

NOVATION AGREEMENT

NOVATION AGREEMENT is made on the date set out in Item 1

BETWEEN The Party referred to in Item 2 of the Schedule (the "Financier")

AND The Party referred to in Item 3 of the Schedule (the "Employer")

AND The party referred to in Item 4 of the Schedule (the "Employee")

BACKGROUND

- A. The Employee has entered into the Lease Agreement with the Financier for the Motor Vehicle.
- B. The Employee is employed by the Employer.
- C. The Parties have agreed to novate the Lease Agreement as set out in this Agreement.

AGREEMENT

1. NOVATION TO EMPLOYER OF LEASE RIGHTS AND OBLIGATIONS

- 1.1 On the Effective Date the Employee novates to the Employer the Lease Agreement to the extent of the Lease Rights and Obligations. The Employer accepts the novation.
- 1.2 From the time of the novation referred to in clause 1.1
 - (1) the Employer undertakes the rights and obligations under the Lease to the extent of the then subsisting Lease Rights and Obligations; and
 - (2) the Employee has no further obligation to the Financier under the Lease in respect of the Lease Rights and Obligations and will obtain no further benefit from them.

2. NOVATION TO EMPLOYEE OF EXCEPTED OBLIGATIONS

- 2.1 On the Effective Date the Lease Agreement, to the extent of the Excepted Obligations, is novated to the Employee.

- 2.2 From the time of the novation mentioned in clause 2.1 the Employee's obligations to the Financier in respect of the Lease Agreement, to the extent of the Excepted Obligations, arise under and as a result of this novation.

3. NOVATION BACK TO EMPLOYEE ON SPECIFIED EVENTS

- 3.1 On the Termination Date the Employer novates to the Employee the Employer's Novated Lease Agreement to the extent of the then subsisting rights and obligations
- 3.2 The Employee acknowledges that at the time of entering this Novation Agreement and as part of the arrangements contemplated in this Novation Agreement it has agreed to the Employer's Novated Lease Agreement being novated to it on the occurrence of the events referred to in clause 3.1.
- 3.3 On the novation mentioned in clause 3.1.
 - (1) the Employee undertakes all the then subsisting and all future rights and obligations under the Employer's Novated Lease Agreement; and
 - (2) the Employer has (except as set out in clause 3.4) no further obligations to the Financier in respect of and will obtain no further benefits from the then subsisting rights and obligations under the Employer's Novated Lease Agreement.
- 3.4 Notwithstanding any novation under this clause, the Employer will remain liable (in addition to the Employee under clause 3.3) to the Financier for any existing overdue Rental Payments, or any interest that has then accrued due on the payments.
- 3.5 The Financier consents to the novation mentioned in clause 3.1.

4. USE OF MOTOR VEHICLE BY THE EMPLOYEE

- 4.1 The Employer will until the Termination Date make the Motor Vehicle available for the use of the Employee and the Employee's associates (as defined in the Fringe Benefit Assessment Act 1986) as part of the Employee's remuneration package.

- 4.2 The Financier consents to the Employer making the Motor Vehicle available to the Employee provided that the Employer:
- (1) consents to the Motor Vehicle being registered in the name of the Employee; and
 - (2) ensures that the Motor Vehicle is registered in the name of the Employee.

5. EMPLOYEE INDEMNIFIES EMPLOYER

- 5.1 Subject to clause 5.2 the Employee indemnifies the Employer against any loss and liabilities and other expenses incurred by the Employer arising directly or indirectly out of this Novation Agreement, the Lease Agreement, the Employer's Novated Lease Agreement or the Motor Vehicle or out of any demand, action or other proceeding (including mediation, compromise, out of court settlement or appeal) connected with the Novation Agreement, the Lease Agreement, the Employer's Novated Lease Agreement or the Motor Vehicle.
- 5.2 This indemnity shall not extend to any Rental Payment that had accrued due under the Employer's Novated Lease Agreement prior to the Termination Date, or any interest that had accrued due on that overdue payment.

6. EMPLOYEE INDEMNIFIES FINANCIER

- 6.1 The Employee indemnifies the Financier against all losses and liabilities incurred by the Financier arising directly or indirectly out of this Novation Agreement or any novation under or pursuant to this Novation Agreement or out of any failure by the Employer to perform any of its obligations under this Novation Agreement or under the Employer's Novated Lease Agreement or out of any demand, action or other proceeding (including mediation, compromise, out of court settlement or appeal) connected with this Novation Agreement, the Lease Agreement, the Employer's Novated Lease Agreement or the Motor Vehicle.

7. EMPLOYER INDEMNIFIES EMPLOYEE

- 7.1 The Employer indemnifies the Employee against any loss, liability or other expenses incurred by the Employee as a result, direct or indirect, of any demand action or other proceedings (including mediation, compromise, out of court settlement or appeal) arising out of any failure by the Employer to perform its obligations under this Novation Agreement or the Employer's Novated Lease Agreement.

8. GENERAL PROVISIONS APPLICABLE TO EACH INDEMNITY

- 8.1 In this Agreement:
- (1) Each indemnity under this Novation Agreement is a continuing obligation and is separate and independent from any other obligation of the parties under this Novation Agreement.
 - (2) Each indemnity under this Novation Agreement will survive the termination of this Novation Agreement.
 - (3) A reference to a loss, the subject of an indemnity will include (but not be limited to) legal costs on a solicitor and client basis or a full indemnity basis whichever is the greater.

9. NOTICE

- 9.1 Any notice to be given under this clause will be given in the manner specified in the Lease Agreement.

10. INTERPRETATION

- 10.1 In this Agreement:
- (1) **"Effective Date"** means the date specified in Item 7 of the Schedule;
 - (2) **"Employee"** means the person specified in Item 4 of the Schedule;
 - (3) **"Employer"** means the person specified in Item 3 of the Schedule;
 - (4) **"Employer's Novated Lease Agreement"** means the lease entered into between the Financier and the Employer that comes into existence by reason of the novation referred to in clause 1;

- (5) **“Excepted Obligations”** means the Residual Value Obligations and the obligations specified in Item 8 of the Schedule;
- (6) **“Financier”** means the party referred to in Item 2 of the Schedule;
- (7) **“Lease Agreement”** means the Lease Agreement referred to in Item 5 of the Schedule;
- (8) **“Lease Rights and Obligations”** mean all the rights and obligations of the Employee under the Lease Agreement apart from the Excepted Obligations;
- (9) **“Motor Vehicle”** means the vehicle described in Item 6 of the Schedule;
- (10) **“Rental Payment”** means:
 - (a) the amount payable by way of rent under the Lease Agreement, the Employer’s Novated Lease Agreement or any other lease created by any novation provided for in this Novation Agreement; and
 - (b) all stamp duty, taxes and other Government imposts payable under or in respect of those amounts;
- (11) **“Residual Value Obligation”** means any obligation under the Lease Agreement that relates solely to the residual value;
- (12) **“Termination Date”** means the earliest of:
 - (a) the date upon which the Employer’s Novated Lease Agreement is terminated or expires;
 - (b) the date upon which the Financier received notification that the Employee’s employment with the Employer has been terminated;
 - (c) the date upon which the Employee dies or becomes mentally ill; or
 - (d) the date upon which the Employer notifies the Financier that the Employer’s Novated Lease Agreement will be novated as provided for in clause 3

SCHEDULE**ITEM 1: DATE OF THIS NOVATION AGREEMENT**

ITEM 2: FINANCIER

Name	Macquarie Leasing Pty Limited
A.B.N.	38 002 674 982
Address	Level 4 432 St Kilda Road Melbourne VIC 3004

ITEM 3: EMPLOYER

Name
Address

ITEM 4: EMPLOYEE**ITEM 5: LEASE AGREEMENT**

This Lease Agreement dated the _____ day of _____ between
the Financier and the Employee.

ITEM 6: MOTOR VEHICLE**ITEM 7: EFFECTIVE DATE**

ITEM 8: EXCEPTED OBLIGATIONS

Clause 5 – Location and Use of Goods
Clause 8 – Repair and maintenance
Clause 10 – Insurance
Clause 15 – Residual Value

For the purposes of this Novation Agreement, in accordance with section 29-70(1A) of the A New Tax System (Goods and Services Tax) Act 1999 (Cth) the recipient of the Novated Finance Lease Schedule which is headed Tax Invoice is the Employer named in Item 3 of this Schedule.

SIGNED by the **Employee** in the presence)
of:

Witness

Employee

Name of Witness (BLOCK LETTERS)

Address of Witness

SIGNED by a duly authorised officer for and)
on behalf of the **Employer** in the presence)
of:

Signature of Authorised Officer

Signature of Witness

Name of Authorised Officer (BLOCK LETTERS)

Name of Witness (BLOCK LETTERS)

Title of Authorised Officer (BLOCK LETTERS)

Address of Witness

The Financier does not make any representation in relation to the legal or taxation consequences of this transaction. The Employer and the Employee must each make their own enquiries and obtain their own independent advice in relation to the obligations undertaken under this Agreement and the taxation consequence of entering into this Agreement.

SIGNED for and on behalf of the **Financier**)
in the presence of:)

Signature

Signature

Name (BLOCK LETTERS)

Name (BLOCK LETTERS)

Signature of Witness

Name of Witness
(BLOCK LETTERS)

Address of Witness