

NOVATED LEASE

Terms and Conditions

Date:
Customer name:
Customer number:

1. READING THIS LEASE

1.1 Definitions

In this Lease:

Actual Usage means, on the day when you return the Vehicle to TFM in accordance with this Lease, the number of kilometres shown on the odometer, less the number of kilometres (if any) specified as at the date of its Lease in its Finance Schedule or in the cost to package settlements advice provided by TFM to the Employer on or about the Commencement Date.

Adjusted Contract Usage is calculated for this Lease on a day as follows:

- (a) first, divide the number of whole months which have elapsed under this Lease up to that day by the number of months in its Finance Period, and
- (b) second, multiply the resulting fraction by the Contract Usage.

The result of that multiplication is the **Adjusted Contract Usage**.

Authorised Service Centre means such dealers and service outlets as are listed in the driver's kit provided to you with the Vehicle or in your DriverDirect App, or as may be nominated by TFM to you from time to time.

Budgeted Cost means, for a Service, the instalment amount specified as such for that Service in the Finance Schedule.

Business Day means any day on which TFM is open for business in the State.

Commencement Date means the earlier of the:
(a) day on which the Vehicle is delivered to you; and
(b) day on which TFM pays any part of the purchase price for the Vehicle.

Contract Usage means the number of kilometres specified in the Finance Schedule.

DriverDirectApp means the TFM mobile application entitled "DriverDirect", downloadable from the Apple App Store or Google Play, which allows you to log trips, find fuel locations, record expenses, locate an Authorised Service Centre, locate an authorised tyre dealer and access TFM's driver's guide.

Employer means the person or persons named as Employer in the Finance Schedule.

Excess Charge means the amount for each kilometre specified in the Finance Schedule.

FBT means fringe benefits tax imposed by the *Fringe Benefits Tax Act 1986* (Cth).

Finance Lease means a lease of the Vehicle as a Finance Lease as specified by you in the Finance Schedule.

Finance Period means the period commencing on the Commencement Date and ending on the last day of the contract term specified in the Finance Schedule.

Finance Schedule means the document entitled "Quote/Finance Schedule" which specifies the details for, and forms part of, this Lease and has been signed by you, the Employer and TFM.

Fixed Cost means, for a Service, the instalment amount specified as such for that Service in the Finance Schedule.

including and similar expressions indicate what is included without limiting what else might be included.

Insolvency or **Insolvent** includes liquidation, receivership or other appointment of a controller, administration of a corporation, arrangement, compromise, scheme, deregistration, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, actual or threatened cessation or suspension of business or payments or disposal of assets, bankruptcy, administration arising out of mental illness or incapacity, administration of an insolvent estate, death or anything similar. It also includes making an application, commencing proceedings, proposing or passing a resolution or taking any steps towards any of those events.

Lease means:

- (a) a Finance Lease; or
- (b) an Operating Lease,

made up of the Finance Schedule, the terms and conditions set out in this document (which includes the Services Schedule) and the cost to package settlements advice provided by TFM to the Employer on or about the Commencement Date.

This Lease includes any Service for the Vehicle specified in the Finance Schedule or in a document varying this Lease.

Market Value means, for the Vehicle on a day, the amount which TFM estimates would be the net proceeds of sale by TFM for that Vehicle, after deducting all applicable costs and Taxes incurred or which would be incurred by TFM in connection with obtaining that estimate and the notional sale.

Novation Agreement means any agreement or deed for the novation of this Lease dated on or about the Commencement Date between the person named as Employee/Lessee in the Finance Schedule, the Employer and TFM.

Operating Lease means a lease of the Vehicle as an Operating Lease as specified by you in the Finance Schedule.

Payment Date means each day specified in the Finance Schedule.

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

Residual Value means, for the Vehicle and a Finance Lease, the amount specified as such in the Finance Schedule.

Service means a service described in the Services Schedule provided, or to be provided, for or in connection with the Lease of the Vehicle as specified by you in the Finance Schedule or in a document varying this Lease.

State means the State or Territory specified in the Finance Schedule.

Tax means a tax (including any tax in the nature of a GST), rate, levy, impost and duty (other than a tax on the net overall income of TFM) and any interest, penalty, fine or expense relating to any of them.

Termination Amount means, on a day, the amount calculated for the Vehicle by TFM which, on that day, equals the sum of:

- (a) each rent payment which is due for payment under this Lease after that day;
- (b) for a Finance Lease, the Residual Value of the Vehicle, and
- (c) for an Operating Lease, the Market Value of the Vehicle on that day had (1) the event described in clauses 5.6(a), (b) or (c) not occurred for the Vehicle, or (2) you not elected to give a notice under clause 6.1 for that Vehicle, or (3) you not repudiated that Operating Lease,

in each case, discounted to a present value on that day by applying a discount rate equal to 75% of the implicit interest rate used by TFM to calculate the rent payable under this Lease.

TFM means Toyota Fleet Management, a division of Toyota Finance Australia Limited ABN 48 002 435 181, AFSL and Australian Credit Licence number 392536 and its successors and assigns.

TFM Novated Online means, when you enter into TFM Novated Online at TFM's web site (toyotafleetmanagement.com.au or any replacement TFM web site address), the online portal operated by TFM and used to access, request, and manage information relating to, and facilitate the operation of, this Lease.

Vehicle means the vehicle specified as such in the Finance Schedule, including all parts and accessories fitted to the vehicle and any replacement, substitute or relief vehicle or good acquired with the proceeds of any insurance, indemnity, compensation or other arrangement.

you means each of the following:

- (a) the person named as Employee/Lessee in the Finance Schedule;
- (b) when this Lease is novated in accordance with the Novation Agreement, each of the person named as Employee/Lessee in the Finance Schedule and the Employer for their respective obligations specified in the Novation Agreement;
- (c) any other person to whom this Lease is novated; and
- (d) a successor or permitted assign under clause 3.9.

1.2 GST definitions

In this Lease **ABN, acquisition, adjustment event, adjustment note, consideration, GST, GST law, input tax credit, luxury car, recipient created tax**

invoice, service, supply, taxable supply and tax invoice each has the meaning which it is defined to have in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

1.3 Governing law

This Lease is governed by the laws of the State and the parties submit to the non-exclusive jurisdiction of the courts of the State.

1.4 Variations

This Lease may not be varied except in writing signed by each party.

1.5 Dispute resolution

If you wish to dispute a payment or anything else about this Lease, you are encouraged to contact TFM's internal dispute resolution area. If you are dissatisfied with the outcome, you have a right to take your dispute to TFM's external dispute resolution scheme or to a court.

1.6 How this Lease is formed

Each of you offers to enter into this Lease by signing the Finance Schedule. TFM accepts that offer by ordering the Vehicle. That acceptance is effective without a notice to any of you.

The Finance Schedule may be in electronic form and a party may sign it electronically.

This Lease begins on the Commencement Date and ends on the last day of the Finance Period.

This Lease may be executed in any number of separate duplicates. Each signed duplicate constitutes an original and all duplicates taken together constitute one instrument.

2. DELIVERY

2.1 Lease

TFM leases the Vehicle to you from the Commencement Date. This Lease ends on the first to occur of:

- (a) the last day of the Finance Period;
- (b) when this Lease terminates in accordance with clauses 5.9 or 6.2; and
- (c) when TFM terminates this Lease in accordance with clause 10.1(b).

2.2 Delivery

(a) You must obtain delivery of the Vehicle within 7 days after TFM notifies you that the Vehicle is ready for delivery and give TFM a written acknowledgment of delivery if asked to do so. If you do not take delivery, clause 10.5 will apply.

(b) TFM is not liable for any failure or delay by you in obtaining delivery of the Vehicle unless the matter is caused by TFM's wilful and unreasonable refusal to permit the Vehicle to be delivered or to pay the supplier for the Vehicle.

2.3 Dealer and Service providers are not TFM's agent

You acknowledge and agree that the dealer, manufacturer, distributor or other provider or supplier of the Vehicle or any Service to you is not TFM's agent for any purpose.

2.4 Examination

- (a) You acknowledge that:
 - (i) you have not told TFM or anyone else about the particular purpose for which you require the Vehicle or any Service; and
 - (ii) you have not relied on TFM's skill or judgment in deciding to enter into this Lease.
- (b) You alone are responsible, to the fullest extent permitted by law, for examining and being satisfied with the Vehicle and each Service before you accept any of them, including:
 - (i) that the Vehicle complies with its description;
 - (ii) that the Service has been rendered with due care and skill and any materials supplied in connection with that Service are reasonably fit for your purposes;
 - (iii) the condition, fitness, quality and suitability of the Vehicle and each Service for your purposes; and
 - (iv) that the manufacturer's, vendor's or supplier's entitlements to intellectual property rights, guarantees and warranties are valid.
- (c) You acknowledge that, except as set out in clause 4.6, neither TFM nor anyone on its behalf has given or made any condition, guarantee or warranty to you as to the condition, fitness, quality or suitability of the Vehicle or any Service for your purposes.

3. USE OF THE VEHICLE

3.1 Property of TFM

- (a) The Vehicle will always be TFM's property. You only have a right to use it.
- (b) You must take all steps which TFM asks you to take to protect TFM's interest in the Vehicle. When ownership of the Vehicle is relevant you must make clear to other people that TFM owns the Vehicle.

3.2 Quiet enjoyment

TFM may not interfere with your possession or use of the Vehicle unless this Lease allows it.

3.3 Location of the Vehicle

You must keep the Vehicle:

- (a) under your control and not permanently part with possession; and

- (b) secure against theft or damage while it is not in use.

You must not remove, or attempt or threaten to remove, the Vehicle from mainland Australia or Tasmania.

3.4 Compliance with laws

You must comply with all laws and registration or licensing requirements relating to the Vehicle or its use.

3.5 Registration

- (a) During the Finance Period you must register and obtain third party insurance for the Vehicle in your name as if you were the owner, unless clause 15 applies or TFM asks you to register it in another name.
- (b) You must not register the Vehicle in any state or territory other than the State without TFM's written consent and taking such other steps as TFM requests.

3.6 Use

You must make sure that the Vehicle is used:

- (a) for the purpose for which it is designed and in accordance with the manufacturer's instructions and recommendations; and
- (b) safely and without risk to the health or property of any person.

3.7 Repair and maintenance

Subject to clause 13, you must keep the Vehicle in good repair and working order (fair wear and tear excepted), including having the Vehicle serviced at intervals recommended by the manufacturer. You must only use parts that are recommended or approved for that use by the manufacturer.

3.8 Alterations

You must not, without TFM's consent:

- (a) make any alteration or addition to the Vehicle; or
- (b) install anything on or in the Vehicle.

You must ensure that only an Authorised Service Centre makes any such alteration, addition or installation.

Everything installed on or in the Vehicle will be part of the Vehicle and TFM's property. This includes all parts and accessories.

3.9 Dealing with the Vehicle or this Lease

You must not:

- (a) sell or assign;
- (b) lend, lease or otherwise part with possession of; or
- (c) create or allow any security or other third party interest over,

the Vehicle or your interest in the Vehicle or in this Lease (or authorise anyone else to do so) without getting TFM's written consent. TFM, however, may do any of these things without your consent where that does not, in TFM's reasonable opinion, involve any detriment to you. This includes TFM, without your consent, assigning, transferring, sub participating or otherwise dealing with all or any part of its rights and benefits under this Lease to a securitisation vehicle so long as TFM remains the lessor of record.

If TFM determines that this Lease or any transaction under it is or contains a security interest (within the meaning of the PPSA) you will do anything which TFM reasonably requests (such as obtaining consents, signing or producing documents, getting documents signed or completed and supplying information) for the purpose of ensuring that any such security interest is enforceable, perfected and otherwise effective, and enabling TFM to apply for any registration or give any notification in connection with that security interest.

3.10 Information

At TFM's request, you must promptly provide to TFM any information or document which TFM reasonably asks for concerning this Lease, the Vehicle, a Service or your financial position.

4. WARRANTIES

4.1 Your authority

You represent and warrant that:

- (a) your obligations under this Lease are valid and binding and are enforceable against you in accordance with its terms;
- (b) you do not enter into this Lease as trustee of any trust;
- (c) each person who signs the Finance Schedule for this Lease as an authorised officer or representative of the Employer:
 - (i) holds the office or position with the Employer which that person specifies in the Finance Schedule against that person's signature; and
 - (ii) is authorised by the Employer to enter into, and bind it to, this Lease. That authority is current and accurate as at the date of this Lease and the Commencement Date.

4.2 TFM authority

TFM represents and warrants that its obligations under this Lease are valid and binding and are enforceable against it in accordance with its terms.

4.3 Your acknowledgment

You acknowledge that:

- (a) TFM does not provide (nor has it provided to you) legal, accounting or taxation advice and has recommended that you obtain your own advice. You have either obtained your own independent advice or declined the opportunity to obtain independent advice before you signed this Lease (or a document varying this Lease);
- (b) before the Commencement Date (or the date of a document varying this Lease) you have received a copy of the terms and conditions set out in this document and have read and understand their meaning and effect.

You may obtain a copy of those terms and conditions at any time from TFM's website (toyotafleetmanagement.com.au or any replacement TFM web site address).

4.4 Unlawful inducement, influence or behaviour

Each party represents and warrants on a continuing basis that it has not done anything in an unlawful manner to induce, reward or influence any person in connection with the execution of this Lease or the supply or acquisition of goods or services under this Lease including:

- (a) directly or indirectly offering, soliciting, giving, agreeing to give, receiving or agreeing to receive any gift, commission, rebate, money or consideration of any kind:
 - (i) as an inducement or reward for unlawfully doing, not doing, influencing, favouring, disfavours or carrying out any act; or
 - (ii) in relation to any advice given to or received by a party to this Lease which is or was intended in any way to induce or influence the party advised to enter into this Lease;
- (b) seeking to influence decisions by improper means;
- (c) any other conduct which would constitute a breach of the corrupt commissions and practices or blackmail provisions of the *Crimes Act 1900* (NSW) or similar provisions in other jurisdictions.

4.5 Warranties

- (a) You must obtain from the manufacturer or other supplier of the Vehicle or any Service any warranties that you need in relation to them.
- (b) So that you can make warranty claims, TFM transfers to you, so far as the law permits, the benefit of any warranty which it may have for the Vehicle or any Service. This transfer ends when this Lease ends or terminates.

4.6 Warranties not to apply

So far as the law permits, all conditions, guarantees and warranties on TFM's part, other than the conditions, guarantees and warranties stated in this Lease, which might apply or be implied in relation to this Lease, the Vehicle or a Service (whether by statute or otherwise) are excluded.

4.6 Limitation

To the extent that any applicable or implied condition, guarantee or warranty on TFM's part cannot be excluded, TFM's liability for a breach of any such condition, guarantee or warranty is limited (to the extent permitted by law) at TFM's discretion, in the case of the Vehicle, to the replacement of the Vehicle or the supply of an equivalent vehicle, payment of the cost of replacing the Vehicle or acquiring an equivalent vehicle or the repair of the Vehicle or payment of the cost of having the Vehicle repaired and, in the case of a Service, to the supplying of the Service again or payment of the cost of having the Service supplied again.

5. INSURANCE AND VEHICLE LOSS

5.1 Risks

You assume all risks and liabilities for the Vehicle and its use, maintenance, repair and storage.

5.2 Policies to be taken out

You must take out the following insurances:

- (a) subject to clause 18.1, a comprehensive insurance:
 - (i) against loss, theft or destruction of, or damage to, the Vehicle for its full market value; and
 - (ii) in connection with the Vehicle or its use covering you and TFM against all risks in respect of third parties and damage to property for an amount not less than \$20,000,000 or any higher amount which TFM reasonably requires; and
- (b) all other risks which TFM reasonably requires or which must be covered by law.

5.3 Your insurance obligations

For each insurance taken out under this Lease, you must:

- (a) take out the insurance with a reputable insurance company;
- (b) pay on time all amounts necessary to maintain the insurance;
- (b) have TFM's interest noted on the insurance policy; and
- (c) give TFM any information it requests about the insurance.

You must not:

- (d) do or fail to do anything which might allow an insurer to refuse any claim under the insurance;
- (e) settle or compromise any claim without TFM's consent.

5.4 Failure to take out insurance

If you do not take out an insurance as required by this Lease, TFM may take out that insurance itself. You must pay the premiums associated with that insurance to TFM on demand.

5.5 You must restore damaged Vehicle

If the Vehicle is damaged (but not to the extent that an insurer or TFM decides that its repair is impractical or uneconomic), you must restore it as far as possible to the same condition that it was in before the damage occurred.

5.6 Total loss of Vehicle

You must notify TFM if the Vehicle is:

- (a) lost;
- (b) stolen; or
- (c) destroyed or damaged to such an extent that an insurer or TFM decides that its repair is impractical or uneconomic.

5.7 Insurance election

The insurer (or TFM) will notify you whether the insurer decides to replace or substitute the Vehicle with another vehicle (in which case this Lease continues to apply to that vehicle) or to pay out your claim.

TFM's obligation to provide Services for the Vehicle ceases when the insurer decides to pay out your claim.

5.8 Your obligations following a total loss of Vehicle

If an event described in clauses 5.6(a), (b) or (c) occurs you must:

- (a) lodge the necessary insurance forms with your insurer and enforce your claim as soon as possible after the event and, upon request, provide TFM with a copy of those forms and information about the progress of your claim. Where necessary for the enforcement of that claim, you and TFM will co-operate to execute any document or take any step in connection with that claim; and
- (b) (unless the insurer decides to replace or substitute the Vehicle with another vehicle) on the next Payment Date, pay to TFM:
 - (i) the Termination Amount less any amount which TFM has received (before that Payment Date) from an insurer or any other person as a result of the event; and
 - (ii) any other amount which you still owe under this Lease.

You must account to TFM for any insurance proceeds which you receive.

You may also, at any time following your payment, ask TFM to conduct a reconciliation of your liability for the Termination Amount by taking into account all amounts received from insurers and other persons as a result of the relevant event. TFM will give you that reconciliation promptly following receipt of the request.

5.9 Consequential arrangements

This Lease terminates on the day on which you comply with clause 5.8. TFM will refund to you any amount which it receives from an insurer or another person as a result of the event described in clauses 5.6(a), (b) or (c), after you have made your payment under clause 5.8(b), and up to the amount which you paid under clause 5.8(b)(i).

6. LEASE EARLY TERMINATION OPTION

6.1 Termination option

You may, at any time during the Finance Period, by giving TFM not less than 14 days' prior notice expiring on a Payment Date, terminate this Lease. The notice must specify this Lease and the Payment Date and is irrevocable.

You may, at any time before giving such a notice, ask TFM to give you an estimate of the amount which would be payable under clause 6.2.

6.2 Obligations following termination

If you give TFM a notice under clause 6.1, you must, on the Payment Date specified in your notice:

- (a) return the Vehicle in good repair and working order (fair wear and tear excepted) to the place that TFM nominates; and
- (b) sign and hand over with the Vehicle all certificates and documents necessary to transfer the registration or licence of the Vehicle to the person that TFM nominates.

Upon notification by TFM, you must pay the following amounts to TFM:

- (c) if applicable, the amount which TFM certifies is necessary to restore the Vehicle to good repair and working order (fair wear and tear excepted);
- (d) the shortfall between the Termination Amount less either:
 - (i) the net amount which TFM receives for the Vehicle under clause 12.1 (after deducting all applicable costs and Taxes incurred by TFM in connection with its actions under that clause); or
 - (ii) an amount equal to the Market Value for the Vehicle applied under clause 12.2; and
- (e) any other amount which you still owe under this Lease.

This Lease terminates on the day on which you comply with this clause 6.2.

7. RENT, PAYMENTS AND TAXES

7.1 Rent and Service payments

You must on each Payment Date pay to TFM:

- (a) the rent and the management fee specified in the Finance Schedule; and
- (b) for each Service which you use, its Fixed Cost or Budgeted Cost instalment.

A Fixed Cost instalment may not be varied or reimbursed at any time during the Finance Period or when this Lease expires or terminates.

A Budgeted Cost instalment may be varied or reimbursed during the Finance Period or when this Lease expires or terminates in accordance with this Lease (see clauses 7.3 and 7.5).

7.2 Contract Usage

TFM calculates the rent for this Lease on the basis that the Vehicle will travel no more than the Contract Usage.

At any time during the Finance Period, TFM may review the number of kilometres travelled by the Vehicle. If the number of kilometres travelled at that time is greater than the Adjusted Contract Usage at that time, TFM may issue a statement to you specifying details for the number of kilometres travelled at that time as compared to the Adjusted Contract Usage at that time and the proposed variations to the Contract Usage and rent to reflect your higher Vehicle usage (and must on request give reasonable details of the proposed variations).

You will be taken to have agreed to the proposed variations unless you contact TFM to negotiate a change within 2 Business Days. TFM may then:

- (a) revise the Contract Usage as proposed and the revised Contract Usage will apply for the balance of the Finance Period; and
- (b) recalculate the rent as proposed to reflect the revised allowance and the revised rent will apply for the balance of the Finance Period.

7.3 Service variations

You acknowledge that, where you choose to pay for a Service as a Budgeted Cost, any Budgeted Cost instalment specified in the Finance Schedule is only an estimate.

TFM may, at any time during the Finance Period, in its absolute discretion:

- (a) review any Service for which a Budgeted Cost instalment is payable and ask you to pay to TFM, or reimburse you, an amount which TFM certifies is equal to the difference between TFM's actual payments for that Service up to that time and TFM's estimated payments for that Service up to that time. TFM will give you a reconciliation setting out reasonable details of the actual and estimated payments up to that time. The relevant party must pay the determined amount to the other within 7 days of the determination;
- (b) recommend a Service be varied on a Payment Date in order to avoid a deficit in the running account for that Service on expiry or early termination of this Lease. *For example, TFM may recommend varying the number of times a Service is to be provided, terminating a Service or that all or a part of TFM's running budget for a Service be transferred to another Service.*

TFM will with its recommendation give you a revised Finance Schedule for this Lease with reasonable details of the proposed variation. To agree to the variation, each of you must sign the revised Finance Schedule. The varied Service will then apply for the balance of the Finance Period. You must, on the next Payment Date after the variation, pay to TFM any amount which you owe to TFM as a result of the variation.

7.4 Operating Lease Excess Charges

You must, for an Operating Lease, pay to TFM on its expiry or termination, the Excess Charge (as notified by TFM to you) for each kilometre by which its Actual Usage exceeds its, for an expiry, Contract Usage and, for a termination, Adjusted Contract Usage as at the return date.

7.5 When Services cease

TFM's obligation to provide any Service for the Vehicle ceases when:

- (a) this Lease expires or terminates (even if you do not return the Vehicle at that time);
- (b) this Lease is re-novated in accordance with the Novation Agreement from the Employer to the person named as Employee/Lessee in the Finance Schedule, unless that person is able to arrange promptly (as determined by TFM in its absolute discretion) for this Lease to be novated to a new employer of that person.

TFM may, for any Service, on expiry or termination of this Lease (or re-novation of this Lease in accordance with the Novation Agreement), set-off any Budgeted Cost surplus which TFM has not then actually paid for that Service from its running account against any money due for payment by you to TFM under this Lease or any other agreement or deed between you and TFM. However, TFM may not exercise this set-off against your obligation to pay the Termination Amount under clause 5.8(b) (i) or a shortfall amount under clauses 6.2(d) or 11.1(d).

TFM will reimburse to you on expiry or termination of this Lease (or re-novation of this Lease in accordance with the Novation Agreement) any outstanding Budgeted Cost surplus which TFM has not then incurred or set-off.

You may, with TFM's prior approval, continue to use a Service after expiry or termination of this Lease (or re-novation of this Lease in accordance with the Novation Agreement) on a monthly basis. TFM will invoice you for that Service monthly. You must, for each Service which you continue to use, pay to TFM the amount of that Service on the date for payment specified in TFM's invoice.

7.6 Taxes

You must pay and if paid by TFM reimburse to TFM any Tax which is payable in relation to this Lease or any document or transaction contemplated by it.

7.7 GST

- (a) In this clause 7.7 **TFM** includes any GST group to which TFM may from time to time be a member under GST law and the representative member of that group under GST law.
- (b) Unless otherwise stated, an amount payable by a party for any supply made under or in connection with this Lease is exclusive of GST. If any payment by a party under or in connection with this Lease is consideration in

whole or in part for a taxable supply, the party must, when it makes the payment, pay to the supplier an additional amount equal to that payment (or part) multiplied by the rate of GST prevailing at the time the supply is made. The supplier must provide the party with a tax invoice for the supply.

- (c) If at any time an adjustment event arises in respect of any supply made by the supplier under this Lease, a corresponding adjustment must be made between the supplier and the relevant party in respect of any amount paid by that party to the supplier under clause 7.7(b) and payments to give effect to the adjustment must be made. The supplier must provide to that party an adjustment note on or before 7 days after the occurrence of the adjustment event.
- (d) Where a party is required under this Lease to pay, reimburse or indemnify the supplier for an amount, the party must pay the relevant amount (plus any applicable additional amount in accordance with clause 7.7(b)). The supplier must calculate that relevant amount after determining the amount of any input tax credit it is entitled to claim in respect of that relevant amount.
- (e) If TFM makes or you make an acquisition under this Lease as agent for the other from a third party, that acquisition will be an arrangement for the purposes of Subdivision 153B of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the provisions of that Subdivision will apply. TFM and you will make genuine and continuing efforts to facilitate the application of that Subdivision to any such acquisition.

7.8 Interest on overdue amounts

- (a) You must pay interest on the daily balance of any amount which you do not pay on time, and on any amount which TFM debits to your account in accordance with this Lease, for the period it remains unpaid.
- (b) The interest rate which you must pay on each daily balance is the rate 2% above the implicit interest rate used by TFM to calculate rent under this Lease, calculated on the basis of a 365 day year.
- (c) TFM may capitalise, at times determined by TFM or, if it does not make a determination, then on the first day of each month, any interest which is not paid when due for payment. You must pay interest on capitalised interest at the rate and in the manner referred to in clause 7.8(a).
- (d) Interest accrues both before and after judgment (as a separate and independent obligation).
- (e) Your obligation to pay an outstanding amount to TFM on the day it becomes due for payment is not affected by clauses 7.8(a) and (c).

7.9 Manner of payment

You must make your payments under this Lease to TFM by direct debit or in such other manner as TFM requests or agrees. Whenever you make a payment you must quote the account number given to you by TFM.

If a payment is due on a day that is not a Business Day, it must be made on the Business Day before that day.

7.10 Payment arrangements

- (a) Where you dispute a payment specified in a tax invoice given to you for the purposes of this Lease, you:
 - (i) must pay each undisputed amount of the tax invoice on its Payment Date; and
 - (ii) may withhold payment of the disputed amount. You and TFM must resolve the dispute within 30 days of that Payment Date.
- (b) Subject to clause 7.10(a), your obligation to pay an amount due under this Lease is also absolute and unconditional. So far as the law permits, you must not for any reason withhold, or make a deduction from, any amount payable under this Lease including because:
 - (i) the Vehicle is lost, stolen, destroyed or damaged;
 - (ii) you claim to have a set-off, counter-claim, defence or other right against TFM or anyone else;
 - (iii) you are not satisfied with a Service either before or after you accept it; or
 - (iv) you choose to terminate a Service before this Lease ends.
- (c) TFM may set-off any money which is due from it to you (under this Lease or otherwise) against any money due for payment by you to TFM under this Lease or any other agreement or deed between you and TFM.
- (d) TFM may transfer all or part of any amount which TFM has actually paid for a Service from its running account for that Service to its running account for any other Service.

7.11 Application of payments

TFM may apply any payment made by you towards satisfying any of your payment obligations which have become due, in any way it sees fit, even if you state otherwise.

8. INDEMNITY AND COSTS

8.1 Your indemnity

You indemnify TFM against all loss, claims, liabilities and expenses suffered by TFM as a result of:

- (a) any loss, theft or destruction of or damage to the Vehicle;
- (b) the use, maintenance, repair and storage of the Vehicle;

- (c) any person being injured or killed or any property being damaged or destroyed, whether directly or indirectly by the Vehicle or its use;
- (d) your fraud, gross negligence or failure to comply with any of your obligations under this Lease;
- (e) the provision or use of, or any inability to use, a commodity, good or supply which TFM, as a Service, arranges to supply to you;
- (f) until 2 Business Days after you tell TFM about any loss, theft or possible unauthorised use of a fuel card, any loss, theft or unauthorised use of the fuel card for the Vehicle.

You are not required to indemnify TFM for any such loss, claim, liability or expense which arises as a result of TFM's fraud, gross negligence or breach of this Lease.

8.2 TFM indemnity

TFM indemnifies you against all loss, claims, liabilities and expenses suffered by you as a result of TFM's fraud, gross negligence or failure to comply with any of its obligations under this Lease.

TFM is not required to indemnify you for any such loss, claim, liability or expense which arises as a result of your fraud, gross negligence or breach of this Lease.

8.3 About your indemnities

Each indemnity in this Lease:

- (a) does not cover anything to the extent that, if the indemnity did cover it, the indemnity would be void; and
- (b) is a continuing obligation, separate and independent from each of the indemnifier's obligations under this Lease and survives termination, the acceptance of repudiation or expiry of this Lease.

8.4 Increased costs

Whenever, in connection with the funding or provision of the Vehicle pursuant to this Lease:

- (a) Tax law or its interpretation or administration changes, including:
 - (i) TFM not being allowed a deduction for depreciation in respect of the Vehicle; or
 - (ii) a change in the rate, the method or frequency at which a Tax is calculated or paid; or
- (b) TFM must comply with any request from or requirement of any Federal, State or local governmental, quasi-governmental or municipal authority; or
- (c) market interest rates change prior to the delivery of that Vehicle; or
- (d) the purchase price of the Vehicle (excluding Taxes payable in connection with that purchase) changes prior to its delivery. *(For example, there may be a change in the manufacturer's recommended retail price, a change to a manufacturer's rebate or a change to a category discount for a vehicle),*

and, as a result, TFM determines that the cost to TFM of funding or providing that Vehicle is increased or an amount received or receivable by TFM in connection with this Lease is reduced, TFM may vary the rent or any other amount payable in connection with this Lease to reflect the increase or reduction. TFM will give you a statement specifying in reasonable detail the nature of the change or compliance and the varied rent or amount. This Lease will be taken to be varied accordingly.

8.5 You must pay all costs

You must comply with all of your obligations under this Lease at your cost.

8.6 Commission and benefits

You acknowledge that:

- (a) TFM may, in connection with the execution of or TFM's performance of its obligations under this Lease, pay to or receive from other persons discounts, bonuses, rebates, brokerage, commissions, fees and similar benefits; and
- (b) if TFM pays an amount to a person for introducing you to TFM or TFM to you, an amount payable by you under this Lease may be higher than it would have been if you had approached TFM (or TFM had approached you) direct.

8.7 Fees and charges

You must pay or reimburse any fees, charges, costs or expenses from time to time levied or incurred by TFM in relation to this Lease in accordance with its then standard procedures to cover its reasonable costs and expenses including:

- (a) an establishment fee;
- (b) a monthly (or other periodic) management fee where TFM manages Service provision for the Vehicle;
- (c) any fee or charge levied on TFM by a Service provider;
- (d) where you request TFM to provide you with any information, including any documentation or statement;
- (d) where TFM considers a request from you for a variation or assignment of this Lease; or
- (e) where a payment from you to pay an amount due under this Lease is dishonoured.

9. GENERAL LEASE PROVISIONS

9.1 Rectification

TFM may (but need not) do anything necessary to remedy your failure to fully comply with any of your obligations under this Lease.

9.2 Inspection and seizure

TFM may enter the place where the Vehicle is kept to:

- (a) at any time on reasonable notice, inspect it or to see whether you are complying with your obligations under this Lease; or
- (b) at any time, take possession of the Vehicle when exercising its rights under this Lease.

9.3 Rights and their exercise

- (a) A party's rights, powers and remedies under this Lease are in addition to any of its legal rights, powers and remedies.
- (b) A party may exercise a right, power or remedy under this Lease at its discretion, and separately or concurrently with another right, power or remedy.
- (c) A single or partial exercise of a right, power or remedy under this Lease by a party does not prevent a further exercise of that or an exercise of any other right, power or remedy.
- (d) A party's failure to exercise or delay in exercising a right, power or remedy under this Lease does not prevent its exercise.
- (e) A party is not liable for any loss caused by the exercise, attempted exercise, failure to exercise or delay in exercising a right, power or remedy under this Lease whether by reason of its negligence or for any other reason.

9.4 PPSA waivers

In respect of the PPSA:

- (a) you and TFM contract out of each provision which section 115(1) or 115(7) permits them to contract out, other than:
 - (i) sections 117 and 118 (relationship with land laws); and
 - (ii) sections 134(1) and 135 (retention of collateral);
- (b) you waive each right to receive a notice which section 144 or 157(3) permits you to waive; and
- (c) to the extent permitted by law, you waive your rights to receive anything from TFM under section 275 and agree not to make any request of TFM under that section.

9.5 PPSA confidentiality

You and TFM agree that neither party will disclose any information of the kind referred to in section 275(1) of the PPSA unless section 275(7) of the PPSA applies, in which case TFM may disclose such information.

This means that neither you nor TFM may disclose or confirm:

- a copy of this Lease;
- details of the amount or terms of this Lease; or
- details of the Vehicle,

unless:

- the other person has consented in writing; or
- the law requires or allows disclosure; or
- you are in default under this Lease.

9.6 Actions and consents

If this Lease specifies when a party must perform an obligation, the party must perform it by the time specified. A party must perform all other obligations promptly.

Except as specified in this Lease, a party must, consistent with its rights and obligations under this Lease, act reasonably when performing or observing an obligation under this Lease.

Where a party has a discretion or its consent or approval is required for anything the party must, consistent with its rights and obligations under this Lease, not unreasonably withhold or delay its decision, consent or approval.

9.7 Certificates

A certificate or statement given by or on behalf of TFM about any amount, interest rate or matter relating to this Lease is sufficient evidence of the matters certified unless the contrary is proved.

TFM will give you reasonable details of the amount, interest rate or matter.

9.8 Notices

TFM may give you a notice or other document (a **Notice**) by:

- (a) giving it to you personally, or leaving it at the last address you notified us of;
- (b) posting it to the last address you notified us of;
- (c) sending it by fax or email to the last number or address you notified us of, or sent us a fax or email from; or
- (d) using TFM Novated Online; or
- (e) any other lawful way.

9.9 Service of Notices

If a Notice is:

- (a) posted, it will be taken to be given on the date when, in the ordinary course of the post, it could have been expected to have been received by the party;
- (b) sent by fax or email, it will be taken to be given to the party when the machine that sends it indicates transmission has occurred;
- (c) given using TFM Novated Online, it will be taken to be received within 2 hours of it having been posted on TFM Novated Online or, if TFM Novated Online is not operational or accessible when the Notice is posted, within 2 hours of TFM Novated Online becoming operational or accessible, as the case may be,

unless, in any case, the contrary is proved.

The terms and conditions for TFM Novated Online are available at TFM's web site (toyotafleetmanagement.com.au or any replacement TFM web site address).

9.10 Authority to open mail

You authorise TFM to open all mail which TFM may receive in your name (or such other name requested by TFM) by virtue of TFM's office appearing as the registered address including mail relating to registration, compulsory third party insurance and infringement notices. TFM will send to you any notices sent to its office as soon as practicable after receipt.

TFM is not liable for any loss, claim, liability or expense caused by TFM opening your mail or any delay in forwarding a notice to you, except where that loss, claim, liability or expense is caused by a wilful act or omission or negligence of TFM.

10. REPUDIATION

10.1 Your fundamental obligations under this Lease

- (a) These are the fundamental obligations of your Lease:
 - (i) You must pay each amount which you owe under this Lease on time (or, where no due date for payment is specified, within 7 days of notice from TFM requiring payment) and as required by this Lease.
 - (ii) You must comply with your obligations under clauses 3 (*Use of the Vehicle*), 5.2 (*Policies to be taken out*), 5.3 (*your insurance obligations*), 11.1(a) (*return of Vehicle on last day of Finance Period*) and 21.1 (*Directions*).
 - (iii) You must, during the period that this Lease is novated in accordance with the Novation Agreement, comply with your obligations under FBT law including each obligation which relates to FBT law compliance and is set out in the Novation Agreement;
 - (iv) You must not become Insolvent.
 - (v) TFM must not, in its reasonable opinion, have been induced to enter into this Lease by fraud on your part.
 - (vi) You must not cause or permit any event or circumstance to arise which would entitle TFM to terminate any other agreement or arrangement which it has entered into with you.
- (b) If:
 - (i) a fundamental obligation of this Lease is not complied with and either:
 - (A) the non-compliance is not capable of remedy; or
 - (B) TFM gives you notice of the non-compliance with a period of not less than 10 Business Days to remedy it and you do not remedy that non-compliance (or elect to remedy that non-compliance and re-novate this Lease in accordance with the Novation Agreement) by the end of that period;

or

- (ii) TFM reasonably believes that you have removed or disposed of the Vehicle or intend to remove or dispose of the Vehicle without its permission, or that urgent action is necessary to protect the Vehicle,

then you will be taken to have repudiated this Lease. Despite anything else which you and TFM may have agreed, you will also be taken to have repudiated every other agreement or deed between you and TFM relating to the lease, hire, finance or maintenance of vehicles or the payment for services in connection with vehicles. TFM may then accept any of your repudiations by giving you a notice terminating this Lease or any other relevant agreement or deed.

You will then owe a single, aggregate amount to TFM for all terminated agreements and deeds (including this Lease). The provisions of clause 7.11 will apply.

10.2 Your obligations following repudiation

If TFM gives you a notice under clause 10.1(b) you must immediately:

- (a) return the Vehicle in good repair and working order (fair wear and tear excepted) to the place that TFM nominates;
- (b) sign and hand over with the Vehicle all certificates and documents necessary to transfer the registration or licence of the Vehicle to the person that TFM nominates;
- (c) if applicable, the amount which TFM certifies is necessary to restore the Vehicle to good repair and working order (fair wear and tear excepted);
- (d) for a Finance Lease, pay to TFM, as liquidated damages for loss of bargain, the Termination Amount;
- (e) for an Operating Lease, pay to TFM, as liquidated damages for loss of bargain, any shortfall that arises should the Market Value of the Vehicle as at the date of that notice be less than the Termination Amount; and
- (f) pay to TFM any other amount which you still owe under this Lease.

TFM will reimburse to you the net amount which it receives under clause 12.1 (after deducting all applicable costs and Taxes incurred by TFM in connection with its actions under that clause) or an amount equal to the applied Market Value under clause 12.2 up to:

- (g) for a Finance Lease, the Termination Amount which you have paid under clause 10.2(d);
- (h) for an Operating Lease, the shortfall amount which you have paid under clause 10.2(e).

If the notice which TFM gives you also applies to an agreement or deed other than this Lease, you must also do whatever you are required to do under that agreement or deed, or which TFM is entitled to require you to do, as a consequence of your repudiation of it.

10.3 Rights following repudiation

If TFM gives you a notice under clause 10.1(b) TFM may, unless restricted by law from doing so, take possession of the Vehicle.

10.4 Reinstatement of Lease

After it accepts your repudiation of this Lease TFM may, in its absolute discretion, still permit you to reinstate this Lease. If TFM permits you to reinstate this Lease you would have to:

- (a) pay all overdue rent, Service payments and any other amounts which you then owe under this Lease (calculated as if you had not repudiated this Lease); and
- (b) remedy any other fundamental obligation which you have not complied with.

TFM may impose other conditions.

10.5 Failure to take delivery

If you fail to take delivery of the Vehicle in accordance with clause 2.2(a) while it is available, and, if the non-delivery can be remedied, it is not remedied within 10 Business Days of notice from TFM requiring its remedy, TFM may treat that failure as your repudiation of this Lease and immediately terminate this Lease by notice to you.

TFM will take all reasonable steps to mitigate its loss resulting from your failure to take delivery of the Vehicle in accordance with clause 2.2(a) while it is available. You must pay TFM, as liquidated damages for loss of bargain, any outstanding loss or expense incurred by TFM in connection with that termination.

11. EXPIRY OF THIS LEASE

11.1 What you must do

When this Lease ends you must:

- (a) return the Vehicle in good repair and working order (fair wear and tear excepted) to the place that TFM nominates;
- (b) sign and hand over with the Vehicle all certificates and documents necessary to transfer the registration or licence of the Vehicle to the person that TFM nominates;
- (c) if applicable, the amount which TFM certifies is necessary to restore the Vehicle to good repair and working order (fair wear and tear excepted);
- (d) for a Finance Lease, pay to TFM the shortfall between the Residual Value less either:
 - (i) the net amount which TFM receives for the Vehicle under clause 12.1 (after deducting all applicable costs and Taxes incurred by TFM in connection with its actions under that clause); or
 - (ii) an amount equal to the applied Market Value for the Vehicle under clause 12.2; and
- (e) pay to TFM any other amount which you still owe under this Lease.

11.2 Holding over

If you do not return the Vehicle in accordance with this Lease, you must pay rent to TFM, on demand, for each month (or part of a month) from the return date until you return the Vehicle to TFM in accordance with this Lease.

The amount for each month is equal to the rent for the last rental period before the return date.

TFM offers you a 9 day grace period from the return date. You do not need to pay any rent under this clause 11.2 if you return the Vehicle during the grace period.

12. MITIGATION OF LOSS

12.1 TFM to sell Vehicle

As soon as practicable after:

- (a) you comply with your obligations under clause 10.2 for the Vehicle; or
- (b) you return the Vehicle to TFM under clauses 6.2(a) or 11.1(a),

TFM must offer the Vehicle for sale at a public auction or in any other way at TFM's reasonable discretion.

TFM may also exercise all other rights permitted by this Lease or authorised or permitted by any law.

12.2 Valuation

If it is impossible or impracticable for TFM to sell the Vehicle (or do anything else) within 60 days after its return to TFM, TFM will apply the Market Value of the Vehicle as at the day it was returned.

SERVICES SCHEDULE

13. FULL MAINTENANCE

Clause 13 applies where you select full maintenance as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

Where you do not select full maintenance as a Service for the Vehicle, you must comply with your repair and maintenance obligations under clause 3.7 of this Lease.

13.1 Full maintenance

TFM will, subject to clause 13.2, pay the Authorised Service Centre for:

- (a) up to the number of scheduled inspection, maintenance and repair services as specified in your Finance Schedule which, according to the manufacturer's handbook or your Vehicle's diagnostic computer, is scheduled to fall due during the Finance Period; and
- (b) corrective repairs, maintenance and service (including major breakdown repair) of the Vehicle necessary to maintain, so far as practicable, the Vehicle in good repair and working order (fair wear and tear excepted), including repairs, maintenance and service to:
 - (i) motor;
 - (ii) transmission;
 - (iii) drive line;
 - (iv) braking system including reline and overhaul of components;
 - (v) cooling system including hoses, radiators, belts and vents;
 - (vi) any factory or, when the Vehicle is delivered, dealer fitted electrical, computer, entertainment, navigation, communication or telematics system including wires, fuses, globes, switches and batteries;
 - (vii) exhaust system;
 - (viii) oil and water leaks, including gaskets, welsh plugs and fans;
 - (ix) airconditioning and heater components including re-gas;
 - (x) suspension components; and
 - (xi) fuel systems.

The DriverDirect App lists all Toyota Authorised Service Centres in Australia.

13.2 Maintenance not covered

TFM may not pay for any maintenance or service (including any inspection or repair):

- (a) which arises because you do not have the Vehicle inspected, maintained or repaired at the times recommended or scheduled in the manufacturer's handbook or by your Vehicle's diagnostic computer;
- (b) caused by contaminated fuel or fuel which is not specified in the manufacturer's handbook or on your Vehicle as appropriate for the Vehicle;

- (c) of non-factory fitted parts or accessories;
- (d) of any electrical, computer, entertainment, navigation, communication or telematics system including wires, fuses, globes, switches and batteries in the Vehicle which is non-factory fitted or not fitted by the dealer when the Vehicle is delivered;
- (e) which is covered by your Vehicle's motor vehicle insurance (including comprehensive insurance provided under clause 18.1). This includes damage caused by accident, fire, storm, tempest, theft, malicious destruction or damage and such other insurable risks as TFM may reasonably stipulate;
- (f) which in the reasonable opinion of TFM or the Authorised Service Centre, is caused by the misuse, abuse or neglect of the Vehicle or driving in a manner or in conditions not considered by TFM or the Authorised Service Centre to be normal;
- (g) which is covered by a third party warranty or results from or occurs during any breach by you of your obligations under this Lease.

You must reimburse TFM on demand for the proportion of any payment made by TFM for inspection, maintenance or repairs which, in TFM's opinion, was made because of a circumstance described in this clause 13.2.

Scheduled or full maintenance Service also does not include or extend to, and you are responsible for:

- (h) (except where clause 14 applies) tyre replacement;
- (i) (except where clause 16 applies) all fuel charges;
- (j) the regular wash and polish of the Vehicle; and
- (k) (except where clause 17.1 or clause 17.2 applies) arranging for the transportation or towing of the Vehicle when it has become unfit for use to an Authorised Service Centre.

14. REPLACEMENT TYRES

Clause 14 applies where you select replacement tyres as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

Where you do not select replacement tyres as a Service for the Vehicle, you must comply with your fair wear and tear obligations under clause 3.7 of this Lease.

TFM will pay for replacement tyres and tubes (in the same specification and quality as originally fitted to the Vehicle) for the Vehicle (up to the number specified in the Finance Schedule for the Vehicle) which have been determined by the Authorised Service Centre to be reasonably necessary.

The DriverDirect App lists all Toyota Authorised Service Centres (including Toyota authorised tyre dealers) in Australia.

You may also ask TFM to reimburse you for any additional tyre or tube.

Where TFM considers that the costs which it has budgeted to provide replacement tyres and tubes up to the number specified in the Finance Schedule for the Vehicle will not be exceeded by the end of the Finance Period, TFM may, in its absolute discretion, reimburse you (from TFM's budget for replacement tyres and tubes for your Vehicle) for any additional replacement tyre or tube which you purchase for the Vehicle. You must, when applying for reimbursement, give TFM a copy of your purchase receipt and details of your bank account for the reimbursement.

15. REGISTRATION RENEWALS

Clause 15 applies where you select registration renewals as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

Where you do not select registration renewals as a Service for the Vehicle, you must comply with your registration and licensing obligations under clauses 3.4 and 3.5 of this Lease.

TFM will arrange and pay for the number of registration and compulsory third party insurance renewals for your Vehicle specified in your Finance Schedule.

TFM will renew:

- (a) the Vehicle's registration in your name and with the address which you specify as the registered address; and
- (b) (or take out) the compulsory third party insurance for the Vehicle. In those states and territories where compulsory third party insurance is unregulated TFM will, as you specify, renew or take out the insurance with your nominated insurance provider or TFM's preferred insurance provider.

Clause 21.2 sets out renewal arrangements.

16. FUEL CARD – TFM

Clause 16 applies where you select fuel card - TFM as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

16.1 Fuel card arrangements

- (a) TFM will give you a fuel card for the Vehicle.
- (b) As between you and TFM, the fuel card is TFM's property. You must return any mutilated or disused fuel card to TFM. You must also tell TFM as soon as you become aware of the loss, theft or any possible unauthorised use of the fuel card. TFM will give you a replacement fuel card.
- (c) You may only use the fuel card:
 - (i) within the period of validity indicated on the fuel card. TFM will give you a replacement fuel card; and
 - (ii) to purchase fuel, oil or a car wash for the Vehicle specified on the fuel card at an authorised fuel card outlet. The fuel card may not, without TFM's prior consent, be used for any other vehicle.

- (d) Where you fail to comply with any of your obligations in respect of a fuel card under clauses 16.1 or 16.2 or it is necessary in order to comply with any relevant laws, TFM may cancel the fuel card by giving you 2 Business Days' notice.

Where the fuel card is used fraudulently, TFM may cancel the fuel card immediately and will notify you that it has done so.

- (e) You may at any time return the fuel card to TFM for cancellation or destroy the fuel card and tell TFM that you have done so.
- (f) When this Lease expires or terminates you must return the fuel card to TFM (or destroy the fuel card and tell TFM that you have done so). TFM will credit to your account any amount it receives from the fuel card provider after you return or destroy the fuel card.
- (g) You remain liable for all fuel card transactions until TFM notifies you that the returned fuel card has been cancelled.

16.2 Purchases using the fuel card

The DriverDirect App uses Google maps to show you the location of any fuel outlet in Australia. However, the DriverDirect App does not identify authorised fuel card outlets.

When you make a purchase using a fuel card, you will receive a voucher from the supplier. You must:

- (a) declare the odometer reading on the Vehicle at the time of purchase; and
- (b) confirm that the details contained on the voucher are accurate.

TFM relies on the accuracy of your odometer declaration and the voucher details. You agree that TFM is not liable in any way for any error or omission in any FBT report where that error or omission results from an inaccurate declaration or voucher.

The fuel card provider will process and report each purchase to TFM and TFM will pay for each purchase made by you using a fuel card. You acknowledge that TFM makes a taxable supply of petroleum products to you each time that you purchase them using a fuel card.

You may, once in each calendar quarter of the Lease term, ask TFM to reimburse you (from TFM's budget for fuel card provision for your Vehicle) for purchases of petroleum products made by you when not using a fuel card. You must, when applying for reimbursement, give TFM a copy of your purchase receipt and details of your bank account for the reimbursement.

You may also ask TFM to reimburse you more frequently for purchases of petroleum products made by you when not using a fuel card; however, TFM may charge you an administrative fee for each additional reimbursement in a calendar quarter.

16.3 Purchase disputes

- (a) TFM will not consider any dispute about a purchase of petroleum products using a fuel card unless you tell TFM that you dispute the details of a purchase within 5 Business Days of becoming aware of the circumstances that have caused the dispute.
- (b) If you tell TFM that you dispute a purchase, TFM will investigate the purchase and inform you of the outcome. Where TFM discovers that a purchase has been incorrectly debited or credited, TFM will adjust the account balance for this Lease accordingly.

17. EMERGENCY SERVICES

17.1 TFM roadside assist

Clause 17.1 applies where you select TFM roadside assist (either TFM standard roadside assist or TFM premium roadside assist) as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

TFM will pay for the registration of the Vehicle with *TFM standard roadside assist* or *TFM premium roadside assist* as selected by you in the Finance Schedule for the Vehicle.

17.2 Other roadside assistance

Clause 17.2 applies where you select other roadside assistance as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

TFM will obtain and pay for membership for the Vehicle, as nominated by you, with:

- (a) a State based motoring association; or
- (b) the Vehicle manufacturer's (or any other provider's) roadside assistance programme.

18. TFM COMPREHENSIVE INSURANCE

Clause 18 applies where you select and agree to TFM Comprehensive Insurance (Fixed) cover as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

Where you do not select TFM Comprehensive Insurance (Fixed) as a Service for the Vehicle, you must comply with your insurance obligations under clauses 5.2 to 5.4 of this Lease.

18.1 TFM provides insurance documents

Before the insurance cover commences, TFM will provide you with a quote, and a copy of its current combined financial services guide and product disclosure statement for the insurance cover.

You acknowledge that:

- (a) TFM does not provide (nor has it provided to you) legal, financial or taxation advice and has recommended that you obtain your own advice. You have either obtained your own independent advice or declined the opportunity to obtain independent advice before you selected and agreed to TFM Comprehensive Insurance (Fixed) cover as a Service for the Vehicle;

- (b) before the insurance cover commences you have received a copy of the product disclosure statement which includes the terms and conditions for the insurance cover for the Vehicle and have read and understand its meaning and effect; and
- (c) TFM recommends that you review the product disclosure statement regularly as your circumstances may change.

You may obtain a copy of TFM's current (and any previous) combined financial services guide and product disclosure statement for the insurance cover at any time from TFM's website (toyotafleetmanagement.com.au or any replacement TFM web site address). You may also at any time request a copy of the current certificate of insurance for the Vehicle from TFM.

18.2 TFM arranges Vehicle insurance cover

On or before the date on which the Vehicle is delivered to you (or the date of a document varying this Lease), TFM will arrange for the Vehicle to be insured in accordance with:

- (a) the terms and conditions of the insurance cover for the Vehicle as set out in the product disclosure statement and the certificate of insurance for the Vehicle; and
- (b) clauses 18.1 to 18.10 of this Lease.

TFM will:

- (c) take out the insurance cover for the Vehicle under a master insurance policy in the name of TFM;
- (d) be the policyholder; and
- (e) provide you with a certificate of insurance for the Vehicle.

18.3 Insurance cover provisions

The terms and conditions for the insurance cover for the Vehicle are set out in the product disclosure statement and the certificate of insurance for the Vehicle. You agree to comply with those terms and conditions.

The insurance cover:

- (a) commences on the Vehicle's delivery date (or on the date of the document varying this Lease);
- (b) continues, and will automatically be renewed, in accordance with the terms and conditions set out in the product disclosure statement and the certificate of insurance for the Vehicle; and
- (c) ceases when this Lease expires or terminates (even if you do not return the Vehicle at that time) or the Lessor cancels the insurance cover in accordance with clause 18.6.

You may notify TFM at any time that you no longer want to take out TFM Comprehensive Insurance (Fixed) cover as a Service for the Vehicle. You must then comply with your insurance obligations under clauses 5.2 to 5.4 of this Lease.

You acknowledge that the insurer will review the product disclosure statement annually and reserves the right to change the terms and conditions of the insurance cover where permitted to do so by law.

18.4 Insurance premiums and your payment

TFM will pay a monthly premium (and Taxes on that premium) for the master insurance policy to the insurer.

You acknowledge that:

- (a) the Fixed Cost instalment which you must pay to TFM for the provision to you of TFM Comprehensive Insurance (Fixed) cover as a Service for the Vehicle is calculated by reference only to the premium amount and Taxes on that amount. It is not calculated by reference to any other amount payable under the master insurance policy; and
- (b) that Fixed Cost instalment will differ from the premium amount to cover TFM's costs of administering the master insurance policy and any commission which TFM receives from the insurer.

18.5 Insurance obligations

TFM will:

- (a) take out the master insurance policy with a reputable insurance company as determined by TFM in its absolute discretion;
- (b) ensure that each premium and other amount necessary to maintain the master insurance policy is paid on time;
- (c) on or about each annual insurance renewal date, provide you with a new certificate of insurance for the Vehicle;
- (d) notify you of any other changes to its current combined financial services guide and product disclosure statement in writing; and
- (e) on request, give you any other information about the insurance cover.

TFM and you must:

- (f) co-operate with each other and the insurer in all matters relating to the insurance cover, any renewal (where applicable) and any claim and not settle or compromise any claim without each other's approval; and
- (g) not do or fail to do anything which might allow an insurer to refuse any claim under the insurance cover.

18.6 Insurance default

If:

- (a) you fail to comply with any of your material obligations under the terms and conditions of the insurance cover; and
- (b) TFM gives you notice of the non-compliance with a period of not less than 10 Business Days to remedy it and you do not remedy that non-compliance by the end of that period,

then TFM may, at any time, in its absolute discretion cancel the insurance cover for the Vehicle. You must then comply with your insurance obligations under clauses 5.2 to 5.4 of this Lease.

18.7 Damaged Vehicle

If the Vehicle is damaged (but not to the extent that an insurer or TFM decides that its repair is impractical or uneconomic), you must restore it as far as possible to the same condition that it was in before the damage occurred.

18.8 Total loss of Vehicle

If an event described in clauses 5.6(a), (b) or (c) occurs for the Vehicle you:

- (a) must make and enforce your claim with the insurer as soon as possible after the event and, upon request, provide TFM with any information about the progress of your claim. Where necessary for your claim, you and TFM will co-operate to execute any document or take any step in connection with that claim;
- (b) irrevocably authorise TFM to receive all money payable in relation to the insurance cover for the Vehicle or payable by any other person as a result of that event. You must account to TFM for any insurance proceeds which you receive; and
- (c) (unless the insurer decides to replace or substitute the Vehicle with another vehicle) must, upon notification by TFM, pay to TFM:
 - (i) the Termination Amount less any amount which TFM has received (before that notice) from an insurer or any other person as a result of the event; and
 - (ii) any other amount which you still owe under this Lease.

TFM will give you a statement specifying in reasonable detail the calculation of the amounts payable by you under this clause and will pay to you any amount by which the insurance proceeds exceed the total amount payable by you under this clause.

This Lease terminates on the day on which you comply with this clause 18.8.

18.9 No Vehicle substitution by an insurer if Vehicle is more than 3 years old

If:

- (a) an event described in clauses 5.6(a), (b) or (c) occurs for the Vehicle; and
- (b) more than 3 years have elapsed since the first registration date of the Vehicle,

the insurer will not provide a replacement or substitute vehicle.

This clause 18.9 does not affect your entitlement to a relief or rental vehicle where you have selected *TFM standard roadside assist* or *TFM premium roadside assist* as a Service for the Vehicle in the Finance Schedule.

18.10 Renewal arrangements

Clause 22.2 sets out insurance renewal arrangements.

19. ADDITIONAL INSURANCE

19.1 Novated Lease Protection

Clause 19.1 applies where you select Novated Lease Protection as an insurance Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

TFM will pay for Novated Lease Protection for the Vehicle.

19.2 Additional insurance

Clause 19.2 applies where you select any additional insurance (GAP insurance, Payment Protection insurance or Extended Factory Warranty) as a Service for the Vehicle in the Finance Schedule (or in a document varying this Lease).

TFM will pay for any additional insurance (GAP insurance, Payment Protection insurance or Extended Factory Warranty) for the Vehicle as selected by you in the Finance Schedule for the Vehicle.

19.3 Renewal arrangements

Clause 22.2 sets out insurance renewal arrangements.

20. ADDITIONAL SERVICES

Clause 20 applies where you select any additional Services for the Vehicle in a Finance Schedule (or in a document varying this Lease).

TFM will provide each additional Service on the terms and conditions for that Service annexed to this Lease or that Finance Schedule.

21. REPORTING

21.1 Lease and FBT reports

TFM will during the Finance Period provide the following reports for the Vehicle:

- (a) for the person named as Employee/Lessee in the Finance Schedule – a quarterly novated lease statement;
- (b) for both the person named as Employee/Lessee in the Finance Schedule and the Employer – on expiry or termination of this Lease, a novated lease termination statement.

Where the Employer has entered into a salary packaging service agreement with TFM, TFM will also give to the Employer the reports required by that agreement.

TFM may also give the Employer for each FBT year during the Finance Period an estimated annual FBT liability report – novated lease for the Vehicle (calculated in accordance with the FBT method specified in the Finance Schedule or the method which you notify to TFM for any subsequent FBT year).

21.2 General

You acknowledge that TFM, in providing any of these reports, relies on information provided by Authorised Service Centres and other third parties and agree that TFM is not liable in any way for any error or omission in a report where that error or omission is as a result of the Authorised Service Centre or third party information.

22. GENERAL

22.1 Directions

You must, in connection with any Service, comply with any reasonable direction which TFM gives to you in relation to the provision of that Service.

22.2 Renewal arrangements

Where TFM is to effect a Service renewal, you must at least 14 days before the relevant renewal date:

- (a) complete and give to TFM a vehicle expense payment request/claim form as well as originals or copies (as notified by TFM) of the relevant renewal documents for that Service (such as registration, compulsory third party insurance or motor vehicle insurance documents);
- (b) take any other steps in connection with the renewal as required or as TFM requests (such as arranging for a compulsory inspection of the Vehicle as may be required by the transport authority in the State).

You must make sure that TFM receives all of those documents, and take any such steps, on time. TFM is not responsible for a renewal if it does not, for any reason, receive those documents, or you do not take any such steps, on time.

You may, alternatively, for any Service, renew the Service yourself and then obtain reimbursement (from TFM's budget for that Service) from TFM. You must, when applying for reimbursement, complete and give to TFM a vehicle expense payment request/claim form as well as originals or copies (as notified by TFM) of the relevant documents endorsed with payment details. TFM is not responsible for the timely renewal of a Service which you choose to renew yourself.



For further information on how Toyota Fleet Management can assist you with motor vehicle finance or vehicle services, please contact either your local Toyota dealer or Toyota Fleet Management.

**TOYOTA FLEET MANAGEMENT
SALARY PACKAGING**

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