- (g) otherwise enable the Secured Party to obtain the full benefit of the provisions of any Finance Document.

7 GRANTOR LIABILITY AND EXCLUSION OF RIGHTS

7.1 Indemnity

The Grantor indemnifies the Secured Party against, and must pay to the Secured Party on demand amounts equal to, any Loss (not including loss of profit) arising as a result of or in connection with:

- (a) the Grantor failing to:
 - (i) pay any Secured Money (or money which would be Secured Money if it were recoverable) on time; or
 - (ii) observe or perform its Secured Obligations on time;
- (b) an Insolvency Event in relation to the Grantor; or
- (c) any Secured Money (or money which would be Secured Money if it were recoverable) not being recoverable from the Grantor, or a liability or obligation to pay the Secured Money or perform any obligation under the Finance Document not being enforceable against the Grantor,

for any reason and whether or not the Grantor, or the Secured Party knew or ought to have known anything about those matters.

7.2 Principal and independent obligation

This document comprises principal and independent obligations of the Grantor and is not ancillary or collateral to, or affected by, any other obligation, Security Interest or Guarantee.

7.3 Grantor's liabilities not affected

The Grantor's liabilities under this document are not affected by any act, omission or other thing which would reduce or discharge those liabilities, including:

- (a) the Secured Party granting time or any other indulgence or concession to any other person;
- (b) the Secured Party increasing the amount of, opening further accounts in connection with or otherwise varying or replacing the type or terms of, financial accommodation provided to a Security Obligor or any other person;
- (c) any transaction or agreement, or variation, novation or assignment of a transaction or agreement (including any Finance Document), between the Secured Party and a Security Obligor or any other person;
- (d) an Insolvency Event in relation to a Security Obligor or any other person, or the Secured Party becoming a party to or bound by any Liquidation;
- (e) any judgment, proceedings or order being obtained or made against a Security Obligor or any other person;
- (f) an obligation of a Security Obligor or any other person or any provision of the Finance Document being void, voidable, unenforceable, defective, released, waived, impaired, novated, enforced or impossible or illegal to perform;

- (g) the whole or partial discharge or release of, or the granting of, a Security;
- (h) any Secured Money not being recoverable or the liability of a Security Obligor or any other person to the Secured Party ceasing (including as a result of giving a release or discharge or by law);
- (i) the failure of a Security Obligor or any other person to execute any Finance Document, properly or at all;
- (j) the Grantor not being a party to the Finance Document (such as the Finance Document solely between the Secured Party and a Security Obligor);
- (k) the Secured Party exercising or not exercising their rights (including any right to elect to terminate a contract) under the Finance Document or at law against a Security Obligor or any other person;
- (l) any default, misrepresentation, negligence, breach of contract, misconduct, acquiescence, delay, waiver, mistake, failure to give notice or other action or inaction of any kind (whether or not prejudicial to the Grantor) by the Secured Party or any other person;
- (m) any change to, or in the membership of, any partnership, joint venture or association; or
- (n) any Secured Property being destroyed, forfeited, extinguished, surrendered or resumed,

whether or not the Grantor, a Security Obligor, the Secured Party or any other person is aware of it or consents to it and despite any legal rule to the contrary.

7.4 Exclusion of subrogation and other rights

Until there is no Secured Money, and the Secured Party is satisfied that they will not have to repay any money received by them, the Grantor must not (either directly or indirectly):

- (a) claim, exercise or attempt to exercise a right of set-off or counterclaim or any other right or raise any defence which might reduce or discharge the Grantor's liability under this document;
- (b) claim or exercise a right of subrogation or contribution or otherwise claim the benefit of:
 - (i) a Security or Guarantee relating to the Secured Money; or
 - (ii) any Security Interest or Guarantee which would rank in priority or preference to a Security or Guarantee relating to the Secured Money,

and any money the Grantor receives in breach of this paragraph (b) will be held on trust for the Secured Party and must be paid promptly to the Secured Party; or

- (c) unless expressly permitted in the Finance Document or the Secured Party has given a direction to do so (in which case it must do so in accordance with the direction as trustee for the Secured Party):

- (i) prove, claim or vote in, or receive the benefit of a distribution, dividend or payment arising out of, the Liquidation of a Security Obligor; or
- (ii) demand, or accept payment of, any money owed to the Grantor by a Security Obligor,

and any such money it receives will be held on trust for the Secured Party and must be paid promptly to the Secured Party.

7.5 Prove in Liquidation

- (a) The Grantor, for valuable consideration, irrevocably appoints each of the Secured Party and its Authorised Representatives separately as its attorney to prove in the Liquidation of a Security Obligor for all money that the Grantor can claim against that person on any account whatever. The terms of appointment are that:
 - (i) the attorney must pay to the Grantor dividends it receives in excess of the Secured Money, without interest, and any other dividends must be paid to the Secured Party; and
 - (ii) the attorney may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.
- (b) The Grantor agrees to ratify anything done by an attorney under this clause. The power of attorney created under this clause is granted to secure the Grantor's performance of its obligations under each Finance Document to which it is a party.

8 DEFAULT AND CONSEQUENCES

8.1 Specified Defaults

A Default occurs if an event or circumstance specified as 'Termination Event', default or event of default (however described) in the Finance Document occurs or any event that would be likely to become any such event by the passing of time, the giving of notice or fulfilment of a condition (whether or not within the Grantor's control (within the ordinary meaning of that term)).

8.2 Consequences of Default

If a Default occurs:

- (a) **(acceleration of Secured Money)** the Secured Party may by notice to the Grantor declare that all or any part of the Secured Money is immediately due and payable. On receipt of that notice, the Grantor immediately must pay that Secured Money to the Secured Party;
- (b) **(Security Interest)** the Security Interest created under this document will become immediately enforceable; and
- (c) **(floating charge)** the floating charge created under this document will become a fixed charge in accordance with clause 2.5(a), to the extent that it is not already fixed.

8.3 Secured Party's general powers

While a Default subsists, regardless of whether the Secured Party has appointed a Receiver, the Secured Party may, without demand or notice to anyone (unless notice is required as described in clause 17.1), do all things that a Secured Party with a Security Interest in, or a mortgagee or an absolute owner of, the Secured Property can do, and exercise all rights, powers and remedies:

- (a) of a Secured Party with a Security Interest in, or a mortgagee or an absolute owner of, the Secured Property;
- (b) given to a Receiver under the Corporations Act; and
- (c) specified in clause 8.5.

8.4 Secured Party's PPSA powers – sections 123 and 128

Without limiting any other provision of this document, any Security or any other Finance Document, the Grantor agrees that, at any time while a Default subsists, the Secured Party may:

- (a) seize any Personal Property; and/or
- (b) dispose of any Personal Property in such manner and generally on such terms and conditions as the Secured Party thinks desirable,

and otherwise do anything that the Grantor could do in relation to the Personal Property.

8.5 Secured Party's specific powers

While a Default subsists, the Secured Party may do any or all of the following in connection with their Powers, whether in their or the Grantor's name or otherwise and whether or not it has possession of the Secured Property:

- (a) **(recover, possess and control)** access, recover, manage, take or give up possession or control (within the ordinary meaning of that term and as defined in the PPSA) of, and surrender or release, any Secured Property;
- (b) **(receive income and profits)** receive the income and profits of the Secured Property;
- (c) **(carry on business)** carry on, promote, restructure or participate in the Grantor's business in relation to the Secured Property, and access the land or premises of that business;
- (d) **(insurance)** insure the Secured Property and settle and compromise insurance claims;
- (e) **(improve or invest)** maintain, invest, deposit, improve or alter the Secured Property to improve its value or saleability or to obtain income or returns from it (including to acquire or take on Lease any asset as part of the Secured Property or build, rebuild, pull down or alter a structure or improvement on Real Property);
- (f) **(sell, assign or exchange)** sell, assign or help sell all or any Secured Property to any person or exchange it for any other property or rights, on terms the Secured Party think fit, with or without other property;

- (g) **(deposited documents)** complete and deal with any document deposited with the Secured Party relating to Secured Property, including any transfer in blank;
- (h) **(options, Lease, rights)** grant, acquire, renew, vary, accept the surrender of or terminate an option, Lease or other right over the Secured Property on the terms it thinks fit, and with or without any other property;
- (i) **(hive off)** promote the formation of any company to acquire any Secured Property or assume obligations of the Grantor or both;
- (j) **(accounts)** operate bank accounts forming part of the Secured Property and open and operate further bank accounts in the Grantor's name and to the Grantor's exclusion;
- (k) **(contracts, instruments and rights)** perform or observe the Grantor's obligations or enforce or exercise the Grantor's rights, powers, discretions or remedies (or refrain from doing so) under:
 - (i) a contract, instrument or arrangement forming part of the Secured Property (including voting and proxy rights); or
 - (ii) the Finance Document (including to cure a Default) or other document entered into by the Secured Party or a Receiver in exercise of a Power,
 and vary, terminate or rescind any of them or novate or otherwise transfer to any person the Grantor's obligations under any of them;
- (l) **(make calls)** make calls on the members of the Grantor for uncalled capital forming part of the Secured Property;
- (m) **(Liquidation)** initiate and participate in any Liquidation of any person (including voting at meetings and appointing proxies);
- (n) **(proceedings)** commence, prosecute, defend, discontinue, compromise, submit to arbitration and settle proceedings in connection with this document or the Secured Property, whether in or before a Government Agency;
- (o) **(raise money)** obtain financial accommodation (including from the Secured Party or their associate) and give Guarantees, in each case with or without granting a Security Interest over the Secured Property and regardless of priority ranking;
- (p) **(receipts)** give receipts for money and other property it receives;
- (q) **(employ and delegate)** employ and discharge staff, professional advisers, consultants, contractors, agents and auctioneers for the purposes of this document, and at the remuneration that the Secured Party thinks fit, and to delegate to any person any of its Powers (including this right of delegation);
- (r) **(Authorisations)** apply for any Authorisation which is necessary or desirable in connection with the exercise of a Power; and
- (s) **(incidental power)** do anything expedient or incidental to exercise any of its Powers, without limiting those Powers.

8.6 Discharge or acquire prior Security Interest

While a Default subsists, the Secured Party may do any one or more of the following:

- (a) purchase a debt or liability secured by a prior Security Interest (including a debt secured by a Permitted Security Interest);
- (b) pay the amount required to discharge or satisfy that debt or liability; and
- (c) take a transfer or assignment of that Security Interest and any Guarantee, document or right ancillary or collateral to it.

If the Secured Party exercises their rights in this clause:

- (d) the Grantor is indebted to the Secured Party for the same amount paid by the Secured Party or the amount of the debt or liability acquired (whichever is higher) and that amount is immediately payable to the Secured Party and forms part of the Secured Money;
- (e) the Secured Party may rely on a written notice from the holder of a prior Security Interest (**Prior Secured Party**), or on an ancillary or collateral document, as to the amount and property secured by that prior Security Interest;
- (f) the Prior Secured Party need not enquire whether any amount is owing under the Finance Document; and
- (g) the Grantor irrevocably directs any such Prior Secured Party to give the Secured Party any information it requires in connection with the prior Security Interest.

8.7 Co-operation in exercise of power of sale

If the Secured Party or a Receiver wishes to exercise a right to sell any Secured Property, the Grantor must do or cause to be done all things necessary to enable an expeditious sale and transfer to the purchaser for the value as estimated by the Secured Party, in the manner and on terms the Secured Party thinks fit.

8.8 Appoint Receivers

- (a) While a Default subsists, the Secured Party may do any one or more of the following:
 - (i) appoint one or more persons (severally, unless specified otherwise in the instrument of appointment) to be a receiver or receiver and manager of all or any of the Secured Property;
 - (ii) fix and vary the Receiver's remuneration at an amount agreed between the Secured Party and the Receiver from time to time;
 - (iii) terminate a receivership or remove or replace a Receiver; and
 - (iv) appoint an additional Receiver.
- (b) The Secured Party may do any of these things even if a resolution or order for the Grantor's Liquidation has been passed or made.

- (c) Each party agrees that if a Receiver is appointed under this document on the basis of a Default which subsequently ceases to subsist, the Default is taken to continue to subsist for the purposes of the Receiver's appointment under this document.

8.9 Agency of Receiver

To the extent permitted by law, a Receiver is the agent of the Grantor and the Grantor alone is responsible for the Receiver's costs, expenses, remuneration, acts, omissions and defaults. The Secured Party is not liable to the Grantor for the acts or omissions of the Receiver. To the extent that a Receiver is not, or ceases to be, the agent of the Grantor as a result of a resolution or order for the Grantor's Liquidation or by operation of law, the Receiver immediately becomes the agent of the Secured Party.

8.10 Receiver's powers

Unless the terms of a Receiver's appointment say otherwise, the Receiver has the following rights and powers over the Secured Property which the Receiver is appointed to deal with:

- (a) all the rights, powers, discretions or remedies given by law to mortgagees in possession, receivers or receivers and managers;
- (b) all of the Secured Party's Powers under this document and at law (other than the power to appoint receivers or receivers and managers); and
- (c) power to obtain financial accommodation from the Secured Party and give Guarantees on terms that the Receiver considers expedient in connection with the Secured Property, in each case whether alone or together with any other person, and with or without granting a Security Interest (regardless of priority ranking) over the Secured Property.

The Receiver may exercise these rights and powers in the name of the Grantor or otherwise.

8.11 Appointment of Attorney

The Grantor for valuable consideration, to secure the performance of the Secured Obligations, irrevocably appoints the Secured Party, each Authorised Representative of the Secured Party and each Receiver separately as its attorney to do any or all of the following on the Grantor's behalf and in the Grantor's or the attorney's name after a Default occurs:

- (a) prove in the Liquidation of a Security Obligor;
- (b) anything which the Grantor must do under the Finance Document or under law in connection with the Finance Document;
- (c) anything which the Attorney considers necessary or expedient to give effect to a Power or exercise of a Power, or to perfect any Finance Document, including by signing any document for that purpose;
- (d) anything which an Attorney is expressly empowered to do under the Finance Document on the Grantor's behalf.

The Grantor agrees to ratify anything done by its Attorney under this power of attorney. An Attorney may delegate its powers (including the power to delegate) to any person for any period and may revoke the delegation.

8.12 Investigating Experts

The Secured Party may, at any time while a Default or Potential Default subsists, appoint accountants, insolvency practitioners or other experts (**Investigating Experts**) to investigate and report on the affairs and financial position of the Grantor. The Grantor:

- (a) authorises, and agrees to give all reasonable assistance to, the Investigating Experts to undertake the investigation, and must pay the Investigating Experts' costs on demand by the Secured Party; and
- (b) authorises the disclosure to the Secured Party and their advisers of all information and documentation in connection with the investigation.

9 COSTS, TAXES AND GENERAL INDEMNITY

9.1 Transaction expenses

The Grantor must pay or reimburse on demand by the Secured Party all reasonable costs and expenses of the Secured Party, a Receiver and an Attorney (and any of their respective officers, employees and agents) in connection with:

- (a) the negotiation, preparation, execution, delivery, registration and completion of, and payment of Taxes on, the Finance Document;
- (b) a variation, release or discharge of any Finance Document and the production of any Title Document;
- (c) preparing, registering and maintaining any financing statement or financing change statement (including pursuant to section 167 of the PPSA);
- (d) complying with any amendment demand in accordance with Part 5.6 of the PPSA;
- (e) giving a consent or approval or waiving a requirement in connection with the Finance Document; and
- (f) surveying, valuing, inspecting or reporting on the Secured Property.

This includes legal costs and expenses (on a full indemnity basis), any professional consultant's fees and the costs (calculated on a time employed basis) of in-house legal counsel.

9.2 Enforcement and other expenses

The Grantor must pay or reimburse on demand by the Secured Party all costs and expenses of the Secured Party, a Receiver and an Attorney (and any of their respective officers, employees and agents) in connection with:

- (a) enforcing the Finance Document, or exercising, enforcing or protecting a Power, or attempting to do so;
- (b) obtaining or receiving payment of, and distributing, any Secured Money;

- (c) a breach of, obtaining or procuring performance or satisfaction of the Secured Obligations;
- (d) a Default or Potential Default;
- (e) any Government Agency enquiry concerning the Grantor or any of its Related Bodies, or the involvement of the Secured Party in the Finance Document;
- (f) maintaining, preserving or protecting the Secured Property; and
- (g) obtaining professional advice from a person or consultant about any matter of concern to the Secured Party, a Receiver or an Attorney in connection with the Finance Document or the Secured Property.

This includes any legal costs and expenses (on a full indemnity basis), any professional consultant's fees and the costs (calculated on a time employed basis) of in-house legal counsel.

9.3 Costs and expenses of Grantor

The Grantor will pay its own costs and expenses in connection with this document.

9.4 Taxes, fees and charges

The Grantor must pay all:

- (a) Taxes, fees and charges in connection with any Finance Document or any payment, receipt, supply or other transaction carried out pursuant to, or under, any Finance Document, including Taxes passed on to the Secured Party by another financial institution or supplier of goods and services; and
- (b) fines and penalties for late payment or non-payment of those amounts, except where the Grantor places the Secured Party in cleared funds to make the payment not less than five Business Days before the due date and the Secured Party fails to make the payment.

The Grantor must pay or reimburse the Secured Party on demand for all such amounts which are payable or which the Secured Party determine in good faith to be payable.

9.5 Tax indemnity

- (a) Subject to paragraph (b), the Grantor indemnifies the Secured Party, against, and must pay to the Secured Party on demand amounts equal to, any Loss which the Secured Party determines will be or has been (directly or indirectly) suffered by the Secured Party for or on account of Tax in respect of this document or a transaction or payment under this document.
- (b) Paragraph (a) does not apply:
 - (i) with respect to any Excluded Tax; or
 - (ii) to the extent the relevant Loss is compensated for by payment of an additional amount under clause 11.2.

9.6 General indemnity

The Grantor indemnifies the Secured Party, any Receiver and any Attorney (and their respective officers, employees and agents) against, and must pay to the Secured Party on demand amounts equal to, any Loss arising as a result of or in connection with:

- (a) an indemnity given by the Secured Party to a Receiver or administrator of the Grantor;
- (b) this document or the Secured Property;
- (c) a Default;
- (d) any payment required under this document not being made on its due date;
- (e) the exercise or attempted exercise of any Power;
- (f) the Secured Party acting or relying in good faith on any Notice or other communication from, or genuinely believed to be from, the Grantor; and
- (g) the Secured Party relying on information supplied by or on behalf of the Grantor which proves to be a misrepresentation or to be misleading or deceptive (including by omission of other information),

including any legal costs and expenses (on a full indemnity basis) and any professional consultant's fees in connection with the above.

10 INTEREST ON OVERDUE AMOUNTS

10.1 Accrual and calculation

Unless another Finance Document already obliges the Grantor to pay interest on an unpaid amount that is due and payable by it under the Finance Document, interest on that overdue amount (including on unpaid interest under this clause) will accrue daily:

- (a) from and including the due date (or, for an amount payable by reimbursement or indemnity, any earlier date the amount was incurred), up to but excluding the date of actual payment; and
- (b) subject to clause 10.2, at the rate determined by the Secured Party as the sum of 4% per year plus the rate applicable to the overdue amount immediately before the due date (or if no such rate applied, plus the Secured Party's cost of funding the overdue amount).

10.2 Judgment or order

If the Grantor's liability under the Finance Document is the subject of a judgment or order:

- (a) its obligation to pay interest under clause 10.1 is separate from, and continues despite, the judgment or order; and
- (b) the interest accrues both before and after judgment at the higher of the rate determined under clause 10.1 and the rate payable under that judgment or order.

10.3 Payment

The Grantor must pay to the Secured Party accrued interest under this clause 10 on the last Business Day of each calendar month and on demand.

11 PAYMENTS

11.1 Payment requirements

All payments by the Grantor under this document must be made:

- (a) by 12.00 noon on the due date (or, if not a Business Day, on the next Business Day in the same calendar month or, if none, the preceding Business Day);
- (b) to the Secured Party by payment to an account nominated by the Secured Party or as the Secured Party otherwise directs;
- (c) in Dollars, in immediately available funds, and in full without set-off, counterclaim or, subject to clause 11.2, deduction or withholding; and
- (d) if no date for payment is specified in this document, on demand by the Secured Party.

11.2 Deduction or withholding

If the Grantor is required by law to deduct or withhold Taxes from a payment to the Secured Party in connection with this document, it must:

- (a) make that deduction or withholding (and any further deductions or withholdings required under paragraph (b) below), pay to the appropriate Government Agency an amount equal to the full amount deducted and/or withheld as required by law and give the Secured Party the original receipt for the payment; and
- (b) unless the Tax is an Excluded Tax, pay additional amounts to the Secured Party which will result in the Secured Party receiving at the time the payment is due (after deduction or withholding of any Taxes in respect of any additional amount) the full amount which the Secured Party would have received if no deduction or withholding had been required.

11.3 GST

- (a) In this clause 11.3:
 - (i) terms defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) apply;
 - (ii) reference to a person includes the representative member of any GST group of which the relevant person is a member;
 - (iii) a **Finance Supply** means a supply made or to be made by the Secured Party under or in connection with the Finance Document where the consideration for the supply is not stated to include an amount in respect of GST on the supply; and
 - (iv) **GST Amount** means the amount of any GST payable on a Finance Supply.

- (b) All Finance Supply amounts have been calculated without regard to GST. If GST is or will be imposed on any Finance Supply, the payment to the supplier for that supply will be increased by the GST Amount. Each recipient of a Finance Supply indemnifies the supplier against, and must pay to the supplier on demand amounts equal to, any Loss arising as a result of or in connection with the supplier failing to receive the increased payment amount.
- (c) If a party (**Payer**) is liable under the Finance Document to reimburse or indemnify the Secured Party for any Loss, the reimbursement or indemnity amount will be for the full GST inclusive amount of that Loss less any input tax credit to which the Secured Party determine they are entitled with respect to that Loss, plus any increased amount for GST payable under clause 11.3(b). To the extent that the Secured Party is not entitled to an input tax credit for the GST payable on any supply acquired by or expenditure incurred by the Secured Party directly or indirectly in connection with the Finance Document, the Payer must reimburse the Secured Party for the amount of that unrecoverable GST.
- (d) The supplier of a Finance Supply that is a taxable supply must issue a tax invoice to the recipient no later than 14 days following payment of the GST Amount pursuant to this clause 11.3.
- (e) If it is determined on reasonable grounds that the amount of GST paid or payable to the Commissioner of Taxation by the supplier in connection with a Finance Supply differs for any reason from the GST amount paid or payable to the supplier by the recipient pursuant to clause 11.3(b), the amount of the difference must be paid by, refunded to or credited to (as applicable), the recipient promptly, and the supplier must issue an adjustment note to the recipient.
- (f) If the GST payable in relation to a Finance Supply is less than the amount that the recipient has paid the supplier under clause 11.3(b), the supplier is only obligated to pay a refund of GST to the recipient to the extent the supplier receives a refund of that GST from the Commissioner of Taxation. This clause 11.3(f) does not apply in relation to adjustment events.

12 RECEIPT OF MONEY AND APPLICATION

12.1 Credit of received payment

The Grantor is only credited with a payment of Secured Money from the date of actual receipt in cleared funds by the Secured Party (whether received from the Grantor or a Receiver).

12.2 Applying or appropriating money received

The Secured Party may apply or appropriate all money received under this document (even if insufficient to discharge all of the Grantor's obligations at that time) to reduce the Secured Money in the order, and to satisfy any part of the Secured Money, as the Secured Party sees fit (including as between principal, interest and other amounts owing to the Secured Party and including so as to enable the Secured Party to preserve any purchase money security interest). An application or appropriation by the Secured Party will override any appropriation made by the Grantor. This clause is subject to:

- (a) any claims ranking in priority to the Security Interest created under this document; and

- (b) any mandatory provisions of law (including, in the case of any Personal Property, any mandatory provisions of the PPSA, provided that, for the purposes of section 14(6)(a) of the PPSA, this clause 12.2 constitutes the method of payment application agreed by the parties).

12.3 Suspense account

- (a) The Secured Party may credit money received in or towards satisfaction of the Secured Money (including dividends received in any Liquidation) to a suspense account. The Secured Party may keep the money in that account for as long as, and at whatever interest rate, the Secured Party think fit. The Secured Party may apply the money (including interest) to reduce the Secured Money whenever the Secured Party thinks fit.
- (b) If the Secured Money has been fully and finally paid or discharged and the Secured Party is satisfied that such payment or discharge is not liable to be set aside, avoided or reversed, then the balance standing to the credit of the suspense account and any accrued interest must be paid to or for the account of the Grantor and the Secured Party will not have any further liability in relation to it.

12.4 Surplus proceeds

If the Secured Party, a Receiver or an Attorney (as the case may be) holds any surplus money after:

- (a) payment of the Secured Money in full and the application of proceeds in accordance with clause 12.2; and
- (b) the making of all payments that the Secured Party, Receiver or Attorney has the right or obligation to make under the Finance Document or at law,

then:

- (c) no trust arises, or interest accrues, over that surplus money; and
- (d) the Secured Party, Receiver or Attorney may pay that money to an account in the name of the Grantor with any bank, in which case the Secured Party, Receiver or Attorney will have no further liability in relation to that money.

12.5 Payments after notice of subsequent Security Interests

Effective from the time at which the Secured Party receive actual or constructive notice of a subsequent Security Interest in respect of any Other Property:

- (a) the Secured Party and the Grantor agree that for all purposes there is opened a new account in the name of the Grantor in the Secured Parties' books;
- (b) all payments made by the Grantor to the Secured Party and all accommodation and advances made by the Secured Party to the Grantor, are to be credited or debited (as applicable) to that new account; and
- (c) all payments credited to the new account must be applied first towards reduction of any debit balance in the new account, and then towards reduction of any other Secured Money.

This clause is subject to the Secured Party's general rights of appropriation under clauses 12.1 and 12.2.

12.6 Foreign currency amounts

If for any reason the Secured Party receive or recover any amount under or in relation to this document in a currency other than Dollars (**Foreign Currency Amount**), the amount which the Secured Party will be taken to have received or recovered for the purposes of the Finance Document will be the Dollar amount to which the Secured Party could have converted the Foreign Currency Amount (in accordance with its normal procedures) at the time of the receipt or recovery, less the costs of the conversion.

13 PPSA

13.1 Waiver

Without limiting any other provision of this document, any Security or any other Finance Document, the Grantor waives its right to receive any verification statement (or notice of any verification statement) in respect of any financing statement or financing change statement relating to any Security Interest created under this document or any other Finance Document.

13.2 Chapter 4 and additional rights

The Grantor and the Secured Party agree that, to the extent permitted by law and in respect of each Finance Document and each Security Interest created under the Finance Document or a Security:

- (a) the Grantor and the Secured Party contract out of:
 - (i) section 143 of the PPSA; and
 - (ii) the Secured Party's obligation to dispose of or retain Personal Property under section 125 of the PPSA; and

- (b) the Grantor and the Secured Party contract out of the Grantor's rights to (and the Grantor waives its rights to):
 - (i) receive notice of the removal of an accession under section 95 of the PPSA;
 - (ii) receive notice of the decision of the Secured Party to enforce any Security Interest in accordance with land law decisions under section 118 of the PPSA;
 - (iii) receive notice of any action of the Secured Party to enforce any Security Interest in liquid assets under section 121 of the PPSA;
 - (iv) receive notice of the Secured Party's proposal to dispose of Personal Property under section 130 of the PPSA;
 - (v) receive a statement of account under section 132 of the PPSA;
 - (vi) receive notice of the Secured Party's proposal to retain collateral under section 135 of the PPSA; and

- (vii) (without limiting clause 4.3) the Grantor's right to redeem any Personal Property under section 142 of the PPSA.

13.3 Other rights

Where the Secured Party has Powers in addition to, or existing separately from, those in Chapter 4 of the PPSA, those Powers will continue to apply and are not limited or excluded (or otherwise adversely affected) by the PPSA.

13.4 Confidentiality agreement

- (a) The Grantor and the Secured Party agree that the Grantor and the Secured Party will not disclose any of the information set out in section 275(1) of the PPSA in relation to this document or any Security Interest created under any Finance Document to any person (except that the Secured Party may do so where required due to the operation of section 275(7) of the PPSA or in accordance with another provision of the Finance Document).
- (b) The Grantor must, unless the Secured Party consents in writing:
 - (i) not make a request under section 275(7)(c) or 275(7)(d) of the PPSA; and
 - (ii) use reasonable endeavours to ensure that no person appointed as auditor of the Grantor makes a request under section 275(7)(e) of the PPSA unless that request is necessary for the proper fulfilment of that person's duties as auditor of the Grantor.

14 ASSIGNMENT

14.1 By Grantor

The Grantor may not assign, transfer or otherwise deal with its rights, interests or obligations under this document without the Secured Party's prior written consent.

14.2 By Secured Party

Subject to the Finance Document, the Secured Party may assign, transfer, novate or otherwise deal with its rights, interests and obligations under this document without the consent of, or notice to, the Grantor, and may disclose to a proposed party to such assignment or dealing any information the Secured Party consider appropriate about the Grantor, the Finance Document and any transaction in connection with any of them.

14.3 Assistance

The Grantor agrees to do or execute anything reasonably requested by the Secured Party to effect an assignment, transfer, novation or other dealing under this clause 14.

15 NOTICES, DEMANDS AND COMMUNICATIONS

15.1 Service

A notice, demand, consent, approval or communication given by a party in connection with this document must be:

- (c) in writing, in English and signed by an Authorised Representative of the party; and

- (d) hand delivered or sent by prepaid post (or airmail if applicable) or facsimile to the recipient's address for notices specified in the 'Details' section of this document (as varied by any Notice given by the recipient to the party).

15.2 Effective on receipt

A Notice given in accordance with this clause 15 takes effect when received (or at a later time specified in it), and is taken to be received:

- (e) if hand delivered, on delivery;
- (f) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia); or
- (g) if sent by email, when the sender's email system generates a message confirming successful transmission of the entire Notice unless, within eight hours after the transmission (being counted as hours from 9.00am to 5.00pm on a Business Day), the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm (addressee's time) on a Business Day, the Notice is taken to be received at 9.00am (addressee's time) on the next Business Day.

15.3 Validity

A Notice is validly given by the Secured Party even if returned unclaimed or if the recipient has been wound up or is absent from the place the Notice is delivered or sent to.

15.4 Other methods

This clause does not limit any provision for giving Notices in another Finance Document, or limit any other method for giving Notices or serving demands provided for by law.

16 PROTECTION OF THIRD PARTIES

16.1 Receipt of Secured Party, Receiver

A receipt given by the Secured Party, a Receiver or an Attorney (or of their Authorised Representative) for any money payable to it, or any asset receivable by it, relieves the person paying that money or delivering the asset from all liability to enquire as to the dealing with, or application of, that money or asset.

16.2 Third parties need not enquire

A person dealing with the Secured Party, a Receiver or an Attorney is protected from any impropriety or irregularity of that dealing, and need not enquire whether:

- (a) any of them has been properly appointed or has executed or registered an instrument or exercised a Power properly or with authority; or
- (b) any Secured Money has become due, the Finance Document is enforceable or a default (however described) has occurred under the Finance Document.

17 PROTECTION OF SECURED PARTY, RECEIVER

17.1 Notice, demand or lapse of time required by law

If a notice, demand or lapse of time is required by law before the Secured Party can exercise a Power, then for the purposes of this document:

- (a) that notice, demand or lapse of time is dispensed with to the extent allowed by that law; or
- (b) if not allowed to be dispensed with, but the period of notice, demand or lapse of time is allowed by that law to be shortened or fixed, it is shortened and fixed to one day.

17.2 Secured Party, Receiver not restricted

The Secured Party or a Receiver need not:

- (a) exercise a Power, give a consent or make a decision under this document unless the Finance Document expressly provides otherwise; or
- (b) resort to a Security or Power before resorting to any other of them.

17.3 Secured Party, Receiver not mortgagee in possession or liable

To the extent permitted by law, the Secured Party, a Receiver and any Attorney will:

- (a) not be, nor account or be liable as, mortgagee in possession due to exercise of a Power; or
- (b) not be liable to anyone for any Loss in relation to an exercise or attempted exercise of a Power, or a failure or delay in exercising a Power.

17.4 Secured Party may set off

At any time while a Default subsists, the Secured Party may, without any demand or notice, set off and apply indebtedness it owes to the Grantor (whatever the currency) against any money owing to it by the Grantor under any Finance Document, whether or not the amount owed by the Secured Party or the Grantor is immediately payable or is owed alone or with any other person. The Grantor irrevocably authorises the Secured Party to do anything necessary (including to sign any document and effect appropriate currency exchanges) for that purpose.

17.5 Reinstating avoided transaction

The Grantor agrees that if a payment or other transaction relating to the Secured Money or the Secured Obligations is void, voidable, unenforceable or defective for any reason or a related claim is upheld, conceded or settled (each an **Avoidance**), then even though the Secured Party knew or should have known of the Avoidance:

- (a) each Power and the Grantor's liability under each Finance Document will be what it would have been, and will continue, as if the payment or transaction the subject of the Avoidance had not occurred; and

- (b) the Grantor will immediately execute and do anything required by the Secured Party to restore the Secured Party to its position immediately before the Avoidance (including reinstating any Finance Document).

This clause survives any termination or full or partial discharge or release of any Finance Document.

17.6 Authorised Representatives and communications

The Grantor irrevocably authorises the Secured Party to rely on a certificate by any person purporting to be its director or company secretary as to the identity and signatures of its Authorised Representatives, and to rely on any Notice or other document required under any Finance Document which bears the purported signature (whether given by facsimile or otherwise) of its Authorised Representative. The Grantor warrants that those persons have been authorised to give notices and communications under or in connection with the Finance Document.

17.7 Secured Party's opinion

An opinion or view of the Secured Party for the purposes of this document may be formed or held on their behalf by their Authorised Representative, their board of directors or by any other person they authorise to act on their behalf in relation to the Finance Document.

18 GENERAL PROVISIONS

18.1 Prompt performance

If a time is not specified for the performance by the Grantor of an obligation under this document, it must be performed promptly.

18.2 Performance of Grantor's obligations by Secured Party

The Secured Party may do anything which the Grantor fails to do as required by, or in accordance with, this document. This does not limit or exclude the Secured Parties' Powers in any way.

18.3 Powers

Powers under the Finance Document are cumulative and do not limit or exclude Powers under law. Full or partial exercise of a Power does not prevent a further exercise of that or any other Power. No failure or delay in exercising a Power operates as a waiver or representation. Unless expressly provided in the Finance Document, no Power or Finance Document merges in, limits or excludes any other Power, Finance Document or judgment which the Secured Party or a Receiver (or anyone claiming through it) may have or obtain.

18.4 Consent and waivers

A consent or waiver by the Secured Party or a Receiver in relation to this document is effective only if in writing. If given subject to conditions, the consent or waiver only takes effect subject to compliance with those conditions to the Secured Party's or Receiver's satisfaction.

18.5 Indemnities and reimbursement obligations

The Secured Party or a Receiver need not incur an expense or make a payment before enforcing an indemnity or reimbursement obligation in the Finance Document. Unless otherwise stated, each such indemnity or reimbursement obligation is separate and independent of each other obligation of the party giving it, is absolute, irrevocable, unconditional and payable on demand and continues despite any settlement of account, termination of any Finance Document or anything else.

18.6 Notices or demands as evidence

A notice or certificate from or demand by the Secured Party stating that a Default has occurred, or that a specified sum of money is owing or payable under the Finance Document or stating any other fact or determination relevant to the rights or obligations of the Secured Party or the Grantor under the Finance Document, is taken to be correct unless proved incorrect.

18.7 Law and legislation

To the extent permitted by law:

- (a) each Finance Document to which the Grantor is a party prevails to the extent of inconsistency with any law; and
- (b) any present or future legislation operating to reduce the Grantor's obligations under the Finance Document or the effectiveness of the Powers is excluded.

18.8 Severability

A provision of this document that is illegal, invalid or unenforceable in a jurisdiction is ineffective in that jurisdiction to the extent of the illegality, invalidity or unenforceability. This does not affect the validity or enforceability of that provision in any other jurisdiction, nor the remainder of this document in any jurisdiction.

18.9 Variation

A variation of this document must be in writing and signed by or on behalf of each party to it.

18.10 Governing law and jurisdiction – security agreement

This document is governed by the laws of the State of Western Australia, Australia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

18.11 Governing law and jurisdiction – Security Interest

- (a) Subject to paragraph (b), the Security Interest created under this document is governed by the laws of the State of Western Australia, Australia. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place (and any court of appeal) and waives any right to object to an action being brought in those courts, including on the basis of an inconvenient forum or those courts not having jurisdiction.

- (b) Paragraph (a) does not apply to the extent that a Security Interest is created under this document in any collateral described in section 237(2) of the PPSA, in which case the law determined by the PPSA will govern the Security Interest in that collateral.

18.12 Service of process

Without preventing any other mode of service, any document in an action or process may be served on any party by being delivered to or left for that party at its address for service of Notices under this document.

18.13 Counterparts

This document may be executed in any number of counterparts. Each counterpart constitutes an original of this document, all of which together constitute one instrument. A party who has executed a counterpart of this document may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party, and if requested by that other party, will promptly deliver the original by hand or post. Failure to make that delivery will not affect the validity of this document.

SIGNING PAGE

EXECUTED as a DEED:

Grantor

EXECUTED by THE ORLEY GROUP)
PTY LTD (ACN 626 549 237) in)
accordance with Section 127 of the)
Corporations Act 2001 (Cth))

Signature of sole director and sole
company secretary

Name of sole director and sole company
secretary (print)

Secured Party

Signed by Lucas Birdsall and Wayne Soo
in the presence of:



Signature of witness



Pharmalogix Investment Cdrp

Eiza Redila

Name of witness (print)

SIGNING PAGE

EXECUTED as a DEED:

Grantor

EXECUTED by **THE ORLEY GROUP**)
PTY LTD (ACN 626 549 237) in)
accordance with Section 127 of the)
Corporations Act 2001 (Cth))



Signature of sole director and sole
company secretary

Jonathan Preto

Name of sole director and sole company
secretary (print)

Secured Party

Signed by [_____]
in the presence of:

Signature of witness

_____ [_____]

Name of witness (print)