LJ Hooker Home Loans

Franchise Agreement

ljhookerhomeloans.com.au

LJ HOOKER HOME LOANS PTY LIMITED

A.C.N. 106 564 765

FRANCHISE AGREEMENT

Acknowledgment by Franchisee

1) I acknowledge having received at least 14 days before signing this Agreement:

(a) a copy of the Franchising Code of Conduct; and

(b) a Disclosure Document (including a copy of the proposed Franchise Agreement).

2) I have received, read and had a reasonable opportunity to understand the Disclosure Document and Franchising Code of Conduct.

3) I declare that:

*** (a) I have been given advice about the proposed Franchise Agreement and/or franchised business by an independent legal advisor/an independent business advisor/an independent accountant; or**

*** (b) I am aware of the need to obtain advice about the proposed Franchise Agreement and/or franchised business from an independent legal advisor/an independent business advisor/an independent accountant but have decided not to seek it.**

***(strike out where inapplicable)**

Date: _____

Signed: _____

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SCHEDULE “A”

SCHEDULE “B”

SCHEDULE “C”

SCHEDULE “D”

SCHEDULE “E”

DATE: This Agreement is made on

BETWEEN:

LJ HOOKER HOME LOANS PTY LIMITED A.C.N. 106 564 765, of Suite 114C / 84 Hotham Street, Preston VIC 3072 (referred to as, the "Company" or “LJHHL”)

And:

A.C.N.

of ("Franchisee")

of ("Guarantor").

RECITALS:

A. LJ Hooker Corporation Limited (ACN 003 890 444) and its related entities (collectively “LJ Hooker”) has established a network of franchised real estate offices in Australia to whom it franchises its real estate system and licences it intellectual property.

B. The Company holds an Australian Credit Licence and is licensed to use the LJ Hooker business name and has been granted access to all LJ Hooker real estate offices for the provision of Products, LJ Hooker Home Loan Products and Related Products.

C. The business of the Company is to develop a network of franchised home loan offices in Australia to write Products, LJ Hooker Home Loan Products and Related Products.

D. The Franchisee and the Guarantors have requested the Company to grant to the Franchisee a Franchise.

E. The Company has agreed to grant a Franchise to the Franchisee on the terms and conditions in this Agreement.

IT IS AGREED:-

3. DEFINITIONS

3.1 Definitions

In this Agreement:

“AASB Accounting Standards” means the accounting standards issued from time to time by the Australian Accounting Standards Board.

“Action and Business Improvement Plan” means the Action and Business Improvement Plan as described in the Operations Manual to be prepared and performed by the Franchisee in the event of a formal breach notice being issued for failure to meet the Minimum Performance Standards or Allocated Location Performance Standards.

“**Aggregator**” means the party the Company has contracted with for the purposes of this Agreement to provide an integrated technology platform for lending and the administrative support for the provision of specified home loans and other related products. On the date of this Agreement, the Aggregator is Connective.

"**Aggregator Software**" means the Software made available by the Aggregator to the Company and subsequently the Company's franchise network, for the purpose of managing customer records, loan processing requirements, compliance document generation, client document retention and more. The name of the Aggregator Software currently utilised by the Company is Mercury Nexus.

"Aggregator Software Licence" means the licence agreement from the Aggregator to use their Software, strictly in accordance with the provisions of those agreements, and to access the related internet services in accordance with the terms of the home page of that service.

"Agreement" means the Franchise Agreement to be entered into by the Franchisee and the Company.

"**Allocated Location**" means a region or area defined by reference to postcodes as specified in Schedule "C" where the Franchisee has the exclusive right to carry on the Business, utilising the System, within the geographical areas of each postcode and within any place or site where an LJ Hooker real estate office located within the Allocated Location conducts business. Postcodes are those used by Australia Post.

"Allocated Location Performance Standards" means the Allocated Location Performance Standards listed in the Operations Manual that the Franchisee and the Franchisee's Loan Writers must achieve.

"ASIC" means the Australian Securities and Investments Commission or any successor to this entity.

"Area" means the Regional or Metropolitan area where the Allocated Location is located in order to identify the Minimum Performance Standards applicable to this Agreement. The Area type is displayed in Schedule "C" of the Agreement.

"**Australian Credit Licence**" means the Company's Australian Credit Licence as granted to the Company by ASIC under the National Consumer Credit Protection Act 2009.

"Best Interest Duty Policy" means the written policy of the Company in relation to the best interest duty obligations which all Franchisees and Loan Writer must adhere to.

"Borrower" means the person that is a potential or actual party to a home loan contract and is used interchangeably in this Agreement.

"**Business**" means the business to be carried on by the Franchisee writing Products, LJ Hooker Home Loan Products and Related Products in accordance with the System and Operations Manual.

"**Business Names**" means business names related to the Company which have been granted by the Company for use by the Franchisee in the Business as listed under Schedule "C".

"Business Plan" means the business plan as described in the Operations Manual to be prepared and performed by the Franchisee on an annual basis to support achievement of the Minimum Performance Standards.

"Claw Back" means the upfront commission payment paid by a lender to the Company and Franchisee, that is required to be repaid to the lender in the event that a loan is discharged within a specific time frame as governed by the policies as issued by the lender.

"**Code**" means the Franchising Code of Conduct prescribed as an industry code of conduct under s 51AE of the *Competition and Consumer Act 2010* (Cth) as amended or replaced from time to time.

"**Commencement Date**" means the date in item 1, Schedule "A".

"**Commission**" means the commission payable in accordance with clause 9.

"**Company**" means LJ Hooker Home Loans Pty Ltd ACN 106 564 765 its successors in title and permitted assigns and those claiming through or under it.

"Compliance Management System" means the system made available to the Franchisee by the Company to be utilised by the Franchisee in order to demonstrate compliance in meeting continuing professional development requirements.

"CPD" means continuing professional development.

"**Confidential Information**" includes but is not limited to technical and business information relating to the Software and all other related documentation and further includes any information about the LJ Hooker franchise network, the Company's franchise network, the System, the Operations Manual or any related matter which is identified by the Company orally or in writing to be confidential.

"Conflicted Remuneration" means any benefit, whether monetary or non-monetary, that is given to a licensee, or a representative of a licensee, who provides credit assistance to consumers or acts as an intermediary and because of the nature of the benefit or the circumstances in which it is given, could reasonably be expected to influence the credit assistance provided to consumers or how the licensee or representative acts as an intermediary.

"**Connective**" means Connective Broker Services Pty Ltd ACN 161 731 111, trading as Connective.

"Cooling Off Period" means the period ending 14 days after the Franchisee entering into this Agreement.

But does not apply to the renewal of, or the extension of the term or scope of an existing franchise agreement.

"**Credit Legislation**" has the same meaning and definition as contained in section 5 of the NCCP.

"**Credit Representative**" means an Authorised Credit Representative as appointed by the Company in accordance with the NCCP.

"**Credit Representative Fee**" means the monthly fee due and payable to the Company by all Credit Representatives as described in the Operations Manual and listed in Schedule "E", for operating the Business under the Company's Australian Credit Licence.

"Credit Representative Appointment Form" means the agreement under which the Company authorises a Franchisee, employee of a Franchisee or Loan Writer to engage in credit related activities under its Australian Credit Licence."**Expiry Date**" means the date in item 2, Schedule "A".

"**Fair Work Act**" means the Fair Work Act 2009 (Cth).

"**Fair Work Civil Remedy Provision**" means a civil remedy provision within the meaning of the Fair Work Act.

"**Fair Work Serious Contravention**" means a serious contravention within the meaning of the Fair Work Act.

"**Force Majeure**" means any act, omission, circumstance or event over which the Company could not reasonably have exercised control or, having taken reasonable steps, was unable to exercise control.

"**Franchise**" means the right granted by the Company to operate the Business using the Intellectual Property and the System.

"**Franchisee**" means the Franchisee and where there is more than one Franchisee means each of them separately and every one of them jointly and severally.

"Further Term" means the number of years in Schedule "A", item 3 being the length of the Term in the New Agreement.

"**GST**" means the goods and services tax imposed by A New Tax System (Goods and Services Tax) Act 1999 and related legislation. A term used in that Act will have a similar meaning where used in this Agreement.

"**Guarantor**" means a single Guarantor and where there is more than one Guarantor it means each of them separately and every one of them jointly and severally.

"**Home State**" means the state or territory the Business is situated in.

"**Intellectual Property**" means:

(a) trademarks, designs, copyright, colours, logos, names and insignia licensed or owned, used or developed by the Company (and all additions and improvements to them);

(b) without limitation the marks and names "LJ Hooker Home Loans" and the red and yellow colours used in connection with those marks and names;

(c) all promotional material developed by the Company;

(d) the Operations Manual;

(e) the Confidential Information;

(f) the methodology, appearance and functionality of businesses operated by LJHHL Franchisees;

(g) the methodology, appearance and functionality of businesses operated by LJHRE Franchisees;

(h) the System;

(i) the Franchise and Loan Writer Agreements;

(j) all company and Business Names.

"Internal Dispute Resolution Policy" means the written policy of the Company in relation to the dispute handling procedures which must be followed by all Franchisees and Loan Writer in the event a customer dispute or complaint.

"**LJ Hooker**" means LJ Hooker Corporation and its related companies, including LJ Hooker Franchising Limited ACN 003 890 453.

"LJ Hooker Home Loans" means the mortgage lending and wholesale funding business of the Company.

"LJ Hooker Home Loan Products" means all residential home loans branded as LJ Hooker home loans.

"**LJHHL Franchisee**" means a person or persons with whom the Company has entered into a Franchise Agreement in a form identical with or similar to this Agreement for a Business the office of which is located anywhere in Australia.

"**LJHRE Franchisee**" means a person or persons with whom LJ Hooker has entered into a Franchise Agreement in respect of a real estate franchise business the office of which is located anywhere in Australia.

"**Loan Opportunity**" means the electronic loan file housed within the Aggregator Software specific to each loan application transaction, containing all calculations, client documentation, file notes, email correspondence, compliance documentation and more, which must be utilised by the LJHHL Franchisee and all Loan Writers for the processing of all loan applications.

"**Loan Processing Team**" means the outsourced loan processing team made available by the Company to the Franchise responsible for performing specific administrative tasks associated with the data entry of customer information into the Aggregator Software and submission of loan applications through to lenders on behalf of the Franchisee and Loan Writers.

"**Loan Writer**" means a person appointed to work in the Business to introduce, secure and process loan applications who are not employees of the Franchisee. A Loan Writer is a direct Credit Representative of the Company upon the execution of the "Credit Representative Appointment Form".

"**Loan Writer Agreement**" is the agreement between the Loan Writer and the managing Franchisee under which the Loan Writer is engaged to conduct credit related activities.

"**MFAA**" means the Mortgage and Finance Association of Australia.

"**Minimum Performance Standards**" means the Minimum Performance Standards listed in section 3.2 of the Operations Manual that the Franchise must achieve.

"**National Consumer Credit Protection Act or NCCP**" means the National Consumer Credit Protection Act 2009 including codes and regulations under it as amended from time to time.

"New Agreement" means the Franchise Agreement to be entered into by the Franchisee and the Company in accordance with clause 3.2.

"**Operations Manual**" means the Business's Operations Manual referred to in clause 8 of this Agreement.

"**Other Fees**" means any fee introduced by the Company to assist in the operation and enhancement of the Business as listed in Schedule "E" or advised by the Company to the Franchisee in accordance with clauses 6.5 (g) and 6.5 (h).

"**Personal Information**" means information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.

"Policy" or **"Policies"** means all policies of the Company provided to the Franchisee that must be followed for the benefit of the Business in accordance with the System and Operations. This includes, but is not limited to, the Responsible Lending Policy, Best Interest Duty Policy and Internal Dispute Resolution Policy.

"**Premises**" means any premises used by the Franchisee to operate the Business as approved by the Company.

"**Privacy Act**" means the *Privacy Act 1988* (Cth) as amended from time to time.

"**Privacy Law**" means all legislation, principles, industry codes and policies relating to the collection, use, disclosure, storage or granting of access rights to Personal Information.

"**Privacy Policy**" means the written policy of the Company in relation to the Privacy Act (as amended) which is available for review by the Franchisee on the Web Site.

"**Products**" means the products offered by lenders as specified in the Operations Manual including consumer loans, consumer mortgage products, insurance

products and any wholesale funding products introduced by the Company from time to time.

"Responsible Lending Policy" means the written policy of the Company in relation to the responsible lending obligations which all Franchisees and Loan Writer must adhere to.

"Quarterly Activity Plan" means the quarterly activity plan as described in the Operations Manual to be prepared by the Franchisee upon request from the Company which details the activities to be performed by the Franchisee in order to achieve the Minimum Performance Standards.

"Related Products" means all home loan related products written with an LJ Hooker Home Loan customer by an LJHHL Franchisee.

"**Serious Offence**" has the meaning given to it in the Code.

"**Software**" means the software as specified in the Manual or as required to be used by the Franchisee to operate the Business.

"Sub-Authorised Credit Representative" means an employee or director of the Business of the Franchisee who has been sub-authorised by the Franchisee to carry out credit activities on behalf of the Franchisee. Sub-Authorised Representatives may be referred to as employees throughout this Agreement.

"**System**" means the system developed by the Company for the writing of Products, LJ Hooker Home Loan Products and Related Products using the Intellectual Property.

"**Term**" means the term of this Agreement from the Commencement Date to the Expiry Date as set out in Schedule A, or any earlier termination date.

"Trail Commission" means trail commission payable under the Commission Schedule.

"Upfront Commission" means upfront commission payable under the Commission Schedule.

"**Web Site**" means the LJ Hooker Web Site established by the Company and LJ Hooker, which at the date of this Agreement is at www.ljhooker.com and/or www.ljhookerhomeloans.com.au.

"**Year**" means a year commencing on the Commencement Date or the anniversary of the Commencement Date as the context allows.

4. GRANT OF FRANCHISE

4.1 Agreement to grant Franchise

(a) In consideration of the mutual promises contained in this Agreement, the Company grants to the Franchisee and the Franchisee accepts from the Company, a Franchise in accordance with the terms of this Agreement.

(b) In granting the Franchise, the Company grants to the Franchisee and the Franchisee accepts the right and obligation to:

(i) operate the Business during the Term;

(ii) use the Business Names;

(iii) use the Intellectual Property; and

(iv) use and comply with the System and Operations Manual

during the Term in accordance with the terms of this Agreement.

(c) The Company represents and warrants to the Franchisee that it has authority to grant to the Franchisee the use of the Intellectual Property.

(d) The Franchisee acknowledges that this right relates to the Business described in this Agreement and not to residential or commercial real estate or any other form of business.

(e) The Company appoints the Franchisee as its agent to carry out the identification verification procedures in relation to all finance applications as required by Credit Legislation or any other relevant legislation.

(f) On execution of this Agreement and on the signing of the form at Schedule "D" "Credit Representative Appointment Form" the Franchisee is appointed as a Credit Representative of the Company.

4.2 Exclusive Rights

(a) Subject to the Franchisee's continued and strict compliance with this Agreement, the Company grants to the Franchisee for the Term the exclusive right to carry on the Business within the Allocated Location and will not grant another Franchise within the Allocated Location to any other person.

(b) The Franchisee acknowledges that all LJHHL Franchisees are granted the right to service the LJ Hooker real estate offices located within their Allocated Location exclusively and are permitted to carry on the Business within any place or site where an LJ Hooker real estate office located within an Allocated Location conducts business.

(c) The Franchisee acknowledges that geographical areas constituting an Australia Post postcode region, may change from time to time which is outside the control of the Company. Postcode regions will be defined by reference to the prevailing Australia Post postcode region definitions.

4.3 Use of Business Names

(a) The Franchisee must conduct the Business only under the Business Name.

(b) The Franchisee must display the Business Name and the colours specified in the Operations Manual and any other Intellectual Property in accordance with the Operations Manual.

(c) Wherever the Business Name is displayed, including any letterhead or other formal documents, the Franchisee must display after the Business Name:

"This business is independently owned and operated by the proprietor (insert the Franchisee's name)".

(d) During the Term, the Franchisee must maintain, at its cost, registration of the Business Name. This includes paying any necessary ASIC fees to maintain the Business Name.

(e) The Franchisee acknowledges and agrees that the Business Name does not grant any intellectual property rights in such Business Name and the Franchisee acquires the right to use the Business Name only for the purposes of the Business and only during the Term of this Agreement. At the end of the Term or if this Agreement is terminated for any reason the right of the Franchisee to use the Business Name will cease and determine.

(f) The Franchisee must not use “LJ Hooker”, “LJ Hooker Home Loans” or any derivative thereof, in its own company name, in any website, social/digital platforms, domain name, email address or in any other name unless authorised in this Agreement.

(g) The Franchisee must not register, vary or cancel the Business Name with ASIC. If ASIC provides to the Franchisee an electronic key, username or code relating to the Business Name, the Franchisee must immediately provide this to the Company.

(h) The Franchisee must not use, display, advertise or permit to be used, displayed or advertised the Business Name in any place outside of Australia.

(i) If required at any time, the Franchisee must give and sign any ASIC form or document requested by the Company which may be required to register, vary or cancel the Business Name with ASIC.

4.4 Business Plans

(a) An annual Business Plan prepared by the Franchisee must be provided to the Company for its approval prior to the Commencement Date of this agreement and by the 31st May each year thereafter or such later date as directed by the Company.

(b) A Quarterly Activity Plan must be prepared by the Franchisee within 14 days upon request from the Company. The Quarterly Activity Plan will detail the activities that the Franchisee and each of its Loan Writers will undertake in order to achieve the Minimum Performance Standards during the ensuing quarter.

(c) If a Franchisee fails to provide a copy of the Business Plan or Quarterly Activity Plan to the Company by the due date or specified time frame listed under clauses 2.4 (a) and (b) then the Company may notify the Franchisee that they are in breach of their Agreement. Failure to supply a copy of the Business Plan or Quarterly Activity Plan upon notification from the Company may result in a formal breach notice being issued to the Franchisee requiring the Franchisee to rectify the breach within 30 days.

(d) If a Franchisee fails to provide a copy of the Business Plan or Quarterly Activity Plan to the Company within 30 days of a formal breach notice being issued, then the Company may terminate this Agreement by giving 30 days’ written notice.

(e) The Franchisee acknowledges that all Business Plans or Quarterly Activity Plans must be completed to a professional standard and that the Company reserves the right to reject, or, request the Franchisee to amend any Business Plan or Quarterly Activity Plan submitted to the Company which the Company deems to be of an unsatisfactory standard.

4.5 Minimum Performance Standards

(a) The Franchisee acknowledges that the fundamental business of the Company is to provide LJ Hooker Home Loans Products and approved Products to its customers.

(b) The Franchisee must ensure that the settlement volumes or number of loans written by the Franchise collectively at least meets or exceeds the Minimum Performance Standards during each quarter throughout each financial year of the Term.

(c) The Minimum Performance Standards will be reviewed by the Company on a quarterly basis and the Franchisee must cooperate with Company during quarterly reviews of the Minimum Performance Standards.

(d) If the Franchise fails to meet the Minimum Performance Standards specified under clause 2.5 (b) over two consecutive quarters, then the Company may issue a formal breach notice requiring the Franchisee to rectify the breach. To rectify the breach, the Franchisee must at a minimum provide to the Company a detailed Action and Business Improvement Plan outlining the activities to be undertaken in order to rectify the breach and ensure that during the next quarter the Minimum Performance Standards are met or exceeded.

(e) If the Franchisee has not rectified a breach of clause 2.5 (b) by achieving the Minimum Performance Standards by the end of the quarter as required in clause 2.5(d), the Company may terminate this Agreement by giving not less than 30 days' written notice.

5. TERM OF FRANCHISE AND OPTION

5.1 Term

This Agreement will commence on the Commencement Date and (subject to earlier termination or holding over of the Term pursuant to clause 3.5) expire on the Expiry Date.

5.2 No further Term

(a) If there are no Further Terms in Schedule "A", item 3, the Company may, in its absolute and unfettered discretion, before the Expiry Date, grant the Franchisee a further term for such period and upon the terms of the New Agreement. Unless a further term is granted by the Company before the Expiry Date, the Franchisee shall have no right to continue the Franchise after the Expiry Date.

(b) If a new agreement with a further term is granted to the Franchisee, the parties acknowledge that the Company can impose conditions on that grant, including requiring the Franchisee to undertake and complete specific training programs, upgrading or changing the Premises, varying the Intellectual Property or varying Commission rates.

5.3 Further Term

If there are Further Terms in Schedule "A", Item 3 and the Franchisee:

(a) wants to enter into the New Agreement for the Further Term from the Expiry Date; and

(b) at least 6 months but not more than 12 months before the Expiry Date gives written notice to the Company of that desire; and

(c) is not in default under this Agreement either on the date of giving notice or on the Expiry Date; and

(d) all payments by the Franchisee to the Company pursuant to this Agreement are up to date on the date of giving notice and on the Expiry Date; and

(e) has met or exceeded each of the Minimum Performance Standards in accordance with clause 2.5 in the previous year;

the Company shall grant and the Franchisee shall take a Further Term of the

Franchise as Franchisee of the Company.

5.4 New Agreement

(a) The terms of the New Agreement:

(i) will include such other updated information about the Franchisee, the Guarantors (including if required by the Company, new Guarantors) and the Company and any other alteration reasonably necessary to give effect to the New Agreement; and

(ii) will include this clause but the number of Further Terms in Schedule "A", item 3 will be reduced by 1. When the number of Further Terms is nil, that New Agreement will not include this clause 5.4.

(b) The Company must provide to the Franchisee within 1 month of the Franchisee giving a valid notice of exercise of option in accordance with clause 5.3, a current disclosure document and a copy of the then current standard terms of a Franchise Agreement.

(c) The New Agreement (including any declarations, guarantees, notices and other documents that may reasonably be required by the Company in respect of the New Agreement) must be executed by the Franchisee within 1 month of submission to the Franchisee for execution, and shall be prepared and stamped by the Company at the cost of the Franchisee.

(d) It is a condition precedent of the Company's agreement to grant the option that if the performance of the Franchisee under this Agreement is guaranteed by Guarantors, the Franchisee must at the same time as execution of the new Agreement procure the Guarantor(s) nominated by the Company, execute and deliver to the Company a further guarantee and indemnity in favour of the Company containing such covenants as the Company reasonably requires.

(e) Unless the Franchisee exercises the option in this Agreement strictly in accordance with this clause, the Franchisee will have no right to continue the Franchise after the Expiry Date.

5.5 Holding Over

In the event of the Franchisee continuing to operate the Business for whatever reason after expiry of the Term, with or without the approval or acquiescence of the Company, such continuation will not be deemed to be a New Agreement and such continuation shall be strictly on a month to month basis and under the terms and conditions of this Agreement

6. OPERATION OF THE BUSINESS BY FRANCHISEE

6.1 Conduct of Business

(a) The Franchisee must conduct the Business and maintain all files and records strictly in accordance with the Operations Manual as may be amended from time to time.

(b) The Franchisee and the Guarantors must not during the Term own or have any interest in any form in any other business which is a competitor of the Business unless approved in writing by the Company.

(c) The Franchisee and the Guarantors must not during the Term represent or be licensed to any other credit business or otherwise provide home loan products unless the Company has provided its prior written approval.

(d) The Franchisee and the Guarantors must not during the Term be involved in any business activity which is or may be harmful to or destructive of:

(i) the Business; or

(ii) the Company; or

(iii) LJHRE Franchisees; or

(iv) other LJHHL Franchisees; or

(v) the reputation or goodwill of the Company or LJ Hooker.

The Franchisee must ensure that its employees and Loan Writers do not become involved in any such activity.

(e) The Franchisee and the Guarantors must be actively engaged in the Business and must devote their full time and attention to the Business during the Term.

(f) Where the Franchisee and/or the Guarantors own more than one LJ Hooker Home Loans franchise, they must employ a full time manager or appoint a senior Loan Writer to be responsible for the day to day management of the Business of that Franchise, unless otherwise approved by the Company. This manager must devote their full time and attention to the obligations and tasks otherwise performed by the Franchisee and be responsible for monitoring and managing performance in relation to that particular Franchise.

(g) The Franchisee must pay all debts of the Business as they fall due in the ordinary course of business including payments of income to employees.

(h) The Franchisee must not introduce any Products into the Business without first obtaining the Company's written consent. Contracts or agreements for any proposed new Products will be between the Company and the supplier. The Company will advise the Franchisee of the conditions of dealing with the new Product as part of the Business.

(i) The Franchisee and the Guarantors must at all times:

(i) comply with the Code and all Credit Legislation and legislation as may be amended from time to time, which is relevant to the conduct of the Business;

(ii) in the performance of this Agreement, comply with the code of ethics and rules and regulations of the Company and the Aggregator;

(iii) comply with the Company's Operations Manual as may be amended from time to time;

(iv) carry out and complete lender accreditation for any lender as required by the Company;

(v) keep and maintain proper records for at least 7 years and as required by the Credit Legislation, or any other relevant legislation, including all training registers and credit activity records relating to the operation of the Business;

(vi) maintain all qualifications, accreditations, certificates and licences required by the Company and/or by law to enable it to carry out and comply with the terms of this Agreement;

(vii) comply with the MFAA Code of Ethics;

(viii) not do anything which could give rise to a claim against the Company or the Aggregator for loss or damage from any person who could become a Borrower, including by:

(1) making any misleading, deceptive or untrue statements; or

(2) acting unconscionably or unfairly; or

(3) breaching Credit Legislation.

(j) It is the responsibility of the Franchisee to know and understand all relevant Credit Legislation and ensure that their Business is run in accordance with the requirements of such Credit Legislation.

(k) The Franchisee must notify the Company immediately once they become aware of any breach of Credit Legislation, any legislation relevant to the operation of the Business or a breach of this agreement by themselves or any Loan Writers or employees of the Franchisee.

(l) The Franchisee must not imply or represent to any potential Borrower that it is an independent loan broker or loan writer or that it can approve a loan application.

(m) The Franchisee must not charge any fee or commission or other payment to any customer or potential customer or receive any fee or commission from any other source except as authorised by the Company.

(n) The Franchisee must not enter into loan referral agreements directly with any credit provider without the Company's prior written consent.

(o) The Franchisee must not under any circumstances accept any commissions, payment or benefit, whether monetary or non-monetary that could be deemed Conflicted Remuneration.

(p) The Franchisee must immediately inform the Company if they suspect that any commissions, payment or benefit, whether monetary or non-monetary could be deemed Conflicted Remuneration.

(q) The Franchisee must at all times comply with the Policies of the Company made available to them from time to time and ensure that all Loan Writers and staff members do the same.

6.2 Processing of applications

The Franchisee :

(a) must comply with all rules of conduct and guidelines issued by the Company in accordance with the Operations Manual, Responsible Lending Policy and Best Interest Duty Policy for the referral of potential Borrowers and the handling, completing and processing of costs, cheques and documents relating to all finance and insurance applications;

(b) must comply with all relevant Credit Legislation for the referral of potential Borrowers and the handling, completing and processing of costs, cheques and documents relating to all finance applications;

(c) must ensure customers of the Franchisee are not disadvantaged by any conflict of interest of the Company, the Franchisee, Loan Writer or employee of the Franchisee;

(d) acknowledges that failure to comply with the Operations Manual, Responsible Lending Policy and Best Interest Duty Policy when processing applications may result in the Company withholding commissions until such

time as all requirements have been completed to the satisfaction of the Company.

(e) acknowledges that the Company reserves the right to suspend the Franchisee, all Loan Writers and staff members indefinitely in instances where a lender has suspended an accreditation of the Franchisee, any Loan Writer's or staff member's due to an investigation into gross negligence, serious fraud or misconduct associated with a finance application derived from the franchise.

6.3 Promotion of Business

The Franchisee:

(a) must properly service the Allocated Location and, in particular, respond to any requests for provision of services or products to LJHRE Franchisees whose office is located within the Allocated Location;

(b) must cooperate and participate in business development, joint marketing initiatives and any other promotions of the Company which are from time to time promoted or coordinated by the Company, groups of LJHHL Franchisees or LJHRE Franchises located within the Allocated Location;

(c) must promote all LJ Hooker Home Loan Products and new products introduced by the Company from time to time and ensure their employees and Loan Writers do the same at all times without contravening Credit Legislation;

(d) must ensure that its advertisements, including display advertisements in newspapers and magazines, conform both as to form and content to the advertising policy and style guide set out in the Operations Manual;

(e) must obtain written consent from the Company prior to the publication of any advertising and marketing material whether digital, via social media or print media;

(f) shall not customise the website provided to the Business by the Company unless prior written consent has been granted;

(g) when operating from an LJHHL branded premises, must not display any branding other than that of the Company using only the Intellectual Property unless otherwise approved by the Company;

(h) must not grant (and acknowledges it has no right to grant) to any supplier, the right to print, publish or use in any way the Business Names or Intellectual Property or any words, colours or logos or images of the Company unless that supplier has first:

(i) been authorised and approved as a supplier by the Company; and

(ii) entered into an agreement with the Franchisee and the Company on terms required by the Company giving authorisation to that supplier to carry out the activities specified in the agreement.

(i) acknowledges that the nature of this Agreement is one which gives the Franchisee access to Products, LJ Hooker Home Loan Products, and Related Products as well as support with establishing relationships with LJ Hooker real estate offices in the Franchisee's Allocated Location with no guarantees of business being referred to it by the Company or any LJ Hooker real estate offices.

6.4 Premises

The Franchisee:

(a) must within 12 months, primarily operate the Business from the Premises or such other Premises approved by the Company in writing after written application by the Franchisee;

(b) must apply to the Company giving details of an alternative Premises it proposes to move the Business to in the event that the Franchisee wishes to relocate or the Premises are destroyed or rendered inaccessible;

(c) must not commence business from any premises other than the Premises, unless the Company has approved the new premises in writing;

(d) must provide at the Premises all furnishings, computers, infrastructure and equipment required to carry out the Business as specified in the Operations Manual. All items provided by the Franchisee remain the property of the Franchisee;

(e) must maintain the interior and exterior of the Premises and all fittings, furnishings and equipment in a state of repair and standard of appearance consistent with and adherent to the standards set forth in the Operations Manual; and

(f) must ensure that interior and exterior signage is produced and displayed in accordance with the specification set by the Company as set out in the Style Guides.

6.5 Bank Accounts

The Franchisee will open a business bank account in its own name.

6.6 Employees of the Franchisee

(a) All employees and directors of a Franchisee who are engaged in credit related activity must be appointed by the Franchisee as Sub-Authorised Credit Representatives.

(b) All appointments of employees who are to act as credit representatives must first be authorised by the Company in writing in accordance with the Operations Manual.

(c) All employees must sign a Credit Representative Appointment Form prior to engaging in any credit activity on behalf of the Franchisee.

(d) Approved Sub-Authorised Credit Representatives will be Credit Representatives of the Company. However, the Franchisee must use its best endeavours to supervise employees to ensure their compliance with this Agreement, the Operations Manual and the Credit Legislation.

(e) Upon appointment of a Sub-Authorised Credit Representative the Company will assist the Franchisee to complete all required documentation for notifying ASIC of the appointment and it will be the responsibility of the Franchisee to lodge the forms with ASIC.

(f) The Company has the right at any time to terminate an employee as a Sub-Authorised Credit Representative in the case of a breach of their Credit Representative Appointment Form and the Franchisee must comply with all requests made by the Company to assist the Company in performing its obligations in notifying ASIC of the termination.

(g) The Franchisee must pay all wages, commissions, workers compensation, tax and superannuation in relation to its employees, including any employee who is an approved Sub-Authorised Credit Representative.

(h) The Franchisee must at all times employ sufficiently qualified employees to properly serve the public and operate the Business. Recruitment is to be in accordance with the Company's recruitment policy as set out in the Operations Manual.

(i) Only natural persons may be approved as Sub-Authorised Credit Representatives.

(j) A Franchisee will not be able to employ an employee to engage in credit related activity, whose Credit Representative Appointment Form has been terminated.

(k) The Franchise must not under any circumstances pay an employee Conflicted Remuneration or implement any type of remuneration structure if any aspect of that remuneration structure could be deemed Conflicted Remuneration.

6.7 Loan Writers of the Franchisee

(a) All Loan Writers operating under a Franchisee and for the Company are to be appointed as direct Credit Representatives of the Company.

(b) All Loan Writers are to sign a Loan Writer Agreement as may be amended from time to time, the parties to which are the Loan Writer and the Franchisee. This Agreement will detail, amongst other things, the obligations of each party to the other and the Commissions payable. The Loan Writer may not engage in any credit related activity as related to the Franchisee until such time as the Loan Writer Agreement has been executed by all parties and the Credit Representative Appointment Form has been executed.

(c) The Franchisee must not license the use of or authorise or permit any Loan Writer to use the Intellectual Property until the Loan Writer Agreement has been executed.

(d) Upon appointment of a Loan Writer it is the responsibility of the Company to notify ASIC of the appointment.

(e) When recruiting a Loan Writer, the Franchisee must follow the recruitment criteria as outlined in the Operations Manual.

(f) The Franchisee must employ best endeavours to supervise Loan Writers to ensure their compliance with the Operations Manual and Credit Legislation.

(g) The Franchisee is to conduct performance reviews and work in progress meetings with each of their appointed Loan Writers in accordance with the Operations Manual.

(h) The Franchisee must inform the Company immediately once a Loan Writer has been terminated.

6.8 Franchisee, Loan Writer & Employee training

(a) The Franchisee must undertake ongoing training, as provided by the Company and other industry service providers, in order to maintain competency in the provision of credit related activities to their customers and the customers of LJHRE.

(b) The Franchisee must complete at least the minimum CPD hours required to satisfy both industry regulations and the requirements set out in the Operations Manual, as may be amended from time to time.

(c) It is the responsibility of the Franchisee to ensure all employees and appointed Loan Writers complete necessary training, in accordance with the Operations Manual so as to maintain competence in the provision of credit related activity to their customers and the customers of LJHRE.

(d) The Franchisee hereby acknowledges that the Company may make available to the Franchisee a Compliance Management System to be used by the Franchisee throughout the Term, the purpose of which is to be used by the Franchisee to demonstrate compliance in meeting their CPD requirements by recording the details of all CPD training completed and the hours obtained.

(e) Where the Company makes available a Compliance Management System for use by the Franchisee in accordance with clause 4.8 (d), the Franchisee acknowledges that this is the only acceptable method for demonstrating compliance in meeting CPD obligations and that it will be utilised by the Franchisee at all times throughout the Term of the Agreement.

(f) Should the Franchise be found to be in breach of clause 4.8 (e) then the Company will advise the Franchisee in writing that in order to rectify, the Franchisee must ensure that all CPD training details and hours obtained by the Franchisee throughout the Term of the Agreement are recorded in the Compliance Management System within one month from the date of notice.

(g) If instructed by the Company in writing, the Franchisee agrees to undertake additional training where it is identified throughout the course of a compliance review that a specific task or function is not being performed to a satisfactory standard. The written notice will include the method of training required to be undertaken and the time frame for which the training must be completed.

(h) Should the Franchisee fail to meet the conditions of clause 4.8 (f) or 4.8 (g), then the Company will suspend the Franchisees Aggregator Software Licence, resulting in a temporary loss of access to the Aggregators systems until such time as the actions required to remedy have been completed.

(i) The Franchisee or nominated person approved by the Company must attend training and professional development days as notified by the Company from time to time and must ensure that all employees and Loan Writers also attend the training when required. The Company shall provide notification of the requirement to attend training to the Franchisee no less than 4 weeks prior to the date of training.

6.9 Meetings and Annual Conference.

The Franchisee at its expense must ensure the Guarantors, or a manager approved by the Company:

(a) attend all meetings per year that are convened by the Company for all representatives of LJHHL Franchisees; and

(b) use their best endeavours to attend all other meetings arranged by the Company including awards functions.

6.10 Audit and Inspection of Books and Records

(a) The Franchisee, and if necessary the Guarantors, must save all books, records, documents, statements, loan application files and other written or computerised material in relation to a Loan Opportunity conducted by the Business within the Aggregator Software made available to the Franchisee by the Company.

(b) The Franchisee, and if necessary the Guarantors, will make all books, records, documents, statements, loan application files and other written or computerised material in relation to credit activity conducted by the Business available for inspection by the Company's representative at any time on the Company giving the Franchisee the minimum of 2 days' notice (or less notice where that is reasonable).

(c) The Company's representative may take copies of any document or computer hard drive that is relevant to the Business.

(d) The Franchisee, its directors and Guarantors will use their best endeavours to assist the Company's representative to identify and locate all documents and answer any reasonable questions about the Business and any credit activity conducted by or on behalf of the Franchisee during the Term.

(e) The purpose of an audit or inspection of documents under this clause is to assess compliance with Credit Legislation, compliance with this Agreement and Operations Manual and/or compliance with any legislative or regulatory requirement relevant to operation of the Business.

(f) The Franchisee must complete all remedial actions requested of them by the Company, by the due date specified by the Company, to rectify or improve the standard to which a Loan Opportunity has been maintained within the Aggregator Software and must use best endeavours to ensure that the same issues do not persist for future Loan Opportunities.

(g) In the event of issues identified during past audits continuing to persist after the Company has previously addressed the matter with the Franchisee by requiring them to remedy a Loan Opportunity in accordance with clause 4.10(f), the Company reserves the right to suspend the Franchisees access to the Aggregator Software, direct lender submission portals and/or Loan Processing Team services until such time the Company is satisfied that the issues identified have been rectified.

(h) In the event that the Franchisee has breached Credit Legislation, the Company may require the Franchisee to rectify the breach and reserves the right to withhold Commission payable to the Franchisee until such time as the breach is remedied.

6.11 Intellectual Property

(a) The Franchisee acknowledges and agrees that the Intellectual Property is, and at all times will remain, the exclusive property of the Company and LJ Hooker. The Franchisee acquires a licence to use the Intellectual Property for the purposes of the Business and only during the Term. That licence is automatically revoked upon the termination or expiry of this Agreement.

(b) The Company grants to the Franchisee the right to use the Intellectual Property only in Australia and only in relation to the Business.

(c) The Franchisee agrees to only use the Intellectual Property in accordance with instructions, directions and specifications supplied by the Company and to strictly observe those instructions. That covenant includes the

manner or context in which the trademarks are used. The Franchisee must comply with all applicable laws and regulations relating to the use of the Intellectual Property.

(d) At the Company's request, the Franchisee must submit to the Company samples of all types of advertising material and other material relating to the Intellectual Property for the Company's approval. The Company may direct that changes be made to that material which the Franchisee must make.

(e) The Franchisee agrees at all times to render reasonable assistance to the Company in relation to any matter affecting the protection, maintenance or validity of the Intellectual Property and to advise the Company of any suspected infringements of the right of the Company to protect and preserve the Intellectual Property.

(f) Subject to any contrary provisions of this Agreement and the Code, the Franchisee acknowledges that the ownership and goodwill attaching to the Intellectual Property remains vested in either the Company or LJ Hooker during the Term and after the Expiry Date. The Franchisee agrees never to do any act inconsistent with that position and to never challenge, contest or call into question the validity or ownership of the Intellectual Property and never contest the Company's right to use or licence the use of the Intellectual Property (including after the end of the Term).

(g) The Franchisee acknowledges and agrees that its use of any name or material which contains or in any way features the Intellectual Property would only continue to be used under the terms and conditions of this Agreement.

(h) At the end of the Term, the Franchisee ceases to have the right to use the Intellectual Property and agrees to do anything necessary to give effect to its cancellation as a user of any Intellectual Property. The Franchisee shall not after that date use the Intellectual Property or any trademarks, trading name or corporate name, colour or logo which contains or is confusingly or deceptively similar to the Intellectual Property or to the Business Names or to the image of the Company.

6.12 Attendance by a Company representative

(a) If the Franchisee fails to operate the Business in accordance with the provisions of this Agreement, the Company may, on one day's written notice to the Franchisee, place a representative of the Company in the Business at the Franchisee's cost until the provisions of this Agreement are complied with in every respect.

(b) The Franchisee will permit entry to its premises by the representative of the Company and will give access to that representative to all books, records, documents, statements, computer hardware and software necessary to enable the Company's representative to assess whether there has been compliance with this Agreement.

6.13 Reports

(a) During the Term the Franchisee must provide to the Company within 14 days of being required, a report of the activities of the Business in a form requested by the Company from time to time:

(i) signed by the Franchisee; and

(ii) containing any particulars required by the Company.

6.14 Significant Capital Expenditure

The Company is entitled under this Agreement and the Code during the Term to require the Franchisee to incur and compel the Franchisee to expend reasonable significant capital expenditure in circumstances where the expenditure;

(a) has been disclosed to the Franchisee in the Company's disclosure document given to the Franchisee before;

(i) entering into this Agreement or renewing the Franchise; or

(ii) extending the term or scope of this Agreement;

(b) has been:

(i) incurred by all or a majority of franchisees in the LJ Hooker Home Loans franchise network; and

(ii) approved by a majority of those franchisees,

in which event the Franchisee will, for the purpose of this Agreement, be obliged to incur the expense even if the Franchisee did not agree to incur it or vote in favour of the resolution to do so;

(c) is required to be incurred by the Franchisee to comply with legislative obligations;

(d) has been agreed to by the Franchisee; or

(e) is otherwise an expenditure of the kind or nature specified in the Code (from time to time) that the Company is entitled to require the Franchisee to incur in connection with the Business.

7. ALLOCATED LOCATION

(a) Allocation of an Allocated Location is at the absolute discretion of the Company.

(b) It is the responsibility of the Franchisee to ensure that the Allocated Location is serviced in accordance with the Allocated Location Performance Standards.

(c) Should the Franchisee appoint a Loan Writer to service an LJ Hooker real estate office located within the Allocated Location they must ensure;

(i) the Loan Writer is a full time dedicated Loan Writer;

(ii) the Loan Writer meets the Allocated Location Performance Standards;

(iii) any performance issues advised by the LJHRE Franchisee relating to the assigned Loan Writer are immediately addressed through either the coaching of that Loan Writer or the replacement of that Loan Writer.

(d) If the conditions in clause 5 (b) and (c) are not met, then the Company may issue a formal breach notice requiring the Franchisee to rectify the breach. To rectify the breach, the Franchisee must at a minimum provide to the Company a detailed Action and Business Improvement Plan outlining the activities to be undertaken in order to rectify the breach and ensure that during the next quarter the conditions of clause 5 (b) and (c) are met or exceeded.

(e) If the Franchisee fails to meet or exceed the conditions of clauses 5 (b) and (c) during the ensuing quarter as required under clause 5 (d), then the Company may, at its discretion, but not unreasonably, withdraw the Franchisee's right to service all or part of the Allocated Location by giving 30 days' written notice to the Franchisee.

8. INSURANCE, CREDIT REPRESENTATIVE AND OTHER FEES

8.1 Franchisee must take cover

Notwithstanding clause 6.4, the Franchisee must effect and keep in force during the Term, insurances:

(a) against any losses or damages, the Company may reasonably require;

(b) in the form the Company may reasonably require including sufficient run-off cover and an extension to cover any legal or other costs the Company may incur arising from litigation involving the Franchisee;

(c) with insurers selected by the Franchisee and approved by the Company (which approval shall not be unreasonably withheld);

(d) in the name of the Franchisee noting the interest of the Company (where possible) and any other person having an insurable interest as agreed by the Company and the Franchisee;

(e) required by any Credit Legislation, government or regulatory body in order to operate the Business.

8.2 Policies of Insurance

In particular, the insurance to be effected by the Franchisee must include:

(a) workers' compensation insurance, WorkCover insurance or employer's liability insurance in accordance with and to the extent required by any State or Territory legislation;

(b) public liability insurance for a limit of indemnity not less than $20,000,000 limit, any one occurrence or series of occurrences, arising out of the one event. The policy is to note the Company as the interested party for their respective rights and interests;

(c) directors and officer's insurance (or equivalent) if deemed necessary by the Company.

8.3 Co-operation

(a) The Franchisee must cooperate with the insurers and/or the Company in the discussions and negotiations of any claim. The Franchisee must comply with any request from the insurer or the Company in relation to doing or refraining from doing any act in relation to a claim or a possible claim.

(b) The Franchisee will provide to the Company on an annual basis proof of current insurance policies by providing certificates of currency or currency on an insurer's letterhead within 3 months of insurance renewal.

(c) If the Franchisee fails to perform any of its obligations under this clause the Company may at its option do any act or thing and incur any cost or expense necessary to perform the Franchisee's obligations. The costs (save for costs for legal services which are prohibited by the Code) and expenses incurred by the Company in performing the Franchisee's

obligations will be payable by the Franchisee to the Company on demand and can be recovered by the Company as a liquidated debt.

8.4 Group Insurance

(a) The Company will effect and keep in force during the Term a group professional indemnity insurance policy for the benefit of the Franchisee, its employees, Loan Writers and the Company to insure against a claim arising from the conduct of the Business or any credit activity undertaken by the Franchisee, its employees or Loan Writers.

(b) The group insurance policy will provide professional indemnity insurance up to $5,000,000 for any one claim and $15,000,000 aggregate in any one year. The aggregate amount will be shared between all LJHHL Franchisees and the Company in any one year.

(c) The cost of effecting and maintaining a group insurance policy will be shared between LJHHL Franchisees and will form part of the Credit Representative Fee payable monthly to the Company.

(d) In the event of an allegation or claim being made against a Franchisee and the Franchisee then seeks indemnity under the group professional indemnity policy, the Franchisee will be liable to pay the excess of $2,000 (or such excess amount which is applicable at the time of the claim) as required under the policy.

8.5 Credit Representative and Other Fees

(a) The Franchisee acknowledges that upon being appointed as a Credit Representative of the Company a Credit Representative Fee is due and payable via direct debit, one month in advance throughout the Term.

(b) The Credit Representative Fee will increase annually up to a maximum of 5% over and above the fee paid in the previous year.

(c) The Franchisee must immediately notify the Company of any changes to the Franchisees bank account details.

(d) The Franchisee acknowledges that in the event the Credit Representative Fee is not paid to the Company as a result of insufficient funds or failure to notify the Company of a change in bank account details, the Company will notify the Franchisee and the Franchisee must arrange payment of the Credit Representative Fee to the Company within 7 days after receiving notification.

(e) Failure to pay the Company the Credit Representative Fee within 7 days after receiving notification from the Company may result in a formal breach notice being issued requiring payment to be made within 30 days.

(f) Failure to pay the Company the Credit Representative Fee within the 30 days upon receiving a formal breach notice may result in the Company terminating the Agreement and Credit Representative status of the Franchisee.

(g) The Company may, from time to time, need to introduce additional fees and charges due and payable by the Franchisee in order to comply with any statutory obligations, compliance, insurance, software, marketing and promotional activities or any other service or initiative to assist in the operation and enhancement of the Business.

(h) Written notification will be provided by the Company to the Franchisee advising of any increases to fees and charges and the date from which the fees and charges are due payable. However, the date from which any

increased fees and charges are due and payable will be no less than 30 days from the date of the written notification provided.

9. DUTIES OF THE COMPANY

9.1 Contract with Aggregator

The Company may cease or change the Aggregator, or the contractual arrangements for the provision of home loans or the services provided by the Aggregator, from time to time. If the Company makes any such change, it will advise the Franchisee in writing, providing no less than 30 days' notice.

9.2 Software Programs

The Company will provide the Franchisee and its employees and Loan Writers access to suitable software programs for use within the Business for the purpose of servicing the customers of the Business. Ongoing training on software programs will be provided by the Company and any other relevant external training providers as identified by the Company.

9.3 Training

(a) The Company will provide or arrange training of LJHHL Franchisees and their employees in accordance with the Operations Manual.

(b) The Company may require Franchisees to pay for any reasonable expenses incurred by the Company in convening training courses.

(c) When the Company introduces new products or services for use in the Business, the Company will arrange for and provide appropriate training for the use and sale of those products in the Business.

9.4 Reputation of the Company

The Company will take all such action as it considers reasonable and appropriate to protect the good name, image, reputation and Intellectual Property of the Company or LJ Hooker, the Company's franchise network and the LJ Hooker franchise network.

9.5 Counselling and Assistance

The Company may provide counselling and assistance to Franchisees in the conduct of their business and to cooperate with and make recommendations to the Franchisee in the monitoring of the Franchisee's performance in relation to the Minimum Performance Standards and Allocated Location Performance Standards.

9.6 Meetings

The Company may convene and conduct meetings of LJHHL Franchisees and Loan Writers and representatives of the Company for the purposes set out in this Agreement and the Operations Manual.

9.7 Maintenance of Standards

The Company will provide the Franchisee with access to branded templates and other material to be used throughout the Business in order to maintain uniformity and consistent branding.

9.8 Changes to Intellectual Property and System

The Company may at any time decide to:

(a) modify the use of any component of the Intellectual Property;

(b) require the Franchisee to use one or more additional, substitute or variations of the Intellectual Property; or

(c) modify the colour scheme, design or any other thing applicable to the Business; or

(d) alter, vary or add to the System for the overall benefit of the Company's franchise network or the LJ Hooker franchise network.

These variations may require the Franchisee to incur a capital expense. The Company must act reasonably in:

(e) providing the Franchisee with written notice of any variation; and

(f) determining the scope, extent, timing and cost of requiring the Franchisee to undertake any variations

and the Franchisee must ensure that the variations occur in accordance with that notice.

The Company will endeavour where possible, to ensure that any material or significant brand alignment where the capital expense is significant, occurs to coincide with a renewal of the Franchise to enable the Franchisee to undertake a brand alignment as part of any refurbishment obligation.

9.9 Maintenance of Australian Credit Licence

The Company will comply with Credit Legislation in order to maintain their Australian Credit Licence.

9.10 Advertising

(a) The Company must use reasonable endeavours to maintain and enforce the standard, appearance and consistency of advertising by LJ Hooker Home Loans franchisees.

10. THE OPERATIONS MANUAL

10.1 Development and use of the Operations Manual

(a) In order to protect the goodwill of the Company and to maintain uniform standards of operation and service and a coordinated network of franchised offices, and to maintain compliance with Credit Legislation, the Company has developed and established the Operations Manual.

(b) The Company may amend the Operations Manual from time to time to improve the System, facilitate use of the Intellectual Property or maintain compliance with Credit Legislation.

(c) To the extent that there is any inconsistency between this Agreement and the Operations Manual, the provisions of this Agreement will apply.

(d) The Franchisee acknowledges that it has read the contents of the Operations Manual before signing this Agreement.

(e) The Franchisee must not except as required by law or to the extent that the information is in the public domain:

(i) discuss or disclose the contents of the Operations Manual with any person; or

(ii) disclose to any person any information or methods of operation of the Company which it has gained through its position as Franchisee.

11. COMMISSIONS

11.1 Appointment

(a) In consideration of the appointment of the Franchisee and the Franchisee performing its obligations under this Agreement, the Company will pay the Franchisee a Commission for any loans and products secured by the Franchisee.

(b) The Company may authorise the Aggregator and/or other approved parties to make, or direct payments directly due to the Franchisee.

11.2 Payment of Commission

(a) Commissions will be paid to the Company or its nominee.

(b) The Company will pay to the Franchisee the Commission. Payment will be made electronically to an account nominated by the Franchisee.

(c) The Commission payable to the Franchisee is set out in the Schedule of Commissions attached as Schedule "B".

(d) Subject to Clauses 11.2(f) and 10, a Commission becomes payable after a loan is settled and the Commission has been paid by the lender concerned to the Aggregator and/or other approved parties. The date of supply for the purposes of GST is the date the lender takes title in the security or the date the loan is drawn down, if that is later.

(e) The Company must pay the amount payable to the Franchisee on receipt of the total Commission payable from the Aggregator and/or other approved parties. It will be sufficient compliance with this clause if the Franchisee receives payments of Commission directly from the Aggregator and/or other approved parties.

(f) It is acknowledged and agreed that payments due under this Agreement will be payable only when they are received from the Aggregator and/or other approved parties which will be payable only to the extent paid. It is also acknowledged that the Company, Aggregator and/or other approved parties may be entitled to hold back from Commissions a certain amount or amounts due on account of a potential Claw Back or breach. Those amounts of Commission will be paid on receipt.

(g) Where an amount is clawed back by the Aggregator, Company, or other approved parties the amount clawed back will be repayable by the Franchisee. If an amount of claw back is not repaid, that amount (and any other amounts which may be payable by the Franchisee under this Agreement) may be set off against other amounts due and payable to the Franchisee.

(h) The Company can refuse to pay Commission to the Franchisee if the Franchisee has breached this Agreement and can refuse to pay Commission to the Franchisee in respect of a particular transaction if the application forms completed by the Franchisee for that transaction have not been properly completed.

(i) Should any external administrator, receiver or liquidator be appointed to manage the Company due to insolvency or potential insolvency of the Company, the Company acknowledges that the Franchisee's right to receive and be paid Commissions and ongoing Trail Commissions in accordance with this Agreement will continue, notwithstanding the appointment of such administrator, receiver or liquidator. However, nothing in this clause will prevent the Company from withholding payment of

Commissions or Trail Commissions in the event the Franchisee is in default of this Agreement or a Claw Back applies.

11.3 Variations to Commission

The level of Commissions payable as set out in the Schedule of Commissions may be varied for future loans:

(a) by the Company upon 30 days' prior notice; and

(b) immediately if the fees payable by the Aggregator or other financial institution vary.

12. CLAW BACK

12.1 Claw Back Provision

The Company may withhold Commission payments to provide for any Commissions paid, which remain subject to the Claw Back Provisions.

(a) Once the Claw Back amount has been accumulated, Commission payments will be paid on each Commission payment date;

(b) The Company will continue to provide the Franchisee with a Commission statement;

(c) The Claw Back amount will be placed in a holding account until such time as no Commission payable remain. A Claw Back by a panel lender other than a Claw Back which arises from a breach by the Franchisee of a provision of a panel lender agreement or code of ethics, or as a direct or indirect result of the Franchisees conduct or omission, will be shared between the Company and the Franchisee in the proportion in which it was originally paid to the Company and the Franchisee.

12.2 A Claw Back which arises as a result of a breach by the Franchisee of the Companies agreement with the Aggregator, or the code of ethics or as a direct or indirect result of the Loan Writers conduct or omission, will result in the total Claw Back being clawed back from the Franchisee.

12.3 This Clause is subject to the Claw Back provisions as stated by the Company or Aggregator by notice or as available from the Software.

12.4 The Company reserves the right to invoice the Franchisee directly to repay to the Company Commission received by the Franchisee that is subject to the Claw Back provisions.

12.5 In the event that the Company decides to invoice the Franchisee directly in accordance with Clause 10.4, the Franchisee must ensure that the entire amount of Commission which is subject to the Claw Back provision is repaid to the Company within 90 Days from the date of issue of the invoice.

12.6 This Clause 10 survives the termination or expiration of this Agreement.

13. TECHNOLOGY

(a) LJ Hooker shall provide an email service to the Franchisee and their associated Loan Writers and employees, including an email address in the form specified in the Operations Manual, as long as:

(i) the email address only be used for the purposes of the Business;

(ii) no alternate email address be used within the Business;

(iii) the email address not be disconnected without prior consent of the Company.

(b) The Company has established and will maintain the Web Site for the benefit of Franchisees and their employees and Loan Writers. The Company will:

(i) insert the name of the Franchisee's Business in the search function of the Web Site;

(ii) advise Franchisees of any developments to the Web Site.

(c) The Franchisee must not use the Business Names or any of the Intellectual Property on any internet site other than the Web Site unless first approved in writing by the Company.

(d) The Franchisee acknowledges and agrees that:

(i) it will comply with the Company's contract with an Internet service provider for connection to the Company's e-mail and Internet service;

(ii) all costs of connection to the Company's e-mail and Internet service and for the use of the Internet will be for the account of the Franchisee;

(iii) email addresses supplied by the Company be displayed on individualised business cards and other items of Business stationery;

(iv) all email messages, both incoming and outgoing from the email address provided to the Franchisee by the Company are and remain the property of the Company and are subject to examination, monitoring, review and audit by the Company at any time.

(e) The Company may introduce software programs for use by the Franchisee and other LJHHL Franchisees. If that occurs, the Franchisee must bring about the implementation of the use of that program on the terms specified by the Company and ensure that their Loan Writers and employees do the same.

(f) The Company may use the services of a third party or parties to undertake training, installation and support of the any technology solutions that it may introduce.

(g) The Franchisee is not permitted to register or use its own domain name or website (including social media platforms or social media networks) on the internet to advertise or promote the Business without the prior written approval of the Company.

(h) The Franchisee must:

(i) have in place its own disaster recovery and back-up procedures;

(ii) attend all training in relation to the Web Site as directed by the Company; and

(iii) comply with the Company's reasonable direction in relation to use of the Web Site.

(i) The Company may reject or remove any material from the Web Site at its discretion including if the material does not meet the standard and consistency required by the Company.

(j) The Franchisee must not link or frame any Web Site with the Franchisee's authorised pages on the Web Site without the Company's prior written consent.

(k) The Franchisee must not use any Social Media to advertise any LJ Hooker products or services, nor associate with the LJ Hooker brand without first obtaining written consent from the Company.

14. AGGREGATOR SOFTWARE LICENCE

14.1 Licence to Company

The Company holds a non-exclusive licence agreement to use the software of the Aggregator, strictly in accordance with the provisions of that agreement, and to access the related internet services in accordance with the terms of the home page of that service.

14.2 Licence to Franchisee

Pursuant to the terms of this Agreement, the Company grants the Franchisee the right to use the Aggregator Software Licence, subject to the Franchisee acknowledging by execution of this Agreement that that use is subject to the following terms and conditions.

The Franchisee agrees:

(a) to comply with the terms of the Aggregator Software Licence as required by the Company, Aggregator and other approved companies;

(b) to ensure that any employees or agents of the Business who may use the Software are made aware of the terms of this Aggregator Software Licence and any employees and agents have completed the Company's training course for using the Software;

(c) to fully cooperate in the installation of the Software and provide all personnel and equipment reasonably requested of it.

14.3 Acknowledgement

The Franchisee acknowledges that the software of the Aggregator cannot be guaranteed error free and further acknowledge that the existence of any such errors shall not constitute a breach of this Agreement. The Company will not be liable for any indirect or consequential damage arising out of breach of the Aggregator Software Licence or arising out of the supply of a defective program, specifically including:

(a) any disruption to the Franchisee's business;

(b) any loss or corruption of the Franchisee's data; or

(c) any of the Franchisee's service or maintenance costs.

14.4 End of Licence

The Franchisee's rights to use the software of the Aggregator:

(a) cease immediately upon termination of this Agreement;

(b) cease if the Aggregator is replaced by the Company; and

(c) are not transferable.

15. INDEMNITY BY FRANCHISEE

15.1 Indemnity

The Franchisee will indemnify and hold indemnified the Company from and against all claims demands and proceedings which may be brought against the Company from all losses, damages, costs and expenses which may be sustained or incurred by the Company, whether during or after termination of this Agreement, arising out of or by reference to or in respect of:-

(a) the Business, the Premises or the use of the Business Names;

(b) any act, neglect, default or omission of the Franchisee, its servants, agents or invitees or of the Guarantors;

(c) failure of the Franchisee to comply with Credit Legislation or any legislation relating to operation of the Business;

(d) any business or activity undertaken or carried on by the Franchisee, whether or not such matters arise out of the act or negligence of the Franchisee its agents, employees, Guarantors or invitees, or otherwise. This indemnity shall only apply to the extent to which claims, demands, proceedings, losses, damages, costs and expenses do not arise out of the wilful neglect or default of the Company, its servants or agents.

For the purpose of this clause the Company's "servants or agents" excludes the Franchisee or its servants or agents and costs do not include costs for legal services which are prohibited by the Code.

15.2 Refund of Interest or Commission

The Franchisee will indemnify and hold indemnified the Company, and pay immediately on demand any money which the Company is obliged to pay arising out of any breach or alleged breach of Credit Legislation or any fine or penalty imposed by ASIC relating to improper or unlawful conduct of the Franchisee or any employee of the Franchisee.

16. CONSENT TO ADDITIONAL REGISTRATION OR INCORPORATION

16.1 Franchisee to sign

The Franchisee must, whenever the Company requires, execute such forms of consent or otherwise as ASIC or other relevant statutory authority requires to enable the Company:-

(a) to register any other Business Names; or

(b) to incorporate any company or register any business which contains the words "LJ Hooker Home Loans".

16.2 Attorney

The Franchisee irrevocably and unconditionally appoints the Company and its officers, for the time being or any one of them, to complete and execute any form or consent and to lodge the forms at the office of ASIC or relevant authority and to otherwise take such action and execute such documents as may be necessary to enable the Company to register or incorporate a business name or new company.

17. LITIGATION AND COMPLAINTS

(a) The Franchisee must maintain current external dispute resolution membership, the certificate of which is to be provided to the Company upon request.

(b) If a complaint is made to or about the Franchisee, an employee or in respect of the Business or legal proceedings are commenced against the Franchisee or notice threatening legal action is given to the Franchisee, the Franchisee must immediately notify the Company and its insurer.

(c) The Franchisee gives full authority to the Company to resolve all complaints made against the Franchisee and the Business, however the Company can not offer any monetary settlement on behalf of the Franchisee unless the Franchisee approves such monetary amount.

(d) The Franchisee agrees to provide full co-operation and all relevant documentation to the Company in relation to any complaint made against the Franchisee and the Business upon demand.

(e) The Franchisee agrees to comply with the dispute resolution procedure as outlined in the Operations Manual as may be amended from time to time.

(f) In order to protect the goodwill of the Company, no legal action may be taken by the Franchisee in connection with the Business without the consent of the Company. Nothing in this clause will deprive or limit the right of the Franchisee or the Company to take action against the other in respect of any matter or to seek urgent injunctive relief.

18. ASSIGNMENT OF BUSINESS

18.1 No Assignment without Consent

(a) The Franchisee must not, without the prior written consent of the Company, transfer, novate or assign the Business or any interest in it or any assets (other than plant, fittings, equipment or furniture) or entitlement to the payment of Commissions of the Business. The Franchisee must not sub-licence or sub-franchise the Business.

(b) Any agreement entered into by the Franchisee for an assignment or transfer must be made conditional upon:

(i) the Company not exercising its right to purchase the interest from the Franchisee in accordance with clause 18.1; and

(ii) the Company consenting to the assignment or transfer.

(c) Any change in the directors or shareholders of the Franchisee (other than the addition of a spouse) will be deemed to be a transfer and assignment of the Franchisee's interest under this Agreement and of the Business Names and will require the Company's consent in accordance with this clause.

18.2 Notices to Company

(a) The Franchisee will give to the Company prior written notice of any agreement, contract, covenant or commitment entered into by the Franchisee in respect of any proposed transfer or assignment and will seek in writing the consent of the Company.

(b) The notice to the Company must set out the terms and conditions of the proposed transfer or assignment, the parties to that agreement and any other information reasonably required by the Company.

(c) Subject to any notice given under clause 18.1, the Company will within 42 days of the notice from the Franchisee advise the Franchisee of its consent or otherwise to that transfer or assignment.

18.3 Preconditions to Assignment

Before the date of transfer or assignment the Franchisee must:-

(a) comply with its obligations pursuant to clauses 18.1, 18.2 and 18.1;

(b) have paid all other moneys payable pursuant to the terms of this Agreement;

(c) have complied with all the terms of this Agreement or rectified any subsisting breach of this Agreement.

(d) prove to the satisfaction of the Company that the proposed transferee or assignee and each of its directors and proposed guarantors:

(i) have given written acknowledgement that they have read and understand the terms and conditions and intent of this Agreement;

(ii) is a respectable responsible and solvent person;

(iii) is capable of adequately carrying on the Business;

(iv) has sufficient experience to carry on the Business;

(v) is capable of being authorised as a Credit Representative of the Company;

(vi) is the holder of all licences required to be held by law for the purposes of carrying on the Business or employs a person who is so licensed;

(vii) accepts the Minimum Performance Standards and Allocated Location Performance Standards expressed in section 3.2 of the Operations Manual;

(viii) Has completed and submitted a Business Plan to the Company that has been approved.

(e) procure that the proposed transferee or assignee enters into a covenant with the Company in the form required by the Company that it will duly perform the covenants and agreements on the Franchisee's part contained in this Agreement.

(f) procure that the proposed assignee or transferee enters into a covenant with the Company in the form required by the Company and provides to the Company such forms under the Act regulating the use and registration of Business Names in the Home State and Corporations Act as are referred to in those clauses.

18.4 New Franchise Agreement

The Company may, as a requirement of its consent to the transfer or assignment, require the Franchisee to surrender its rights in this Agreement and require the proposed assignee or transferee to enter into a new Franchise Agreement (in the form then currently used by the Company in respect of Franchises of this type) with such Guarantors as the Company may reasonably require. The new Franchise Agreement is to be for a term not less than the unexpired period of the Term of this Agreement.

18.5 Withholding Consent

Without limiting any of the obligations of the Franchisee in clause 18.3, and without limiting the Company's right to withhold its consent, it will be reasonable for the Company to withhold its consent where:

(a) the proposed transferee is unlikely to be able to meet the financial obligations that the proposed transferee would have under the Franchise Agreement;

(b) the proposed transferee does not meet any reasonable requirements of the Company under this Agreement for the transfer or assignment;

(c) the proposed transferee has not met the selection criteria of the Company or does not hold the requisite qualifications or experience to operate the Business; or

(d) the Franchisee has breached the Franchise Agreement and has not remedied the breach.

18.6 Deemed Consent

The Company will be taken to have given consent to the transfer if the Company does not exercise its option in clause 18.1 and gives to the Franchisee written notice:

(a) that its consent is withheld; and

(b) setting out why consent is withheld;

within 42 days after receiving a notice conforming to clause 18.2.

19. TERMINATION OF FRANCHISE

19.1 Termination - particular grounds

The Company may, terminate this Agreement by notice in writing if the Franchisee:

(a) no longer holds a licence or other necessary requirements that the Franchisee must hold to carry on the Business; or

(b) is no longer a Credit Representative of the Company; or

(c) becomes bankrupt, insolvent under administration or an externally administered body corporate; or

(d) is a company and becomes deregistered by ASIC; or

(e) is, in proceedings for an order in relation to a Fair Work Serious Contravention of a Fair Work Civil Remedy Provision, found by a court to have committed that Fair Work Serious Contravention;

(f) is, in proceedings for a civil penalty order in relation to a contravention of section 245AAA, 245AAB or 245AAC of the Migration Act 1958, found by a court to have contravened the section concerned;

(g) voluntarily abandons the Business or this Agreement or ceases to trade; or

(h) is convicted of a Serious Offence; or

(i) is convicted of an offence against section 245AAA, 245AAB or 245AAC of the Migration Act 1958; or

(j) operates the Business in a way that endangers public health or safety; or

(k) acts fraudulently in connection with the operation of the Business; or

(l) agrees, at the time of termination, to the termination of this Agreement; or

(m) is subject to a banning or disqualification order by ASIC; or

(n) has not remedied a breach of this Franchise Agreement in accordance with 19.2; or

(o) some other event (specified from time to time) in the Code occurs which would otherwise entitle the Company to immediately terminate this Agreement without the requirement to give the Franchisee notice to remedy.; or

(p) has an industry body membership suspended or terminated; or

(q) has a lender accreditation terminated after an investigation concludes that loan applications submitted by the Franchisee contain elements that appear to be misleading, suspicious and/or inaccurate, and that the Franchisee was negligent in failing to detect.

(**Grounds for Termination**); and

The Company has given the Franchisee at least seven (7) days' written notice (**Notice Period**) which specifies the relevant Ground(s) for Termination and that the Company intends to terminate this Agreement after the expiry of the Notice Period, subject always to any longer notice period required by the Code preventing the Company from terminating this Agreement.

19.2 Fundamental Breach

In addition and independently of clause 19.1, if:

(a) the Franchisee or any Guarantor fails within a reasonable time to perform or observe or commits any breach of any of the duties, obligations or responsibilities required to be performed under this Agreement, (other than in respect of the payment of monies);

(b) the Franchisee or any Guarantor repeatedly or persistently fails to perform any of the duties, obligations or responsibilities required to be performed or observed under this Agreement;

(c) the Franchisee fails to comply with the Operations Manual;

(d) any monies payable by the Franchisee to the Company are unpaid and remain unpaid for a period of 7 days (unless otherwise advised by the Company) after written notice has been given by the Company to the Franchisee requiring payment;

(e) the Franchisee or a Guarantor commits a breach of any duty or obligation under this Agreement which, in the reasonable opinion of the Company, has a damaging affect on the reputation or the goodwill of the Company, the Company's franchise network or the Intellectual Property;

(f) persistent complaints are received by the Company about or in relation to the conduct of the Franchisee or its Loan Writers; or

(g) the Franchisee consists of 2 or more people in a partnership or as shareholders of a corporate Franchisee and that partnership or corporation is dissolved or is involved in an internal dispute, disagreement or other controversy which, in the opinion of the Company (acting reasonably), has or is likely to adversely affect the carrying on of the Business,

then a fundamental breach of this Franchisee Agreement has occurred, and the Company will be entitled to terminate this Agreement, by notice to the Franchisee if the Company:

(i) gives to the Franchisee reasonable notice that the Company intends to terminate this Agreement as a consequence of the breach if the Franchisee fails to remedy the breach;

(ii) the Company tells the Franchisee what the Company requires the Franchisee to do to remedy the breach;

(iii) the Company allows the Franchisee a reasonable time (that does not need to be more than 30 days) to remedy the breach; and

(iv) the Franchisee fails to remedy that breach in accordance with the notice of breach.

19.3 Non Competition

(a) After termination of the Agreement, the Franchisee hereby acknowledges and accepts that all customers of the Business that were assisted in entering into any home loan product by the Franchisee and/or its Loan Writers, throughout the Term of this Agreement, are to remain a customer of the Company, and the Franchisee will at all times comply with its obligation of this Clause 17.3 and Clause 19.3.

(b) After termination of this Agreement, the Franchisee and the Guarantor must not seek to solicit or encourage any customer of the Business to deal with or to contract with the Franchisees new business.

(c) The Franchisee and the Guarantor must not seek to engage any employee or Loan Writer away from any contractual or other arrangements with the Company or related companies of the Company or other Franchisees.

(d) After termination of this Agreement, the Franchisee must immediately cease actively servicing the LJ Hooker real estate offices located within the Allocated Location listed under Schedule “C” and must remove all marketing or promotional material promoting the business of the Franchisee from the LJ Hooker real estate offices located within the Allocated Location.

(e) It is intended by the parties to this Agreement that the restraints contained in this clause operate for a period of 12 months from the termination date.

(f) The Franchisee and the Guarantor acknowledge that the duration, extent and application of the respective restrictions contained in this clause are not greater than is reasonably necessary for the preservation of the Company’s goodwill but that, if such restriction is adduced by any Court of competent jurisdiction to be void or unenforceable but would be valid if part of the wording of this clause was deleted and/or the period was reduced, those restrictions apply with such modifications as may be necessary to make this clause valid and effective.

(g) In the event of any breach by the Franchisee or the Guarantor of its obligation under this clause then, in addition, and without prejudice to any other remedy which the Company may have, the Company is entitled to seek and obtain injunctive relief.

(h) In the event that:

(i) all the requirements of section 42 (a) to (g) of the Code are satisfied and any obligation under this clause is a restraint of trade; and

(ii) the Franchisee claims compensation for goodwill because this Agreement was not renewed or extended (within the meaning of those phrases in the Code),

then, unless the Company gives compensation to the Franchisee that is not merely nominal and is genuine compensation for goodwill (within the meaning of that phrase in section 42 of the Code), this clause 19.3 will not apply. The Franchisee acknowledges and agrees that the provisions of this Agreement setting out the agreement in relation to the ownership of goodwill, including without limitation clauses 6.11(f) and 21.6, are to be taken into account in assessing whether any compensation paid to the Franchisee is genuine compensation for goodwill.

20. RIGHTS TO TRAIL COMMISSIONS ON TRANSFER, NOVATION, TERMINATION OR EXPIRY

20.1 Option to purchase Franchisee's Business

(a) If the Franchisee at any time decides to transfer, novate or otherwise sell the Business during the Term or offer for sale the trail commission income within 12 months following expiry or termination of this Agreement, the Franchisee must first offer to sell the Business (or trail commission income) to the Company at the same price and on the same terms and conditions as a bona fide purchaser.

(b) The offer in clause 18.1(a) must be made in writing to the Company within 5 days and must enclose a true copy of any offer made to the Franchisee by a proposed bona fide independent third party purchaser and set out all of the essential terms and conditions of such offer, including the price at which the proposed purchaser offers to buy the Business.

(c) The Company will have the right (but no obligation) to accept any offer made by the Franchisee pursuant to this clause by notice in writing to the Franchisee at any time up to twenty-one (21) days after the date on which the offer is delivered to the Company.

(d) In accepting any offer made by the Franchisee pursuant to this clause the Company may at its election:

(i) substitute cash for any other form or method of payment proposed in the offer;

(ii) deduct from the price set out in the offer any monies which are owing to the Company or which would have been payable had the Company approved the sale; or

(iii) deduct from the price any amounts owing by the Franchisee to its employees, Loan Writers or trade creditors of the Business.

(e) If the Company accepts any offer made by the Franchisee pursuant to this clause, then the Company and the Franchisee must complete the sale within 30 days of the date of such acceptance.

(f) If the Company does not accept any offer made by the Franchisee pursuant to this clause the Franchisee may at any time within 90 days of the date upon which such offer was made to the Company sell the Business to another person (subject to the requirements of clause 16) for

the same or any greater price and otherwise upon the same terms and conditions as those offered to the Company.

(g) If the Franchise is not transferred, novated or otherwise sold in accordance with this clause within 90 days of the date upon which such offer was made to the Company the Franchisee must not enter into any contract to Transfer, novate or otherwise sell the Business to any other person until any offer to such new purchaser has been submitted to the Company and the procedure established by this clause is repeated in each and every instance.

21. ARRANGEMENTS AFTER TERMINATION

21.1 Prior breaches survive termination

Any termination of this Agreement will be without prejudice to any right of action or remedy which any party may have against any other party in respect of any antecedent breach or non-observance of the provisions of this Agreement and will be without prejudice to any other rights or remedies which any party may have against any other party.

21.2 Action to be taken after termination

Upon expiry of the Term or termination of this Agreement for any cause whatsoever the parties agree as follows:-

(a) The Franchisee will immediately stop using the Business Name.

(b) The Franchisee will cease to use stationery, and other articles bearing the Business Names and/or the Intellectual Property and the Franchisee will destroy all of those items. If the Franchisee does not comply with this covenant immediately upon termination, the Company may, by written notice, notify the Franchisee that it is in breach of its obligations under this clause and the Company may, at the Franchisee's expense, after the expiry of 7 days from the date of the notice enter upon the premises where the Business is conducted and upon any other premises as any of the items are situated and remove the items and destroy them.

(c) The Franchisee will immediately cease using the Software and software of any Aggregator.

(d) The Franchisee will not object to the e-mail address and any individual e-mail addresses provided by the Company from being disconnected from the Business by the Company and must sign anything required to achieve that disconnection.

(e) The Franchisee, if required, must at the Company’s request sign any ASIC form or document varying or cancelling the Business Name. The Franchisee acknowledges that under this Agreement the Company may as agent or attorney vary or cancel the Business Name without the express consent of the Franchisee.

(f) The Franchisee must at his own expense efface and obliterate the Business Name and Intellectual Property from all places where they have been displayed to the public by the Franchisee his servants and agents. If the Franchisee does not do so immediately on termination, the Company may by written notice notify the Franchisee that it is in breach of its obligations under this clause. The Company may at the Franchisee’s expense, after the expiry of 7 days from the date of the notice enter upon the Premises and upon any other premises at which the Business Name

and the said colours logos names or words are displayed and efface and obliterate them.

21.3 Data Base

On termination or expiry of this Agreement, any database of customers that have entered into a credit contract or have been provided credit services by the Business throughout the Term of the Agreement with assistance from the Franchisee or any Loan Writer or employee of the Franchisee remains the absolute property of the Company and will be delivered up by the Franchisee to the Company.

21.4 Payment of Money during Cooling Off Period

If the Franchisee has a right to terminate this Agreement under sections 50 or 52 of the Code and the Franchisee has not otherwise waived such rights, and the Franchisee validly terminates this Agreement, the Company must, within 14 days from the date of that termination, return all payments (whether of money or other valuable consideration) made by the Franchisee to the Company under this Agreement less the following reasonable costs and expenses of the Company;

(a) costs of the Company in investigating the financial status, business experience and reputation of the Franchisee and Guarantors;

(b) any training, computer software and other costs incurred by the Company relating to the Business;

(c) any statutory fees in relation to the Business Name.

21.5 No refund of application fee on Early Termination

If the Franchisee or the Company terminates this Agreement at any time during the Term of the Agreement but after the Cooling Off Period, or if the Company and the Franchisee agree to mutually terminate this Agreement at any time during the Term of the Agreement but after the Cooling Off Period, then the Franchisee hereby acknowledges and accepts that the application fee paid to the Company as listed under Item 14.1(a) of the disclosure document is not refundable and that the Company is under no obligation to refund all, or part, of the application fee to the Franchisee.

21.6 No Compensation

The Franchisee acknowledges that:

(a) Subject to any contrary provisions of this Agreement and the Code, the Franchisee is not entitled to compensation or reimbursement from the Company for:

(i) any loss of actual or anticipated profits;

(ii) any loss of actual or anticipated income;

(iii) any loss of goodwill of the Business; or

(iv) any loss or diminution in the value of any assets of the Business; or

(v) any inconsequential or indirect damages or compensation of any kind or nature whatsoever,

arising out of or in connection with the suspension, termination, expiration (non renewal or non extension) of this Agreement, or the Franchisee, or from closure of the Business; and

(b) Subject to any contrary provisions of this Agreement and the Code, nothing in this Agreement;

(i) obliges the Company to pay any compensation for goodwill (or any other form of compensation) to the Franchisee unless the Company is compelled to do so by law; or

(ii) is intended to prevent the Franchisee from seeking to make a claim for compensation for goodwill of the Business from the Company if clause 19.3(h) applies.

21.7 Compensation For Early Termination

(a) Notwithstanding any other provision of this Agreement, in the event that this Agreement is terminated prior to the expiry of the Term because the Company:

(i) withdraws from the Australian market; or

(ii) rationalises its networks in Australia; or

(iii) changes its distribution models in Australia,

(**Termination Date**) then the Franchisee will be entitled to claim compensation from the Company (**Compensation**) arising from the termination.

(b) For the purposes of clause 21.7(a), the Compensation amount will be calculated based upon the assumptions and calculated using the methods set out in the table below:

Calculation Method

Item		**Assumptions and methods**
(A)	lost profit from direct and indirect revenue	**Assumption** - Indirect revenue will only be considered in the calculation for this item to the extent such income is generated from an activity which compliment or support the Franchise. To the extent indirect revenue is received by the Franchisee which would be a breach of this Agreement, it will not be calculated. **Method -** Lost profit will be calculated based on the average monthly profit of the business generated solely from the Franchise over the last 6 months or the last 12 months immediately preceding the Termination Date, whichever is lower, multiplied by the remaining months of the Term commencing from the Termination Date. This calculation will then be discounted by 15% to allow for a net present value. Any financial reports submitted to the ATO prior to the Termination Date and any profit and loss statements submitted by the Franchisee to the Company in the 12 months prior to the Termination Date will be considered in assessing the Franchisee's lost profit.
(B)	unamortised capital expenditure requested by the Company	**Assumption -** If the Franchisee intends to use or otherwise keep any capital assets, no compensation for this item will be provided to

		the Franchisee in such circumstances. **Method -** For of each capital expenditure item required by the Company to be purchased for operation of the Franchise, the lower of: (i) the Franchisee's written down value; and (ii) fair market value.
(C)	loss of opportunity in selling established goodwill	**Assumption -** Goodwill (not goodwill belonging to the Company as set out in this Agreement) only exists whilst this Agreement is enforceable and diminishes depending on the balance of the unexpired Term. Any calculation will assume that this Agreement will end once the Term expires and no renewal or extension will be offered, nor will the Company grant a new agreement to any prospective franchisee. The loss of opportunity for this item (to the extent it exits independent of (A) above will be calculated based on the value of the business immediately prior to the Termination Date using a discount flow method. The probability of selling the business will be capped at 30% but may be lower if the Franchisee cannot demonstrate a real probability of selling the business with established goodwill (which doesn't belong to the Company) noting the assumption above.
(D)	costs of winding up the Franchisee	**Method** - Direct costs of winding up the Franchisee will be added to the Compensation determined by the DCF Method only to the extent that the costs have arisen solely due to the circumstances set out in clause 21.7(a) and such costs would not have otherwise been payable at the end of the Term or are higher than what would have been incurred by the Franchisee but for the early termination of this Agreement (in which case the Franchisee is only entitled to the difference between the higher expense and the expense that would have been incurred but for early termination).

(c) The Franchisee must make a written claim for Compensation to the Company using the Calculation Method above within 120 days of the Termination Date.

(d) Once the Franchisee has made a claim for Compensation, the Company and the Franchisee must engage in good faith negotiations to determine the amount of Compensation payable.

(e) If the parties cannot agree within 30 days of the Franchisee making a claim for Compensation, the matter may be referred, by either party, to an independent expert appointed by the Chair of Chartered Accountants Australia and New Zealand. The cost of the expert determination will be shared equally.

(f) The expert must determine the Compensation using the Calculation Method set out above.

(g) The Compensation amount determined by the Expert will be binding on the parties.

(h) The Compensation amount must be paid by the Company within 30 days of any mutual agreement or within 30 days of any expert determination.

21.8 RETURN OF ITEMS UPON EARLY TERMINATION

Notwithstanding any other provision of this Agreement, in the event that this Agreement is terminated prior to the expiry of the Term because the Company:

(a) withdraws from the Australian market; or

(b) rationalises its networks in Australia; or

(c) changes its distribution models in Australia,

(**Termination Date**) then in the event the Franchisee wishes to return to the Company any items that meet the description in the "Item" column in the table below, then the Company must accept the return of such items and compensate the Franchisee by paying the amount specified in the "Payment" column in the table below:

Item	Payment
i. all the outstanding stock of the Franchisee purchased by the Franchisee that was specified by the Company and required in order to conduct the Franchise in accordance with this Agreement or the Operations Manual.	(i) If the Termination Date is in the first year after purchase of the Item, 90% of the invoiced cost price to the Franchisee, less any freight costs for delivery of the Item back to the Company; (ii) If the Termination Date is in the second year after purchase of the Item, 70% of the invoiced cost price to the Franchisee, less any freight costs for delivery of the Item back to the Company; or (iii) the Termination Date is in the third year or later after purchase of the Item, 50% of the invoiced cost price to the Franchisee, less any freight costs for delivery of the Item back to the Company.
ii. all the essential specialty equipment, branded product or merchandise purchased by the Franchisee that: (i) was specified by the Company and required in order to operate the Franchise in accordance with this Agreement or the Operations Manual; and (ii) cannot be repurposed for a similar business.	The written down value of such items in the Franchisee's accounts prepared in accordance with current AASB Accounting Standards.

22. INTEREST ON OVERDUE MONEY

22.1 Overdue payments

The Franchisee will pay to the Company on demand interest on any amount which is payable and overdue in accordance with the provisions of this Agreement for a period in excess of 7 days at the rate of 5% over the RBA cash rate. Interest will be payable upon that amount from the date it became due to the date of payment.

23. GOODS AND SERVICES TAX

23.1 Register

The Franchisee must apply for an ABN and must register for GST. The Franchisee must comply with all laws and regulations in relation to GST.

23.2 Application of this clause

This clause applies in relation to taxable supplies except to the extent that there is a specific provision in this Agreement concerning GST on that taxable supply.

23.3 Payment of GST

(a) A recipient of a taxable supply made under this Agreement must pay to the supplier, in addition to the consideration for the taxable supply, any GST paid or payable by the supplier in respect of the taxable supply.

(b) The recipient must pay the GST to the supplier:

(i) if there is a due date for the consideration for the taxable supply, on the same date as the due date for the consideration in respect of the relevant taxable supply; or

(ii) if there is no due date, within 7 days of receiving a written request or a tax invoice from the supplier.

(c) A party's obligation to reimburse another party for an amount paid or payable to a third party includes GST on the amount paid or payable to the third party except to the extent that the party being reimbursed is entitled to claim an input tax credit for GST.

(d) Each party making a taxable supply under this Agreement must issue a tax invoice to the other party for each taxable supply at or before the time it makes the taxable supply.

(e) The Company must issue an adjustment note to the Franchisee as soon as it becomes aware of an adjustment event relating to a taxable supply by the Company under this Agreement.

23.4 Indemnities

(a) If a payment under an indemnity gives rise to a liability to pay GST, the payer must pay, and indemnify the payee against, the amount of that GST.

(b) If a party has an indemnity for a cost on which that party must pay GST, the indemnity is for the cost plus all GST (except any GST which that party can obtain an input tax credit).

(c) A party may recover payment under an indemnity before it makes the payment in respect of which the indemnity is given.

24. GUARANTEE AND INDEMNITY

24.1 Guarantor's request

It is acknowledged that this Agreement has been entered into by the Company at the request of the Guarantors.

24.2 Guarantee

In consideration of the Company entering into this Agreement with the Franchisee at the request of the Guarantors, the Guarantors and each of them jointly and severally:-

(a) gives as principal contracting party and debtor all of the warranties given by the Franchisee in this Agreement and repeats and gives to the Company on its own behalf all such warranties.

(b) guarantees to the Company as principal contracting party and debtor the due payment of all monies covenanted or agreed to be paid by the Franchisee in this Agreement and guarantees to the Company the due and punctual performance, observance and fulfilment by the Franchisee of all of the covenants contained or implied in this Agreement.

24.3 Indemnity

(a) The Guarantors and each of them jointly and severally agree to indemnify the Company and at all times to keep the Company indemnified from and against all damages and all costs losses and expenses which the Company may suffer or incur consequent upon or arising directly or indirectly out of any breach, non-observance or non-performance by the Franchisee or any of the Guarantors of any of the covenants, terms, provisos or conditions contained or implied in this Agreement on the part of the Franchisee or any of the Guarantors.

(b) Each of the Guarantors jointly and severally agree that this indemnity will continue and the Guarantors and each of them will remain liable to the Company under this indemnity notwithstanding that;

(i) as a consequence of such breach, non-observance or non-performance the Company has exercised any of its rights under this Agreement including the right of termination of this Agreement;

(ii) the Franchisee may be wound up;

(iii) the guarantee or this Agreement may for any reason whatsoever be unenforceable either in whole or in part.

(c) The reference to costs in clause 24.3 does not include any costs for legal services which are prohibited by the Code.

24.4 Acknowledgement

The Guarantors and each of them jointly and severally acknowledge that:-

(a) The liability of the Guarantors and each of them under this Agreement and guarantee and indemnity will not be affected by the granting of time or other indulgence or concession to the Franchisee or by the compounding, compromise, release, abandonment, waiver, relinquishment, variation, alteration, deletion or renewal of any of the rights of the Company against the Franchisee or by any neglect or omission to enforce such rights or by any other act matter or thing which under the law relating to sureties would or might but for this provision release the Guarantors or any of them from his or her obligations under this Agreement or guarantee and indemnity.

(b) The guarantee and indemnity is to continue and is to remain in full force and effect until the due performance, observance and fulfilment by the Franchisee of all the covenants and terms of this Agreement on the part of the Franchisee.

(c) The guarantee and indemnity does not require the Guarantor to pay the Company's costs incurred in relation to settling a dispute under this Agreement or any costs for legal services which are prohibited by the Code.

(d) Nothing in this clause however is intended to prevent the Company from seeking to recover the Company's costs as a consequence of any order by the Court that the Franchisee or Guarantor pay those costs.

(e) The guarantee and indemnity is to survive the termination or expiration of this Agreement for all finance applications processed by the Franchisee and the Business whilst under this Agreement.

25. GENERAL MATTERS

25.1 Relationship of Parties

(a) Unless this Agreement requires otherwise, the Franchisee must conduct the Business as an independent proprietor and the Franchisee agrees that it and the Company are completely separate entities and are not partners, joint venturers or agents of the other in any sense and neither party has the power to bind the other party to any matter except as specifically set out in this Agreement or Operations Manual.

(b) The Franchisee must not represent himself otherwise than in accordance with this clause and otherwise than as the proprietor of the Business. The Franchisee must not purport to neither incur any obligation on behalf of the Company nor incur any expenditure on behalf of the Company nor pledge its credit or bind it contractually in any way whatsoever and the Franchisee must not represent to any person that it has power to do any of these matters.

(c) All employees of the Franchisee shall remain employees of the Franchisee and there shall be no implication made by either the Franchisee or an employee that an employee is employed directly by the Company.

25.2 Limitation of Liability

(a) To the extent permitted by relevant Acts of Parliament:

(b) Except as set out in paragraph (c), the Company will in no circumstances be liable for damages of any nature, including damages for consequential losses, indirect loss, loss of profits, customer losses, economic loss, loss of opportunity, loss to users of the Website in connection with the performance of its obligations under this Agreement or any failure to perform the obligations.

(c) The Company's liability in relation to its obligations under this Agreement whether arising out of negligence or otherwise will be limited at its option to:

(i) In the case of supply of goods:

(1) the replacement of any defective good or part thereof;

(2) the repair of any defective good or part thereof; or

(3) the payment of the cost of replacing the good or of acquiring equivalent good; or

(ii) In the case of services:

(1) the performance of any defective service again; or

(2) the payment of the cost of having the service supplied again.

25.3 Notices

All notices contemplated under this Agreement will be served as follows:-

(a) to the Company by pre-paid mail addressed to the Director of the Company at its registered office; or

(b) to the Company by email transmission addressed to the Chief Executive Officer of the Company; or

(c) to the Franchisee or to the Guarantors by email transmission or delivery to the address of the Franchisee or of the Guarantors (respectively) in this Agreement or by posting by pre-paid mail to such address.

Any document forwarded by pre-paid security mail shall be deemed to have been received on the third day following posting of it. Any notice sent by way of email transmission will be deemed received on the day it is sent, provided such email is sent prior to 5pm otherwise the email will be deemed received at 9am on the next business day in the Home State.

25.4 Franchisee's Authority

(a) The Guarantors and the Franchisee warrant that the Franchisee is empowered by its Constitution (and where the Franchisee is a Trustee, by its Trust Agreement) to enter into this Agreement and to carry on the Business.

(b) The Franchisee warrants and assures the Company that it has validly entered into this Agreement and in the case of a company, each director signing this Agreement, personally warrants that this Agreement is binding on the Franchisee after execution.

25.5 Waiver of Obligations

No failure of the Company to exercise any power given to it or to insist upon the strict compliance by the Franchisee with any obligations or conditions and no custom or practice of the parties or variances with the terms of this Agreement will constitute a waiver of the Company's rights to demand exact compliance with the terms of this Agreement and nor will a waiver by the Company of any particular default affect or impair the Company's rights in respect to any subsequent default of the same or different nature nor will any delay or omission of the Company to exercise any rights arising from a default affect or impair the Company's rights as to the said default or any subsequent default.

25.6 Severance

Each and every covenant, obligation or restriction in this Agreement and each part of them is deemed to be a severable and independent covenant, obligation or restriction. In the event that any such covenant, obligation or restriction or any part of them be unenforceable, void or otherwise illegal it will be severed from the Agreement between the parties and the remaining provisions of this Agreement will be deemed to apply as if such covenant, obligation or restriction or part thereof were deleted.

25.7 Amendments

Any amendment to this Agreement must only be made by a supplemental or amending agreement.

25.8 Dispute Resolution

The Company is required to include in this Agreement, an internal complaints handling procedure that complies with Part 5 of the Code. The Code provides that a party who has a dispute with another party to this Agreement (referred to in clause 23.9 as the complainant) may choose to either:

(a) take actions under the provisions of the internal complaint handling procedure set out in clause 23.9; or

(b) take action in accordance with the procedure set out in Part 5, Division 2, Subdivisions A and B of the Code.

25.9 Internal Complaint Handling Procedure

If a party to this Agreement has a dispute (the **complainant**) with another party to this Agreement (the **respondent**) then:

(a) the complainant must give Notice to the respondent outlining

(i) the nature of the dispute;

(ii) what outcome the complainant wants; and

(iii) what action the complainant thinks will settle the dispute;

(b) the complainant and the respondent should then try to agree about how to settle the dispute;

(c) the parties must act in a conciliatory manner and in good faith as required under the Code to try and resolve the dispute;

(d) either the complainant or the respondent may refer the dispute for mediation or conciliation either under the terms of this Agreement or the Code; if:

(i) the parties cannot agree about how to resolve the dispute within 21 days from the date the complainant gave Notice of the dispute in which event either party may refer the matter to a mediator or conciliator; or

(ii) the parties cannot agree about who should be the mediator or conciliator in which event either party may ask the Ombudsman under the Code to appoint a mediator or conciliator;

(e) if either party to the dispute elects to have the dispute referred to mediation or conciliation under the Code, then either party can ask the Ombudsman appointed in accordance with the Code to appoint a mediator or conciliator;

(f) the mediator or conciliator is entitled to determine the time and place for mediation or conciliation but the mediation or conciliation must be conducted in the Home State;

(g) the parties must attend the mediation or conciliation and try to resolve the dispute and a party is taken to attend mediation or conciliation if the party is represented at mediation or conciliation by a person who has the authority to enter an agreement to settle the dispute on behalf of the party;

(h) the parties are equally liable and must share equally the costs of mediation or conciliation (including the costs of the mediator, the costs of the room hire and the cost of additional input including expert reports) agreed by both parties to be necessary to conduct the mediation or conciliation and must, if required by the mediator or conciliator, pay their share of the costs prior to the mediation or conciliation and grant immunity from liability

(including for those costs) to the mediator or conciliator each party shall pay their own costs of the mediation or conciliation;

(i) the parties acknowledge that the mediator or conciliator is empowered under the Code to terminate the mediation or conciliation in accordance with the procedures and in the manner specified in the Code; and

(j) the parties agree that notwithstanding the procedure specified in this clause, each party has the right to seek other relief if mediation or conciliation is not the suitable forum to resolve the dispute or protect the interests of the party.

25.10 Employees and Agents

If the Franchisee must or must not do something:

(a) it is responsible to ensure that its Loan Writers, employees and agents comply with that obligation; and

(b) it may not allow or cause it to be done or do or omit to do anything which results in it happening.

25.11 Force Majeure

(a) The Company will not be liable for any delay or failure or inability to perform its obligations under this Agreement if such failure, delay or inability is due in part or in whole to a Force Majeure event.

(b) The Company will notify the Franchisee as soon as practicable of any anticipated delay due to Force Majeure. The performance of the Company's obligations under this Agreement is suspended for the period of delay due to the Force Majeure.

25.12 Franchisee as Trustee

If on or after the date of this Agreement, the Franchisee owns the Business as trustee, then, even if the Company is not aware of the trust, the following provisions apply.

(a) The Franchisee enters into this Agreement both as trustee of the trust and in its personal capacity.

(b) The Franchisee:

(i) warrants it has power under the trust to enter into this Agreement;

(ii) warrants it has a right of indemnity under the trust;

(iii) assigns any right of indemnity it has under the trust to the Company and must do anything necessary to give effect to the assignment;

(iv) must not do anything to prejudice any right of indemnity it has under the trust;

(v) must not breach the trust;

(vi) warrants it enters into this Agreement in the due administration of the trust; and

(vii) must do everything necessary to make available the assets of the trust to rectify a default of this Agreement and compensate the Company for the default.

25.13 Governing Law and Jurisdiction

(a) This Agreement is governed by the laws of New South Wales and is to be construed in accordance with the laws of New South Wales.

(b) If the Code requires it, any action or proceeding must be heard by the courts of appropriate jurisdiction in the Home State and the parties submit to the courts of competent jurisdiction in that Home State.

(c) If the Code requires it, mediation or conciliation of any dispute will be held in the Home State unless the parties agree otherwise.

25.14 Attorney

The Franchisee and Guarantors irrevocably and unconditionally appoints the Company and its officers, for the time being or any one of them, to complete and execute any form or consent or document required under Credit Legislation or the Corporations Act required to cancel the use of any Software (including software of the Aggregator) or remove from any social media website or platform the Franchisee's name, the Business Names or Intellectual Property.

25.15 Confidentiality

The Franchisee agrees:

(a) to hold the Confidential Information in confidence;

(b) not to make use of the Confidential Information other than for performing this Agreement;

(c) to release the Confidential Information only to employees or appointed Loan Writers who need access to it for the purpose of performance within the business and not to release it to any other party;

(d) to take all reasonable action concerning its employees and independent contractors to ensure that the obligations of non-use and non-disclosure of the Confidential Information under this Agreement can be fully satisfied;

(e) that the terms of this Agreement are confidential and that it will disclose or discuss them only with its professional advisors for the purpose of obtaining advice and with the parties that have direct responsibilities for carrying out the provisions of this Agreement;

(f) it is not authorised by the Company to make any public or other statements on behalf of the Company in relation to any aspect of the Business, this Agreement or otherwise. Before making any public statement or press release, which in any way refers to or is likely to impact on the Company or related companies of the Company, the Franchisee must first obtain the Company's written approval.

26. WHOLE AGREEMENT

26.1 Franchisee's confirmation

The Franchisee confirms to the Company that:

(a) the Franchisee is not party to and does not claim any benefit or entitlement under any other agreement, arrangement or understanding in connection with the Business unless prior written agreement has been provided by the Company;

(b) any other agreement, arrangement or understanding (if any) in connection with the Business whether with the Company, any related body corporate

of either of them, or with any director, officer, agent or representative of either of them or of a related body corporate, has been lawfully terminated; and

(c) the Franchisee, nor the Guarantor has any claim against the Company or any related body corporate, or any director, officer, agent or representative of the Company prior to the Commencement Date.

27. PRIVACY AND CONFIDENTIAL INFORMATION

27.1 Confidential Information

The Franchisee must keep confidential:

(a) all records of customers; and

(b) all guidelines relating to finance applications.

The Franchisee must ensure that members of its staff comply with this clause.

27.2 Collection of Personal Information

When the Franchisee collects Personal Information the Franchisee agrees to:

(a) comply with any Privacy law by which the Franchisee is bound and any other privacy policy notified by a lender or the Company;

(b) use the Personal Information only for the purpose of fulfilling the Franchisee's obligations under this Agreement;

(c) restrict access to the Personal Information to employees who need to access the Personal Information to fulfil the Franchisee's obligations under this Agreement;

(d) not disclose any Personal Information to a third party without the Company's consent, unless the third party is the individual to whom the Personal Information relates or the third party is a government body entitled to such Personal Information by force of law;

(e) deal with the Personal Information as directed by the Company, provided that the direction will not cause the Franchisee to breach a Privacy law by which the Franchisee is bound;

(f) take all reasonable steps to ensure that the Personal Information is protected against misuse and loss, or unauthorised access, modification or disclosure, including:

(i) obtain a written agreement from any third party to whom the Personal Information is disclosed, to comply with all Privacy laws and provisions having the same effect as this clause;

(ii) not do anything with the Personal Information that will cause the Franchisee or the Company to breach any Privacy law; and

(iii) notify the Company immediately if the Franchisee becomes aware that a disclosure of Personal Information:

(1) has been made in breach of this clause or any Privacy law; or

(2) may be required by law.

27.3 Privacy Legislation

(a) The Company has established a Privacy Policy in accordance with the Privacy Act.

(b) The Franchisee must comply with all requirements under the Privacy Act and must adopt and comply with the Company's Privacy Policy in relation to any personal information collected or distributed by it.

(c) From time to time, the Company may amend the Privacy Policy and will notify the Franchisee of any amendments.

27.4 Disclosure

When collecting Personal Information from or about an individual which will be disclosed to the Company, in addition to the Franchisee's own obligations under any Privacy law, the Franchisee must ensure that the individual is aware of:

(a) the identity of the Company, as the organisation for whom the Personal Information is being collected, and the Company's contact details as notified by the Company to the Franchisee from time to time;

(b) the fact that the individual has a right to request access to the Personal Information from the Company;

(c) the purposes for which the information is collected as notified by the Company to the Franchisee;

(d) the organisations or types of organisations (if any) to which the Company discloses Personal Information of the kind collected as notified by the Company to the Franchisee;

(e) any law that requires the Personal Information to be collected by the Company; and

(f) the main consequences (if any) for the individual if all or part of the Personal Information is not provided to the Company.

27.5 Independent Advice

The Franchisee warrants that the Franchisee has obtained independent legal advice or the Franchisee is aware of the Privacy laws which apply to the Franchisee in respect of this Agreement.

28. INTERPRETATION

28.1 Interpretation

In the interpretation of this Agreement:

(a) A person includes a firm or a corporation;

(b) Words importing the singular or plural include the plural or singular number respectively and words importing the masculine gender include the feminine and neuter genders and vice versa;

(c) Any word not defined in this Agreement but defined in the Code will have the meaning given to it in the Code;

(d) A term used in a Schedule will have the meaning given to it in the Schedule;

(e) Unless stated otherwise, any notice must be in writing; and

(f) "including" when introducing a list does not limit the meaning of the words to which the list relates to those items or to items of a similar kind.

SCHEDULE "A"

Item 1 **Commencement Date** –

Item 2 **Expiry Date** –

Item 3 **Further Term(s)** – One (1) Further Term of 5 years

SCHEDULE "B"
Schedule of Commissions

LJ Hooker Home Loan Products

Rates of Commission

Up-front for new loans and loan amount increases for LJ Hooker Home Loan Products

90% of the total upfront commission paid to the aggregator for disbursement to the Franchisee.

(Total upfront commission payable to the aggregator for all settled LJ Hooker Home Loan Products from the 1st January 2021 is 0.65% (exc GST) of the loan amount).

Trailer Commission for new loans and loan amount increases for LJ Hooker Home Loan Products

90% of the total trail commission paid to the aggregator for disbursement to the Franchisee.

(Total trail commission payable to the aggregator for all settled LJ Hooker Home Loan Products from the 1st January 2021 is 0.15% (exc GST) of the loan amount).

NOTE: In accordance with clause 9.3 (b), should a LJ Hooker Home Loans Product funder propose a promotional offer where the amount of commission payable to the Company is at a reduced interest rate, and this offer is accepted by the Company, then the reduced amount of commission will be absorbed equally between the Company and Franchisee.

Products

Rates of Commission

Up-front for new loans and loan amount increases for panel lender Products

90% of the total upfront commission paid to the aggregator for disbursement to the Franchisee.

(Commission rates used are based on panel lender rates of the time and as of the date of this agreement are displayed in the 'services' tab of Connective Mercury)

Trailer Commission for new loans and loan amount increases for panel lender Products

90% of the total trail commission paid to the aggregator for disbursement to the Franchisee.

(Commission rates used are based on panel lender rates of the time and as of the date of this agreement are displayed in the 'services' tab of Connective Mercury)

SCHEDULE "C"
Allocated Location

Business Name:

Area:

Franchise Company Name:

Within the following Australia Post postcodes:

Postcodes

SCHEDULE "D"
"Credit Representative Appointment Form"

APPOINTMENT OF CREDIT REPRESENTATIVES - COMPANIES

Under this document we appoint your company as our credit representative because your company does not hold an Australian Credit Licence. We also consent to you sub-authorising loan writers approved by us who are:

- employees of your company (covered by your company's EDR)
- directors of your company (covered by your company 's EDR)

As a result of your authorisation these people become our credit representatives under our Australian Credit Licence.

If you have any sub-contracting loan writers who operate through companies, they cannot be sub-authorised by your company. They will need to be appointed by us under a separate document.

You should check all the information in this document is correct, have it fully signed, retain a copy, and return it to us. We will notify ASIC of the appointments.

Information Schedule

Our details (us/we): **LJ HOOKER HOME LOANS PTY LTD** of

Suite 114C / 84 Hotham Street, Preston VIC 3072

ACN 106 564 765 Australian Credit Licence No: 380270

Your details (you):

ACN:

CRN: (To be issued separately once appointment form is executed)

EDR Scheme: AFCA **Membership number:**

Loan writers who are Directors:

Employees: N/A

PI Insurer: N/A – covered by licensee's policy **Policy No:** FBPI-440-0554

Amount of cover: $5,000,000 **Expiry date:** 30/11/2026

Guarantors:

Natural person contractors (contractors): N/A

Contractor's EDR Scheme: **Membership number:**

PI Insurer: [if covered by licensee's insurance insert "N/A – covered by licensee's policy"] **Policy No:**

Amount of cover: **Expiry date:**

LJ Hooker Home Loans Franchisee: (If applicable)

Appointment of you as our credit representative

We hereby appoint you to engage in the credit activities specified in Schedule 1 on our behalf. You accept this appointment and agree to the terms of this document by signing and returning this document.

Your appointment commences on a date we notify you after we have received this document which has been signed by you, any other credit representatives, and any guarantors. We may terminate or amend your appointment at any time.

Sub-authorisations and appointment of other credit representatives

You hereby authorise the directors, employees, and contractors named in the Schedule (the **'Delegates'**) to engage in the credit activities specified in Schedule 1 on our behalf. We consent to that authorisation and hereby appoint the Delegates as our credit representatives.

Their appointment commences on a date we notify you after we have received this document which has been signed by you, any other credit representatives, and any guarantors. We may terminate or amend their appointment at any time.

You warrant that the employees and directors named in the Schedule are your duly appointed employees and directors.

Information about you and each Delegate

You and each Delegate represent and warrant to us that you and each Delegate:

- are not subject to a banning order or disqualification order in relation to any credit activities
- are a member of the ASIC approved EDR scheme (if any) specified in the Information Schedule
- are not banned from engaging in a credit activity under a law of the state or territory
- if a natural person, have not been convicted within the last ten years of serious fraud and are not subject to any order under the *Crimes (Criminal Organisations Control) Act* 2009 (NSW) or the *Serious and Organised Crime (Control) Act* 2008 (SA). ('Serious fraud' means an offence involving fraud or dishonesty punishable by imprisonment for three months or more.)
- if a company, none of your directors, secretaries, employees or senior managers who perform duties in relation to the credit activities are subject to any order under the *Crimes (Criminal Organisations Control) Act* 2009 (NSW) or the *Serious and Organised Crime (Control) Act* 2008 (SA)

- are not registered, licensed, or appointed (other than pursuant to this document) as a credit representative under the *National Consumer Credit Protection Act* 2009 Cth).

Conduct as a credit representative

You and each Delegate:

- must conduct business as our credit representative in accordance with the Franchise Agreement / Loan Writer Agreement you have entered into
- upon our request, must provide any information or documents requested by us regarding activities as our credit representative
- are liable for any breach of any law including the *National Consumer Credit Protection Act* 2009 (Cth) arising from your or your Delegate's conduct or inaction
- must not accept appointment as a credit representative of any other licensee or obtain an Australian Credit Licence without our prior written consent
- acknowledge that the appointment as our credit representative does not make you or any Delegate our employee or general agent
- acknowledge that as our authorised credit representative you and each Delegate will provide services to panel lenders and other members of the public
- authorise us to lodge any returns at ASIC regarding your and each Delegate's appointment, termination, change to particulars, or otherwise connected with any appointment as our credit representative.

Claims and breaches

You must promptly inform us of:

- any claim that is made or threatened against you or any Delegate; and
- any breach of any law, including in particular the *National Consumer Credit Protection Act* 2009 (Cth)

in respect of the conduct of your or a Delegate's business as our credit representative.

Each Delegate must also promptly inform us if such an event occurs to them.

PI insurance

If the Information Schedule indicates that you or a Delegate is to take out professional indemnity insurance:

- you warrant that the insurance details specified in the Information Schedule are correct
- you must maintain the professional indemnity insurance for six years after you cease to be our credit representative
- you must not change the terms of the professional indemnity insurance without our prior written consent.

Each Delegate is also responsible for complying with this clause in respect of their own professional indemnity insurance (if applicable).

EDR membership

You and each Delegate must maintain membership of the ASIC external dispute resolution scheme specified in the Information Schedule (if any) throughout the term of appointment as our credit representative and for at least one year after termination of appointment.

Notification of change

You and each Delegate must inform us promptly and in any event within two business days of:

any change to a name or business address of you or a Delegate

any change to the representations and warranties provided by you under this document

Indemnity

You hereby indemnify us on a continuing basis against all or any actions, suits, claims, demands, losses, damages, liabilities, costs and extensions of any nature (including without limitation civil and criminal penalties) suffered or incurred by us at any time actually or contingently arising directly or indirectly out of your conduct as our credit representative or the conduct of your Delegates. This indemnity continues despite the termination of your appointment as our credit representative.

Each Delegate severally indemnifies us on a continuing basis against all or any actions, suits, claims, demands, losses, damages, liabilities, costs and extensions of any nature (including without limitation civil and criminal penalties) suffered or incurred by us at any time actually or contingently arising directly or indirectly out of their conduct as our credit representative. This indemnity continues despite the termination of their appointment as our credit representative.

Additional obligations

The obligations set out in this appointment are in addition to any obligations arising under the Franchise Agreement that you have signed with a LJ Hooker Home Loans. This agreement is primarily required to ensure that your company is properly authorised and licensed to carry out credit related activity, as defined in the *National Consumer Credit Protection Act* 2009 *(*Cth).

Credit Representative Fees

A Credit Representative Fee is a monthly fee payable by all Credit Representatives to the LJ Hooker Home Loans for engaging in credit activities under the LJ Hooker Home Loans Australian Credit Licence.

You acknowledge that upon being appointed as a Credit Representative of the LJ Hooker Home Loans, the Credit Representative Fee is due and payable via direct debit, one month in advance.

The monthly Credit Representative fee is $220 per month, plus GST. The payment will be deducted from each Credit Representatives nominated bank account via direct debit during the first week of every month.

LJ Hooker Home Loans reserves the right to reasonably amend the Credit Representative Fee by providing at least 90 days written notice to the Loan Writer.

You must immediately notify LJ Hooker Home Loans of any changes to the your bank account details.

You acknowledge that in the event the Credit Representative Fee is not paid to LJ Hooker Home Loans as a result of insufficient funds or failure to notify LJ Hooker Home Loans of a change in bank account details, LJ Hooker Home Loans will notify you and you must arrange payment of the Credit Representative Fee and any associated bank fee to LJ Hooker Home Loans within 7 days after receiving the notification.

Failure to pay the Credit Representative Fee within 7 days after receiving the notification from LJ Hooker Home Loans may result in a formal notice being issued requiring payment to be made within 30 days.

In the event that a formal notice is issued, you will incur an administrative fee of $50.00 due payable to LJ Hooker Home Loans within the same 30 day period.

Failure to pay LJ Hooker Home Loans the Credit Representative Fee and an administrative fee within 30 days upon receiving a formal notice may result in LJ Hooker Home Loans terminating this Credit Representative Appointment agreement.

Guarantee

Each Guarantor guarantees to us the due and punctual performance of your obligations under this document and indemnifies us against all loss, damage, costs, and expenses suffered or incurred by us because of any breach by you of this document.

This guarantee and indemnity is a continuing guarantee and indemnity (it being the intent of the Guarantor that the guarantee and indemnity will be absolute and unconditional in all circumstances) and is irrevocable.

This guarantee and indemnity will not be considered as wholly or partially discharged by the payment at any time of any money on account or by any time, credit, indulgence, or concession extended by us to you, any Guarantor, or any other person.

Signed on behalf of **LICENSEE**:

Date	Authorised officer
	Print name

Signed on behalf of **BROKER COMPANY**:

Secretary/Director	Director
Print name	Print name

Signed by **DIRECTOR LOAN WRITER**:

Director Loan Writer

Print name

Print address

Signed by **EMPLOYEE LOAN WRITER**:

Witness

Print name

Print address

Signed by **CONTRACTOR LOAN WRITER** in the presence of:

Witness

Print name

Print address

Signed by **GUARANTOR 1**:

Print name

Print address

Signed by **GUARANTOR 2**:

Print name

Print address

Schedule 1 – Authorised credit activities

You and each Delegate are authorised to provide credit services as defined in s 7 of the *National Consumer Credit Protection Act* 2009 (Cth), but only in respect of loans and other products introduced through lenders and other product suppliers:

forming part our panel of suppliers; or

otherwise approved by us from time to time.

This appointment does not authorise you or any Delegate to provide credit services in respect of loans or other products made available other than as specified above.

SCHEDULE "E"
"Credit Representative and Other Fees'

Credit Representative Fee

LJ Hooker Home Loans has implemented a Credit Representative Licensing Model.

A Credit Representative Fee is due and payable monthly by all Credit Representatives to LJ Hooker Home Loans and contributes towards some of the costs of holding and maintaining an Australian Credit Licence and supporting compliance obligations associated with having appointed Credit Representatives.

As of the 1st February 2023 the monthly Credit Representative Fee due and payable by all Credit Representatives to LJ Hooker Home Loans is $220 per month, plus GST. The payment must be transferred via EFT to the Company by the 15th of each month.

Connective Aggregation Fee

The Connective Aggregation Fee is a monthly flat fee payable by all individual Franchisees and Loan Writers for the utilisation of Connectives aggregation services.

The cost of the Connective Aggregation Fee is $380 per month, plus GST. The payment must be transferred via EFT to the Company by the 15th of each month.

Core Logic Marketing System Fee

The CoreLogic Marketing System is a branded tool that allows LJHHL Franchisees and their Loan Writers to identify customer contact points that can provide business opportunities for you and your real estate referral partners.

The monthly fee payable for access to the CoreLogic Marketing System is $115 per month, plus GST. The payment must be transferred via EFT to the Company by the 15th of each month.

Outsourced Processing Fee

Available to all Franchisees and Loan Writers is the ability to utilise our Outsourced Loan Processing Staff who assist with managing the loan application process and are responsible for the majority of the administration tasks associated throughout the process.

The monthly fee payable for access to Outsourced Processing is $450 per month, plus GST. The payment must be transferred via EFT to the Company by the 15th of each month.

For the Company

Executed by LJ HOOKER HOME LOANS PTY LIMITED)
ACN 106 564 765 in accordance with s127)
of the *Corporations Act* 2001 in the)
presence of:)
)
)

.....
Director

For Franchisee

Executed by)

ACN)
in accordance with s127 of the)
Corporations Act 2001 in the presence of:)
)
)

....
Director Director / Company Secretary

For Guarantor

SIGNED SEALED AND DELIVERED BY THE SAID

)
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.....) .....
)