

# **Notice of Circulating Resolution and Explanatory Memorandum**

**Issued by A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126)  
trading as Axesstoday  
in relation to a proposed Circulating Resolution of Noteholders of its  
Australian Dollar Subordinated Notes due 22 June 2021  
(ISIN:AU3CB0244192)**

**SERIES 2 NOTES**

**Date:**

**14 January 2019**

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## IMPORTANT NOTICE

### What is this document?

This Notice of Circulating Resolution has been prepared and is issued by A.C.N. 603 303 126 Pty Ltd trading as Axesstoday as the **Issuer** of the Series 2 Notes, to allow Noteholders to consider and vote on a Special Resolution to be put to Noteholders. It is noted that each Noteholder's interests in the Series 2 Notes are recorded in an Austraclear Security Record for each Noteholder.

Terms used in this Notice of Circulating Resolution have the meaning given in the section entitled "Glossary" on pages 7, 8, and 9.

**THE EXPLANATORY MEMORANDUM (SET OUT ON PAGES 21 TO 23) CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ CAREFULLY.**

### No investment advice

The information contained in this Notice of Circulating Resolution does not constitute financial product advice, and has been prepared without reference to any Noteholder's particular investment objectives, financial situation, taxation position, and needs nor those of the Noteholders as a whole. None of the Issuer, the Series 2 Note Trustee, the Series 2 Security Trustee or any other person is providing any taxation, legal or other advice regarding the proposed amendment. It is important that you read the Notice of Circulating Resolution in its entirety before making any decision on how to vote on the Special Resolution. If you are in any doubt, you should consult your professional adviser and make (and shall be taken to have made) your own independent investigation as to the suitability of the proposed amendment in your own particular circumstances.

### Approval

A written resolution signed by or on behalf of the Noteholders of not less than 75% of the aggregate principal amount of Notes outstanding shall, for all purposes, also be as valid and effective as a Special Resolution passed at a meeting of Noteholders duly convened and held.

By submitting an Instruction to Sign in favour of the Special Resolution, a Noteholder is irrevocably instructing Austraclear Ltd, in its capacity as registered holder of the Notes, to sign a written resolution (the **Circulating Resolution**) if holders of at least 75% of the aggregate principal amount of Notes outstanding as at the date of this Notice of Circulating Resolution have submitted an Instruction to Sign in favour of the Special Resolution at any time prior to the date that is one month after the date of this Notice. The Issuer will notify the Noteholders if and when the Special Resolution has been passed. The Special Resolution will take effect on and from the date that it is passed.

If the Special Resolution in respect of the Notes is passed, then unless the Conditions Subsequent have not been satisfied on or prior to 28 February 2019, each Noteholder will be bound by the Special Resolution, irrespective of whether such Noteholder voted in favour of, rejected or voted against or abstained from voting on that Special Resolution or otherwise took no action at all in respect of the Special Resolution.

### CONDITIONS SUBSEQUENT

If the Special Resolution is passed, the Proposed Amendments will be provided subject to the condition subsequent that the Issuer:

- A. by no later than 28 February 2019, will deliver confirmation that:

- i. in the reasonable opinion of the Issuer (based on the current capital management plan for the Group), the ratio of all Financial Indebtedness of the Group to the Eligible Receivable Balance of the Issuer will be no greater than 0.90:1 upon completion of the Capital Raising and funding having been received by the Issuer;
- ii. in the reasonable opinion of the Issuer (based on the current capital management plan for the Group) the monthly average of the ratio of all Financial Indebtedness of the Group to Eligible Receivable Balance of the Issuer calculated as at the end of each month over the period starting on the month immediately following the completion of the Capital Raising and receipt of funding by the Issuer to June 2019 will be no greater than 0.90:1;
- iii. the Further Senior Facility Cross Defaults have been remedied or unconditionally waived by the Senior Lenders;
- iv. the Further Subordinated Notes Cross Defaults have been unconditionally waived by the Subordinated Noteholders;
- v. The Senior Lenders have consented to the Proposed Amendments;
- vi. Holdco has received at least A\$10m of funding through the Capital Raising;
- vii. the ratio of "Financial Indebtedness of the Group to the Eligible Receivables Balance of the Issuer" in condition 5.2(a)(i)(D) of the Subordinated Note Conditions and the "Covenant Debt to Receivables Ratio" in the clause 4.2 of the "Base Terms" of the Simple Corporate Bond are amended to "0.90:1" and "90%" respectively.

collectively, the "**Confirmation**". The Issuer will provide the Confirmation in the form of a Directors Certificate signed by 2 directors of the Issuer.

If the above conditions are not satisfied, then the Proposed Amendments automatically cease to be of effect, do not and did not constitute any form of waiver and Noteholders will have all of their rights and remedies as if the Proposed Amendments had never been passed.

## Questions

If you have any questions about your holding of Series 2 Notes or the Circulating Resolution, please consult your professional adviser. Alternatively, please contact the following:

- for a further explanation of the Circulating Resolution, email Joe Flanagan (ir@axesstoday.com.au); and
- for questions regarding the process and operational aspects of the Circulating Resolution, email Pei Cai Pan (pei.caipan@bnymellon.com).

## Date

This Notice of Circulating Resolution is dated 14 January 2019.

## KEY DATES

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**Notification Date** Monday, 14 January 2019

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**Record Date** Monday, 14 January 2019

**The attached “Instruction to Sign” form must be received no later than 10.00am on Friday, 1 February 2019 to be valid.**

Only those Austraclear Participants in whose Austraclear Security Record the Series 2 Notes appear immediately prior to the Austraclear System opening on the Record Date (**Austraclear Holders**) will be entitled to instruct Austraclear Ltd (**Austraclear**) to sign the Special Resolution set out in Annexure A.

If you are a person with a beneficial interest in the Series 2 Notes on the Record Date (but are not recorded as such in the Austraclear Security Record) (**Beneficial Holder**) you must direct the Austraclear Holder in whose Security Record the Series 2 Notes in respect of which you have that beneficial interest are recorded (**Trustee Austraclear Holder**) to complete the “Instructions to Sign” form set out in Annexure B.

### **Action required by Austraclear Holders**

To instruct Austraclear to sign the Special Resolution set out in Annexure A, Austraclear Holders must complete the Instructions to Sign form in Annexure B and return your “Instructions to Sign” form by fax or by email to BNY Mellon (as the Series 2 Note Trustee) at the following details:

- Fax no: +61 2 9260 6009
- email: [pei.caipan@bnymellon.com](mailto:pei.caipan@bnymellon.com)

**The “Instruction to Sign” form must be received no later than 10.00am on Friday, 1 February 2019 to be valid.**

**An Instruction to Sign is irrevocable once received unless otherwise agreed by the Issuer.**

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Wednesday, 6 February 2019 5.00pm or such earlier time if instructions of Austraclear Holders have been received for the Special Resolution to be passed

### **The date Austraclear will sign the Special Resolution**

Austraclear is recorded in the Register as the sole Noteholder for the Series 2 Notes. Consequently, only Austraclear will be entitled to sign the Circulating Resolution set out in Annexure A. Austraclear will approve the Special Resolution and sign the Circulating Resolution, as the Noteholder, on the instruction of Austraclear Holders.

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On or about 11  
February 2019 or  
such earlier time if the  
Special Resolution  
has been passed

**Notification to Noteholders**

The Issuer will provide notification to the Registrar, the Series 2 Note Trustee and to the Noteholders of the voting outcome of the Special Resolution.

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All references to time in this Notice of Circulating Resolution are to Sydney time. **This timetable is indicative only. The Issuer reserves the right to vary the timetable set out above.**

## GLOSSARY

Terms used but not otherwise defined in this Notice have the meaning given to them in the Series 2 Note Conditions. Terms not defined in the Series 2 Note Conditions or this Notice have the meaning given to them in the Austraclear Regulations. Terms not defined in the Series 2 Note Conditions or this Notice or the Austraclear Regulations have the meaning given to them in the Previous Notice Dated 5 December 2018.

Term	Definition
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the securities market operated by it (as the context requires).
<b>Austraclear</b>	Austraclear Ltd (ABN 94 002 060 773).
<b>Austraclear Regulations</b>	has the meaning given to that term in the Series 2 Note Conditions.
<b>Axesstoday Second Note Trust</b>	the note trust constituted under the Series 2 Note Trust Deed and established in favour of holders of the Series 2 Notes.
<b>Axesstoday Second Security Trust</b>	the security trust constituted under the Security Trust Deed and established in favour of holders of the Series 2 Notes.
<b>Capital Raising</b>	means the raising of additional equity by Holdco through issue of shares.
<b>Circulating Resolution</b>	the Circulating Resolution set out in this Notice of Circulating Resolution.
<b>Conditions Subsequent</b>	means the conditions subsequent set out in the Notice having been satisfied on or prior to 28 February 2019.
<b>Explanatory Memorandum</b>	the Explanatory Memorandum accompanying this Notice of Circulating Resolution.
<b>First Senior Party</b>	each of CBA Corporate Services (NSW) Pty Ltd and each beneficiary of the Axesstoday Senior Security Trust.
<b>First Senior Security Trustee</b>	CBA Corporate Services (NSW) Pty Ltd.
<b>Group</b>	Axesstoday Limited ACN 603 323 182 and its subsidiaries.
<b>Holdco</b>	Axesstoday Limited ACN 603 323 182.
<b>Initial Guarantors</b>	each of Holdco, Axesstoday Retail Pty Ltd (formerly A.C.N. 161 130 696 Pty Ltd), and Axesstoday Operations Pty Ltd (formerly A.C.N. 604 340 785 Pty Ltd).
<b>Issuer or Axsess</b>	A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126) trading as Axesstoday.
<b>Meeting Provisions</b>	the provisions for Meetings of the Noteholders set out in Schedule 5 ("Meeting Provisions") of the Series 2 Note Trust Deed.
<b>Noteholders or Series 2 Noteholders</b>	those persons whose names are entered on the Register of Series 2 Notes as the holder of Series 2 Notes, being Austraclear as at the date of this Notice.
<b>Notice of Circulating Resolution or Notice</b>	this Notice of Circulating Resolution, including the Explanatory Memorandum accompanying this Notice.

<b>Notification Date</b>	Monday, 14 January 2019, being the date of this Notice.
<b>Previous Notices</b>	means the Notices of Circulating Resolution and Explanatory Memorandum dated 1 November 2018 and 5 December 2018 with respect to the Series 2 Notes.
<b>Proposed Amendments</b>	means the amendments set out in the Circulating Resolution.
<b>Record Date</b>	Monday, 14 January 2019, being the date on which those Austraclear Holders entitled to instruct Austraclear to sign the Special Resolution is determined, (being those Austraclear Holders recorded as having an interest in the Series 2 Notes in their respective Austraclear Records on that date).
<b>Senior Facility Agreement</b>	the Facility Agreement dated 9 November 2016 between the Senior Lenders, Commonwealth Bank of Australia as agent, the Issuer and Initial Guarantors (as amended and restated from time to time).
<b>Senior Lenders</b>	Commonwealth Bank of Australia and Macquarie Bank Limited (and includes Commonwealth Bank of Australia as Agent for the Senior Lenders)
<b>Series 2 Information Memorandum</b>	the Information Memorandum dated 28 April 2017, as supplemented by the Pricing Supplement dated 28 April 2017.
<b>Series 2 Note Conditions</b>	the terms and conditions of the Series 2 Notes as set out in the Series 2 Information Memorandum.
<b>Series 2 Note Trust Deed</b>	the Series 2 Note Trust Deed dated 28 April 2017 between the Issuer, each Initial Guarantor and the Series 2 Note Trustee, establishing the Axesstoday Second Note Trust.
<b>Series 2 Note Trustee</b>	BNY Trust Company of Australia Limited (ABN 49 050 294 052) as trustee for the Axesstoday Second Note Trust constituted by the Series 2 Note Trust Deed.
<b>Series 2 Notes</b>	A\$30,000,000 7.50% Fixed Rate Secured Notes due 22 June 2021 (ISIN: AU3CB0244192).
<b>Series 2 Security Trust Deed</b>	the Security Trust Deed dated 28 April 2017 between the Issuer, each Initial Guarantor, Series 2 Note Trustee and Series 2 Security Trustee, establishing the Axesstoday Second Security Trust.
<b>Series 2 Security Trustee</b>	Permanent Custodians Limited (ABN 55 001 426 384) as trustee of the Axesstoday Second Security Trust.
<b>Simple Corporate Bond</b>	means the "Simple Corporate Bonds" quoted on the ASX under ASX code "AXHLA".
<b>Special Resolution</b>	a resolution passed by written resolution under the Meeting Provisions by Noteholders representing (in aggregate) at least 75 per cent of the principal amount of outstanding Series 2 Notes as at the Notification Date.
<b>Subordinated Note Conditions</b>	the terms and conditions of the Subordinated Notes as set out in the Subordinated Note Information Memorandum.
<b>Subordinated Note Information Memorandum</b>	The Information Memorandum dated 7 October 2015, as supplemented by the Pricing Supplement dated 7 October 2015, the Supplemental Information Memorandum dated 27 September 2016 as supplemented by the Pricing



	Supplement dated 27 September 2016, and the Supplemental Information Memorandum dated 22 June 2017 as supplemented by the Pricing Supplement dated 22 June 2017.
<b>Subordinated Note Trust Deed</b>	the Note Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor and the Subordinated Note Trustee, establishing the Axesstoday Note Trust.
<b>Subordinated Note Trustee</b>	BNY Trust Company of Australia Limited (ABN 49 050 294 052) as trustee for the Axesstoday Note Trust constituted by the Subordinated Note Trust Deed.
<b>Subordinated Noteholders</b>	those persons whose names are entered on the Register of Subordinated Notes as the holder of Subordinated Notes, being Austraclear as at the date of this Notice.
<b>Subordinated Notes</b>	A\$50,000,000 Floating Rate Subordinated Notes due 9 October 2021 (ISIN: AU3FN0029096).
<b>Subordinated Security Trust Deed</b>	the Security Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor, and Subordinated Security Trustee, establishing the Axesstoday Security Trust.
<b>Subordinated Security Trustee</b>	Permanent Custodians Limited ABN 55 001 426 384 as security trustee of the Axesstoday Security Trust.
<b>SWF</b>	means the securitisation warehouse facility settled with Macquarie Bank Limited on 30 April 2018.

## NOTICE OF CIRCULATING RESOLUTION TO NOTEHOLDERS

14 January 2019

Dear Noteholder

### NOTICE OF CIRCULATING RESOLUTION OF NOTEHOLDERS

We provide you with this Notice of Circulating Resolution and Explanatory Memorandum in relation to a Circulating Resolution proposed by the Issuer for consideration and approval by Noteholders of the Australian Dollar Subordinated Notes due 22 June 2021 issued by A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126) (ISIN: AU3CB0244192).

Terms used but not otherwise defined in this Notice of Circulating Resolution have the meaning given to them in the Series 2 Note Conditions. Terms not defined in the Series 2 Note Conditions or this Notice of Circulating Resolution have the meaning given to them in the Austraclear Regulations.

Since the issue of our previous Notices of Circulating Resolution and Explanatory Memorandum dated 1 November 2018 and 5 December 2018 with respect to the Series 2 Notes (**Previous Notices**), work on the planned equity raise has continued. While the Company continues to target a gross raise amount of A\$25m, it intends to be able to accommodate a raise of an amount above A\$10m by amending the Series 2 Note Condition relating to the total Financial Indebtedness of the Group.

### REQUESTED AMENDMENTS TO FINANCIAL INDEBTEDNESS COVENANT AND DISTRIBUTIONS AND CAPITAL REDUCTION

Condition 5.2(a)(i)(E) requires that at all times the ratio of Financial Indebtedness of the Covenant Group to Eligible Receivable Balance of the Issuer is not greater than 0.85:1.

The proposed amendment to the financial covenant limiting the total Financial Indebtedness of the Covenant Group provides additional compliance headroom to accommodate smaller than expected gross proceeds from the equity raise, expected to be settled in January 2019. This amendment serves as a risk mitigation lever for the Company.

Accordingly, the Issuer requests that the ratio be revised to 0.90:1.

In conjunction with the above amendment, it is proposed that:

- Distributions and Capital Reductions may not be made out of NPAT of the Group until after 1 January 2020 and only where the ratio of Financial Indebtedness of the Covenant Group to Eligible Receivable Balance of the Issuer is less than 0.80:1; and
- the compliance certificates deliverable within 30 days of each Test Date will include a general discussion regarding the current performance of the Group's business.

### INSTRUCTIONS TO NOTE TRUSTEE

In addition to the proposed amendments discussed above, the Issuer and Initial Guarantors request that the Series 2 Noteholders instruct the Series 2 Note Trustee to amend the

conditions subsequent described in the Previous Notices and applied by the Series 2 Note Trustee to the waivers granted following passing of resolution contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent in this Notice.

## REQUESTED RESOLUTION

The purpose of the Circulating Resolution is to seek and, if passed, amend the Series 2 Note Conditions, and instruct the Series 2 Note Trustee as per the Special Resolution set out below:

*"That pursuant to the Meeting Provisions:*

1. *the Series 2 Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Series 2 Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Series 2 Note Condition 17.1:*
  - a. *Series 2 Note Condition 5.2(a)(i)(E) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Series 2 Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Series 2 Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same.".*

### **Your vote is important.**

This Notice of Circulating Resolution constitutes notice (given under and in accordance with Series 2 Note Condition 19 ("Notices") and the Meeting Provisions).

### **Instructions to Austraclear Ltd to sign**

Only those Austraclear Participants in whose Austraclear Security Record the Series 2 Notes appear immediately prior to the Austraclear System opening on Monday, 14 January 2019 (**Austraclear Holders**) will be entitled to instruct Austraclear Ltd (**Austraclear**) to sign the Special Resolution set out in Annexure A.

**A person with a beneficial interest in the Series 2 Notes must direct the Austraclear Holder in whose Security Record the Series 2 Notes in respect of which you have that beneficial interest are recorded to complete the "Instructions to Sign" form set out in Annexure B.**

### **Action required by Austraclear Holders**

To instruct Austraclear to sign the Special Resolution set out in Annexure A, Austraclear Holders must complete the Instructions to Sign form in Annexure B and return your "Instructions to Sign" form by fax or by email to BNY Mellon. The "Instruction to Sign" form must be received no later than 10.00am on Friday, 1 February 2019 to be valid.

### **Austraclear to sign**

Austraclear is recorded in the Register as the sole Noteholder for the Series 2 Notes. Consequently, only Austraclear will be entitled to sign the Special Resolution set out in Annexure A. Austraclear will approve the Special Resolution set out in Annexure A, as the sole Noteholder, on the instruction of Austraclear Holders on whose behalf it holds the Series 2 Notes as nominee.

The Special Resolution will be determined by a single circulating resolution with respect to the Series 2 Notes. The Special Resolution will be passed if it is signed by the sole Noteholder acting on the instructions of Austraclear Holders which represent (in aggregate) at least 75% of the principal amount of outstanding Series 2 Notes as at the Notification Date.

### **No investment advice**

The information contained in the Notice of Circulating Resolution and Explanatory Memorandum does not constitute financial product advice, and has been prepared without reference to Noteholders' particular investment objectives, financial situation, taxation position, and needs. Axesstoday is not providing any taxation, legal or other advice regarding the proposed amendment. It is important that you read the Notice of Circulating Resolution and Explanatory Memorandum in its entirety before making any decision on how to vote on the Circulating Resolution. If you are in any doubt, you should consult your professional adviser and make (and shall be taken to have made) your own independent investigation as to the suitability of the proposed amendment in your own particular circumstances.

**Neither the Series 2 Note Trustee nor the Series 2 Security Trustee expresses any opinion about the terms of the Special Resolution or makes any recommendation as to whether to vote in favour of or against or how to vote in respect of the Special Resolution.**

Yours sincerely  
**A.C.N. 603 303 126 Pty Ltd**  
trading as **Axesstoday**

## ANNEXURE A – SPECIAL RESOLUTION

The Special Resolution to be considered by Noteholders is set out below.

### RESOLUTION IN RESPECT OF THE SERIES 2 NOTES TO BE CONSIDERED AND IF APPROVED PASSED BY NOTEHOLDERS AS A SPECIAL RESOLUTION

#### 1. Special Resolution

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*"That pursuant to the Meeting Provisions:*

1. *the Series 2 Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Series 2 Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Series 2 Note Condition 17.1:*
  - a. *Series 2 Note Condition 5.2(a)(i)(E) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Series 2 Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Series 2 Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same..."*

The Directors recommend that you vote in favour of the Special Resolution.

**A.C.N. 603 303 126 Pty Ltd**

trading as **Aksesstoday**

Dated: 14 January 2019

If passed by Noteholders, Austraclear Ltd, being the holder of the Series 2 Notes issued by the Issuer, will execute the following duly completed confirmation (on its letterhead) as evidence of the Special Resolution having been passed as a Circulating Resolution.

### RESOLUTION IN RESPECT OF THE SERIES 2 NOTES PASSED BY THE NOTEHOLDERS

Austraclear Ltd, being the holder of the Series 2 Notes issued by the Issuer, in accordance with instructions in the Notification of Voting Intention duly received from the Issuer and the Notice of Meeting dated 14 January 2019 votes in favour of the Special Resolution and consequently, the Special Resolution set out below is passed by this Circulating Resolution.

*"That pursuant to the Meeting Provisions:*

1. *the Series 2 Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Series 2 Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Series 2 Note Condition 17.1:*
  - a. *Series 2 Note Condition 5.2(a)(i)(E) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Series 2 Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Series 2 Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same.".*

<b>Noteholder</b>	<b>Name of authorised representative</b>	<b>Outstanding principal amount of Series 2 Notes to be voted for</b>	<b>Outstanding principal amount of Series 2 Notes to be voted against</b>	<b>Outstanding principal amount of Series 2 Notes abstained</b>	<b>Date of signing</b>
Austraclear Ltd		[A\$[•]]	[A\$[•]/Nil]	[A\$[•]/Nil]	

Executed by

[•], as attorney for **AUSTRACLEAR LTD** under Power of Attorney dated 4 August 2010 in the presence of:

\_\_\_\_\_  
 ▲ Signature of witness  
 \_\_\_\_\_

\_\_\_\_\_  
 ▲ Signature of Attorney  
 \_\_\_\_\_

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▲ Full name of witness (print)

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▲ Full name of Attorney (print)

## ANNEXURE B – INSTRUCTIONS TO SIGN

### 1 DETAILS OF AUSTRACLEAR HOLDER

Name: .....

Address: .....

### 2 DETAILS OF SERIES 2 NOTES HELD BY AUSTRACLEAR HOLDER

	<b>Aggregate principal amount of Series 2 Notes held by the Austraclear Holder</b>
A\$30,000,000 in aggregate amount outstanding Australian Dollar Subordinated Notes due 22 June 2021 (ISIN: AU3CB0244192)	A\$[xx]

### 3 DETAILS OF BENEFICIAL HOLDERS WHICH HAVE INSTRUCTED YOU AS THE AUSTRACLEAR HOLDER (This section is not mandatory and failure to complete this section does not invalidate these Instructions to Sign.)

Name: .....

Name: .....

Name: .....

Name: .....

### 4 DIRECTION TO SIGN

I direct Austraclear Ltd to vote in favour of the Special Resolution below by signing and dating the circulating Special Resolution in accordance with the following directions.

<b>Resolutions in respect of the Series 2 Notes</b>					
The Noteholder resolves that with effect on and from [●] 2018, the Special Resolution in the Circulating Resolution and execution of the Circulating Resolution by A.C.N. 603 303 126 Pty Ltd be agreed and approved..					
<b>Noteholder</b>	<b>Name of authorised representative</b>	<b>Outstanding principal amount of Series 2 Notes to be voted for</b>	<b>Outstanding principal amount of Series 2 Notes to be voted against</b>	<b>Outstanding principal amount of Series 2 Notes abstained</b>	<b>Date of signing</b>
Austraclear Ltd		A\$[xx]	A\$[xx]/Nil	A\$[xx]/Nil	



**SIGNING PAGE**

**Signing Instructions:**

Austraclear Holders are requested to:

- 1 select the appropriate execution clause from those set out below (or if the appropriate execution clause is not set out below, insert the appropriate execution clause);
- 2 sign and date it accordingly; and
- 3 deliver the completed Instructions to Sign form by fax or by email to BNY Mellon at the following details, by no later than 10.00am (Sydney time) 1 February 2019:
  - Fax no: +61 2 9260 6009
  - email: pei.caipan@bnymellon.com

**Executed** as a deed on 2018

<b>EXECUTED</b> by	)	
	)	
.....	)	
Name of Austraclear Holder	)	
	)	
.....	)	.....
Company Secretary/Director	)	Director
	)	
.....	)	.....
Name of Company Secretary/Director (block letters)	)	Name of Director (block letters)

**OR**

<b>SIGNED</b> by	)	
	)	
.....	)	
Name of Attorney	)	
as attorney for:	)	
	)	
.....	)	.....
[insert name of Austraclear Holder]	)	By executing these Instructions to Sign
pursuant to power of attorney in the	)	the attorney states that the attorney has
presence of:	)	received no notice of revocation of the
	)	power of attorney and has included a
	)	certified copy of the power of attorney
.....	)	with these Instructions to Sign.
Signature of witness	)	
	)	
.....	)	
Name of witness (block letters)	)	

**OR**

**SIGNED** by )  
 )  
..... )  
as Authorised Representative for )  
 )  
..... )  
[insert name of Austraclear Holder] )  
in the presence of: )  
 )  
..... )  
Signature of witness )  
 )  
..... )  
Name of witness (block letters) )

.....  
By executing these Instructions to Sign  
the authorised representative states  
that the authorised representative has  
received no notice of revocation of their  
authority to sign.

**OR INSERT OTHER BELOW**

## ANNEXURE C - NOTIFICATION OF VOTING INTENTION RECEIVED FROM AUSTRACLEAR HOLDERS

*[To be provided by the Issuer to Austraclear]*

### **[Letterhead of the Issuer]**

#### **Amendment of the Series 2 Note Conditions of the following Notes**

Issuer	ISIN	Title	Status	Aggregate outstanding principal amount
A.C.N. 603 303 126 Pty Ltd trading as Axsesstoday	AU3CB0244192	7.50% Fixed Rate Notes due 22 June 2021	Secured	A\$30,000,000

Date: **[●] 2018**

To: **Austraclear Ltd (ABN 94 002 060 773) as the registered Noteholder of the Notes issued by A.C.N. 603 303 126 Pty Ltd trading as Axsesstoday (Issuer) and described above (the Notes)**

We refer to the Notice of Circulating Resolution and Explanatory Memorandum dated [●] 2018 (**Notice**) in respect of the proposed amendments (**Proposed Amendments**) set out in that Notice. We confirm that a Special Resolution in the form set out in the Notice is required to give effect to the Proposed Amendments. Terms not defined in this letter have the meanings given in that Notice.

We confirm that the Series 2 Note Trustee has advised us that the Notice was circulated to Austraclear Holders.

We certify that we received instructions from the Series 2 Note Trustee that, as at [●][am/pm] on [●] 2018, the Series 2 Note Trustee had received validly completed Instructions to Sign in respect of the Special Resolution from Austraclear Holders (or nominee Austraclear Holders) in whose Security Record the Notes are held, in the form satisfactory to the Series 2 Note Trustee in respect of Notes representing A\$[●] in aggregate principal amount outstanding.

We confirm that those Austraclear Holders have instructed Austraclear Ltd to vote on the resolution by signing a Circulating Resolution in the form set out in the Notice, as follows

Voted for	Voted against	Abstained	No votes received
A\$[●]	A\$[●]	A\$[●]	A\$[●]

The Issuer certifies that this is sufficient majority to pass the resolution as a Special Resolution and that the Austraclear Holders have authorised and instructed Austraclear Ltd to pass the resolution set out below:

*"That pursuant to the Meeting Provisions:*

1. *the Series 2 Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Series 2 Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Series 2 Note Condition 17.1:*
  - a. *Series 2 Note Condition 5.2(a)(i)(E) is amended by replacing "0.85:1" with "0.90:1"*

- b. *Series 2 Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
- c. *Series 2 Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same.".*

We **attach** a Circulating Resolution to be signed by Austraclear reflecting those instructions.

We have relied, without further investigation or verification, on the Instructions to Sign received by the Series 2 Note Trustee and from the Austraclear Holders and forwarded to us as we have no reasonable grounds to believe that those Instructions to Sign are not genuine or correct.

.....  
Authorised signatory of A.C.N. 603 303 126 Pty Ltd trading as Axesstoday

.....  
Name (print):

## EXPLANATORY MEMORANDUM

### OVERVIEW

The information in this section is a brief summary of the reasons for the Proposed Amendments being requested by the Issuer. The Issuer is of the view that for the reasons set out below, the Proposed Amendments will not be adverse to the rights or interests of the Series 2 Noteholders.

#### 1. Background and Summary

Holdco has gone through a significant review process internally over the course of the last few months (**Internal Review**). In the course of completing this review, Holdco reissued its FY18 Financial Statements, refocused its originations on the core equipment finance business, implemented new internal governance frameworks and process controls, refreshed its management and has formulated a new capital management plan. The first stage of this plan is cornerstoned by the equity raise which began in December and is expected to close in January/February 2019.

The equity raise is conducted through an entitlement offer through which existing shareholders can participate, and is also being made available to select new investors. The planned gross amount of the raise is A\$25m. The equity raise provides additional support to existing debt holders in the Covenant Group while securing funding for ongoing originations. The capital management plan anticipates the completion of securitisation transactions in 2019, including a term out and the planned sell down of the mezzanine note in the SWF which the Company itself holds. The completion of these transactions releases significant equity capital from the warehouse back to the Covenant Group which can be deployed for the repayment of secured debt, including but not limited and subject to Senior Lender consent, the Series 2 and Subordinated Notes in the latter half of 2019 (subject to consent of Senior Lenders).

#### 2. Actions Taken by Holdco Board of Directors and Management

##### *Appointment of new managing director*

Since the departure of the previous CEO, the Company has been operating under the guidance of the management team consisting of Dermott McVeigh interim CEO, Joe Flanagan, CFO, and Konrad Pels, acting COO. Mr McVeigh has been assisting the board of directors with implementing an updated capital management plan and with recruitment for a replacement CEO since October. A replacement CEO has been appointed, conditional on the successful completion of the capital raise.

The conditionally-appointed CEO has over 10 years' experience in the financial services sector. His extensive experience includes leading the business lending area of a major bank, his familiarity with the type of finance provided by the Company is considered a strong asset in stepping into the role of leading the Company. Upon successful completion of the capital raise, Mr McVeigh would remain with the Issuer as a consultant for a transition period.

##### *Strengthening of governance and internal controls*

External legal counsel has been engaged on a retainer basis to provide guidance on the Issuer's ongoing compliance with its funding agreements. The Company is in the process of recruiting a General Counsel with significant banking and finance experience. The Company has also recently recruited a Compliance Manager with over a decade of experience at a major bank, an acting Chief Operating Officer with a strong business operations improvement background.

The Company had in place a Credit Committee composed of management, involved in the assessment of large and complex deals, setting credit policy and providing oversight of the management of credit risk across the business. The structure of the Credit Committee was recently amended to enhance its independence and effectiveness. The amendments included the adoption of a new board-approved charter, a widening of executive participation in the committee, and a review and update of the Company's credit policy. The Credit Committee is accountable to the board of directors and members must be appointed by the board.

The Company maintains its focus on continuous technology improvement. It is expecting to implement an updated version of its Loan Origination System and Core Banking platform over the course of this financial year. The upgrade will provide further significant operational efficiencies, operational controls and reporting enhancements that will ensure the Company has the necessary tools to manage compliance requirements effectively in the future.

### *Capital management plan*

Under the Company's revised capital management plan, it has suspended dividend distributions and initiated an equity raise to provide further support to the capital structure. The capital management plan has been constructed to target ongoing compliance with all debt facilities and funding for future receivables growth.

The plan focuses on the use of securitisation term outs to debt investors to optimise debt funding and, over time, reduce leverage in the Covenant Group. The first term out from the SWF is targeted in the latter half of FY19, with the potential sale of the mezzanine note in the SWF also being explored.

### **3. Request to Noteholders for Amendment**

The below outlines the details of the amendment to the Series 2 Notes that the Issuer and Initial Guarantors are seeking.

While the Company continues to target a gross raise amount of A\$25m it intends to provide itself with a fall-back position by amending the Series 2 Note covenant relating to the total Financial Indebtedness of the Group so that it can accommodate a smaller raise of above A\$10 m if required. The reason for this is that the planned capital raising was delayed due to the reissuance of FY18 Financial Statements which occurred in November 2018. The reissuance was necessary to complete before the equity raise could be undertaken. The consequence of the delay in the capital raise timetable to the end of the year has been that equity markets have begun to close, making it more challenging to raise the desired amount.

The proposed revision of the ratio of the total Financial Indebtedness of the Covenant Group to the Eligible Receivables Balance, from 0.85:1 to 0.90:1, provides additional compliance headroom in the event that the gross proceeds from the equity raise are less than A\$25m. For gross proceeds of A\$15-20m, a covenant ratio limit of 0.90:1 would allow the Issuer to have at least the same degree of headroom, as would be the case if it had completed a A\$25m equity raise, with a covenant limit of 0.85:1. Accordingly, the Issuer requests that the ratio be revised to 0.90:1 and is seeking approval to amend the terms of the Senior Facility Agreement and the Simple Corporate Bond to match this request where applicable.

The Company's intention is to ensure that the proceeds of the raise allow for long term compliance with all covenants based on conservative forecasts. The proceeds of the equity raise will serve as additional support for the Series 2 Noteholders, Subordinated Noteholders and holders of Simple Corporate Bonds. In approving the proposed amendment, the Series 2 Noteholders will be assisting in the success of the equity raise by enhancing the positive impact which it has on compliance with the total Financial Indebtedness covenant. This ultimately supports their security position despite increasing the limit on the permitted indebtedness level of the Company.

In support of the Company's intent, it is also proposed that the Series 2 Conditions are amended so that:

- no Distribution or Capital Reduction out of NPAT of the Group may be undertaken before 1 January 2020 and must not be undertaken where the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is greater than 0.80:1; and
- the compliance certificates deliverable within 30 days of each Test Date will include a general discussion regarding the current performance of the Group's business.

The Conditions Subsequent include receiving at least A\$10m under the Capital Raising. In order for the equity raise to have been settled, the Senior Lenders will have reset the covenants and waived all existing breaches in the Syndicated Facility. Additionally, the investigating accountant engaged as part of the equity raise will have provided confirmation that, in its reasonable estimate, the Company is not, subject to certain assumptions, forecast to breach finance covenants over the next 12 months.

**The Issuer asks that you approve the Proposed Amendments as it works to complete its strategic review and refocus on funding business critical equipment in the hospitality and transport sectors.**

## SPECIAL RESOLUTION

### Special Resolution:

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*"That pursuant to the Meeting Provisions:*

1. *the Series 2 Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Series 2 Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Series 2 Note Condition 17.1:*
  - a. *Series 2 Note Condition 5.2(a)(i)(E) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Series 2 Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Series 2 Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same.".*

# Notice of Circulating Resolution and Explanatory Memorandum

**Issued by A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126)  
trading as Axsesstoday  
in relation to a proposed Circulating Resolution of Noteholders of its  
Australian Dollar Subordinated Notes due 9 October 2021  
(ISIN:AU3FN0029096)**

**Date:**

**14 January 2019**



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## IMPORTANT NOTICE

### What is this document?

This Notice of Circulating Resolution has been prepared and is issued by A.C.N. 603 303 126 Pty Ltd trading as Axesstoday as the “**Issuer**” of the Subordinated Notes, to allow Noteholders to consider and vote on a Special Resolution to be put to Noteholders. It is noted that each Noteholder’s interests in the Subordinated Notes are recorded in an Austraclear Security Record for each Noteholder.

Terms used in this Notice of Circulating Resolution have the meaning given in the section entitled “Glossary” on pages 7, 8, and 9.

**THE EXPLANATORY MEMORANDUM (SET OUT ON PAGES 21 TO 24) CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ CAREFULLY.**

### No investment advice

The information contained in this Notice of Circulating Resolution does not constitute financial product advice, and has been prepared without reference to any Noteholder’s particular investment objectives, financial situation, taxation position, and needs nor those of the Noteholders as a whole. None of the Issuer, the Subordinated Note Trustee, the Subordinated Security Trustee or any other person is providing any taxation, legal or other advice regarding the proposed amendment. It is important that you read the Notice of Circulating Resolution in its entirety before making any decision on how to vote on the Special Resolution. If you are in any doubt, you should consult your professional adviser and make (and shall be taken to have made) your own independent investigation as to the suitability of the proposed amendment in your own particular circumstances.

### Approval

A written resolution signed by or on behalf of the Noteholders of not less than 75% of the aggregate principal amount of Notes outstanding shall, for all purposes, also be as valid and effective as a Special Resolution passed at a meeting of Noteholders duly convened and held.

By submitting an Instruction to Sign in favour of the Special Resolution, a Noteholder is irrevocably instructing Austraclear Ltd, in its capacity as registered holder of the Notes, to sign a written resolution (the **Circulating Resolution**) if holders of at least 75% of the aggregate principal amount of Notes outstanding as at the date of this Notice of Circulating Resolution have submitted an Instruction to Sign in favour of the Special Resolution at any time prior to the date that is one month after the date of this Notice. The Issuer will notify the Noteholders if and when the Special Resolution has been passed. The Special Resolution will take effect on and from the date that it is passed.

If the Special Resolution in respect of the Notes is passed, then unless the Conditions Subsequent have not been satisfied on or prior to 28 February 2019, each Noteholder will be bound by the Special Resolution, irrespective of whether such Noteholder voted in favour of, rejected or voted against or abstained from voting on that Special Resolution or otherwise took no action at all in respect of the Special Resolution.

### CONDITIONS SUBSEQUENT

If the Special Resolution is passed, the Proposed Amendments will be provided subject to the condition subsequent that the Issuer:

- A. by no later than 28 February 2019, will deliver confirmation that:

- i. in the reasonable opinion of the Issuer (based on the current capital management plan for the Group), the ratio of all Financial Indebtedness of the Group to the Eligible Receivable Balance of the Issuer will be no greater than 0.90:1 upon completion of the Capital Raising and funding having been received by the Issuer;
- ii. in the reasonable opinion of the Issuer (based on the current capital management plan for the Group) the monthly average of the ratio of all Financial Indebtedness of the Group to Eligible Receivable Balance of the Issuer calculated as at the end of each month over the period starting on the month immediately following the completion of the Capital Raising and receipt of funding by the Issuer to June 2019 will be no greater than 0.90:1;
- iii. the Further Senior Facility Cross Defaults have been remedied or unconditionally waived by the Senior Lenders;
- iv. the Further Series 2 Notes Cross Defaults have been unconditionally waived by the Series 2 Noteholders;
- v. the Senior Lenders have consented to the Proposed Amendments;
- vi. Holdco has received at least A\$10m of funding through the Capital Raising;
- vii. the ratio of "Financial Indebtedness of the Group to the Eligible Receivables Balance of the Issuer" in condition 5.2(a)(i)(E) of the Series 2 Note Conditions and the "Covenant Debt to Receivables Ratio" in the clause 4.2 of the "Base Terms" of the Simple Corporate Bond are amended to "0.90:1" and "90%" respectively.

collectively, the "**Confirmation**". The Issuer will provide the Confirmation in the form of a Directors Certificate signed by 2 directors of the Issuer.

If the above conditions are not satisfied, then the Proposed Amendments automatically cease to be of effect, do not and did not constitute any form of waiver and Noteholders will have all of their rights and remedies as if the Proposed Amendments had never been passed.

## Questions

If you have any questions about your holding of Subordinated Notes or the Circulating Resolution, please consult your professional adviser. Alternatively, please contact the following:

- for a further explanation of the Circulating Resolution, email Joe Flanagan (ir@axesstoday.com.au); and
- for questions regarding the process and operational aspects of the Circulating Resolution, email Pei Cai Pan (pei.caipan@bnymellon.com).

## Date

This Notice of Circulating Resolution is dated 14 January 2019.

## KEY DATES

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**Notification Date** Monday, 14 January 2019

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**Record Date** Monday, 14 January 2019

**The attached “Instruction to Sign” form must be received no later than 10.00am on Friday, 1 February 2019 to be valid.**

Only those Austraclear Participants in whose Austraclear Security Record the Subordinated Notes appear immediately prior to the Austraclear System opening on the Record Date (**Austraclear Holders**) will be entitled to instruct Austraclear Ltd (**Austraclear**) to sign the Special Resolution set out in Annexure A.

If you are a person with a beneficial interest in the Subordinated Notes on the Record Date (but are not recorded as such in the Austraclear Security Record) (**Beneficial Holder**) you must direct the Austraclear Holder in whose Security Record the Subordinated Notes in respect of which you have that beneficial interest are recorded (**Trustee Austraclear Holder**) to complete the “Instructions to Sign” form set out in Annexure B.

### **Action required by Austraclear Holders**

To instruct Austraclear to sign the Special Resolution set out in Annexure A, Austraclear Holders must complete the Instructions to Sign form in Annexure B and return your “Instructions to Sign” form by fax or by email to BNY Mellon (as the Subordinated Note Trustee) at the following details:

- Fax no: +61 2 9260 6009
- email: [pei.caipan@bnymellon.com](mailto:pei.caipan@bnymellon.com)

**The “Instruction to Sign” form must be received no later than 10.00am on Friday, 1 February 2019 to be valid.**

**An Instruction to Sign is irrevocable once received unless otherwise agreed by the Issuer.**

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Wednesday, 6 February 2019 5.00pm or such earlier time if instructions of Austraclear Holders have been received for the Special Resolution to be passed

### **The date Austraclear will sign the Special Resolution**

Austraclear is recorded in the Register as the sole Noteholder for the Subordinated Notes. Consequently, only Austraclear will be entitled to sign the Circulating Resolution set out in Annexure A. Austraclear will approve the Special Resolution and sign the Circulating Resolution, as the Noteholder, on the instruction of Austraclear Holders.

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On or about 11  
February 2019 or  
such earlier time if the  
Special Resolution  
has been passed

**Notification to Noteholders**

The Issuer will provide notification to the Registrar, the Subordinated Note Trustee and to the Noteholders of the voting outcome of the Special Resolution.

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All references to time in this Notice of Circulating Resolution are to Sydney time. **This timetable is indicative only. The Issuer reserves the right to vary the timetable set out above.**

## GLOSSARY

Terms used but not otherwise defined in this Notice have the meaning given to them in the Subordinated Note Conditions. Terms not defined in the Subordinated Note Conditions or this Notice have the meaning given to them in the Austraclear Regulations. Terms not defined in the Subordinated Note Conditions or this Notice or the Austraclear Regulations have the meaning given to them in the Previous Notice Dated 5 December 2018.

Term	Definition
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the securities market operated by it (as the context requires).
<b>Austraclear</b>	Austraclear Ltd (ABN 94 002 060 773).
<b>Austraclear Regulations</b>	has the meaning given to that term in the Subordinated Note Conditions.
<b>Axesstoday Second Note Trust</b>	the note trust constituted under the Series 2 Note Trust Deed and established in favour of holders of the Series 2 Notes.
<b>Axesstoday Second Security Trust</b>	the security trust constituted under the Security Trust Deed and established in favour of holders of the Series 2 Notes.
<b>Capital Raising</b>	means the raising of additional equity by Holdco through issue of shares.
<b>Circulating Resolution</b>	the Circulating Resolution set out in this Notice of Circulating Resolution.
<b>Conditions Subsequent</b>	means the conditions subsequent set out in the Notice having been satisfied on or prior to 28 February 2019.
<b>Explanatory Memorandum</b>	the Explanatory Memorandum accompanying this Notice of Circulating Resolution.
<b>First Senior Party</b>	each of CBA Corporate Services (NSW) Pty Ltd and each beneficiary of the Axesstoday Senior Security Trust.
<b>First Senior Security Trustee</b>	CBA Corporate Services (NSW) Pty Ltd.
<b>Group</b>	Axesstoday Limited ACN 603 323 182 and its subsidiaries.
<b>Holdco</b>	Axesstoday Limited ACN 603 323 182.
<b>Initial Guarantors</b>	each of Holdco, Axesstoday Retail Pty Ltd (formerly A.C.N. 161 130 696 Pty Ltd), and Axesstoday Operations Pty Ltd (formerly A.C.N. 604 340 785 Pty Ltd).
<b>Issuer or Axess</b>	A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126) trading as Axesstoday.
<b>Meeting Provisions</b>	the provisions for Meetings of the Noteholders set out in Schedule 5 ("Meeting Provisions") of the Subordinated Note Trust Deed.
<b>Noteholders or Subordinated Noteholders</b>	those persons whose names are entered on the Register of Subordinated Notes as the holder of Subordinated Notes, being Austraclear as at the date of this Notice.
<b>Notice of Circulating Resolution or Notice</b>	this Notice of Circulating Resolution, including the Explanatory Memorandum accompanying this Notice.

<b>Notification Date</b>	Monday, 14 January 2019, being the date of this Notice.
<b>Previous Notices</b>	means the Notices of Circulating Resolution and Explanatory Memorandum dated 1 November 2018 and 5 December 2018 with respect to the Subordinated Notes.
<b>Proposed Amendments</b>	means the amendments set out in the Circulating Resolution.
<b>Record Date</b>	Monday, 14 January 2019, being the date on which those Austraclear Holders entitled to instruct Austraclear to sign the Special Resolution is determined, (being those Austraclear Holders recorded as having an interest in the Subordinated Notes in their respective Austraclear Records on that date).
<b>Senior Facility Agreement</b>	the Facility Agreement dated 9 November 2016 between the Senior Lenders, Commonwealth Bank of Australia as agent, the Issuer and Initial Guarantors (as amended and restated from time to time).
<b>Senior Lenders</b>	Commonwealth Bank of Australia and Macquarie Bank Limited (and includes Commonwealth Bank of Australia as Agent for the Senior Lenders)
<b>Series 2 Information Memorandum</b>	the Information Memorandum dated 28 April 2017, as supplemented by the Pricing Supplement dated 28 April 2017.
<b>Series 2 Note Conditions</b>	the terms and conditions of the Series 2 Notes as set out in the Series 2 Information Memorandum.
<b>Series 2 Note Trust Deed</b>	the Series 2 Note Trust Deed dated 28 April 2017 between the Issuer, each Initial Guarantor and the Series 2 Note Trustee, establishing the Axesstoday Second Note Trust.
<b>Series 2 Note Trustee</b>	BNY Trust Company of Australia Limited (ABN 49 050 294 052) as trustee for the Axesstoday Second Note Trust constituted by the Series 2 Note Trust Deed.
<b>Series 2 Notes</b>	A\$30,000,000 7.50% Fixed Rate Secured Notes due 22 June 2021 (ISIN: AU3CB0244192).
<b>Series 2 Security Trust Deed</b>	the Security Trust Deed dated 28 April 2017 between the Issuer, each Initial Guarantor, Series 2 Note Trustee and Series 2 Security Trustee, establishing the Axesstoday Second Security Trust.
<b>Series 2 Security Trustee</b>	Permanent Custodians Limited (ABN 55 001 426 384) as trustee of the Axesstoday Second Security Trust.
<b>Simple Corporate Bond</b>	means the "Simple Corporate Bonds" quoted on the ASX under ASX code "AXHLA".
<b>Special Resolution</b>	a resolution passed by written resolution under the Meeting Provisions by Noteholders representing (in aggregate) at least 75 per cent of the principal amount of outstanding Subordinated Notes as at the Notification Date.
<b>Subordinated Note Conditions</b>	the terms and conditions of the Subordinated Notes as set out in the Subordinated Note Information Memorandum.

<b>Subordinated Note Information Memorandum</b>	The Information Memorandum dated 7 October 2015, as supplemented by the Pricing Supplement dated 7 October 2015, the Supplemental Information Memorandum dated 27 September 2016 as supplemented by the Pricing Supplement dated 27 September 2016, and the Supplemental Information Memorandum dated 22 June 2017 as supplemented by the Pricing Supplement dated 22 June 2017.
<b>Subordinated Note Trust Deed</b>	the Note Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor and the Subordinated Note Trustee, establishing the Axesstoday Note Trust.
<b>Subordinated Note Trustee</b>	BNY Trust Company of Australia Limited (ABN 49 050 294 052) as trustee for the Axesstoday Note Trust constituted by the Subordinated Note Trust Deed.
<b>Series 2 Noteholders</b>	those persons whose names are entered on the Register of Series 2 Notes as the holder of Series 2 Notes, being Austraclear as at the date of this Notice.
<b>Subordinated Notes</b>	A\$50,000,000 Floating Rate Subordinated Notes due 9 October 2021 (ISIN: AU3FN0029096).
<b>Subordinated Security Trust</b>	The security trust constituted by the Subordinated Security Trust Deed and established in favour of the holders of the Subordinated Notes.
<b>Subordinated Security Trust Deed</b>	the Security Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor, and Subordinated Security Trustee, establishing the Axesstoday Security Trust.
<b>Subordinated Security Trustee</b>	Permanent Custodians Limited ABN 55 001 426 384 as security trustee of the Axesstoday Security Trust.
<b>SWF</b>	means the securitisation warehouse facility settled with Macquarie Bank Limited on 30 April 2018.



## NOTICE OF CIRCULATING RESOLUTION TO NOTEHOLDERS

14 January 2019

Dear Noteholder

### NOTICE OF CIRCULATING RESOLUTION OF NOTEHOLDERS

We provide you with this Notice of Circulating Resolution and Explanatory Memorandum in relation to a Circulating Resolution proposed by the Issuer for consideration and approval by Noteholders of the Australian Dollar Subordinated Notes due 9 October 2021 issued by A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126) (ISIN: AU3FN0029096).

Terms used but not otherwise defined in this Notice of Circulating Resolution have the meaning given to them in the Subordinated Note Conditions. Terms not defined in the Subordinated Note Conditions or this Notice of Circulating Resolution have the meaning given to them in the Austraclear Regulations.

Since the issue of our previous Notices of Circulating Resolution and Explanatory Memorandum dated 1 November 2018 and 5 December 2018 with respect to the Subordinated Notes (**Previous Notices**), work on the planned equity raise has continued. While the Company continues to target a gross raise amount of A\$25m, it intends to be able to accommodate a raise of an amount above A\$10m by amending the Subordinated Note Condition relating to the total Financial Indebtedness of the Group.

### REQUESTED AMENDMENTS TO FINANCIAL INDEBTEDNESS COVENANT AND DISTRIBUTIONS AND CAPITAL REDUCTION

Condition 5.2(a)(i)(D) requires that at all times the ratio of Financial Indebtedness of the Covenant Group to Eligible Receivable Balance of the Issuer is not greater than 0.85:1.

The proposed amendment to the financial covenant limiting the total Financial Indebtedness of the Covenant Group provides additional compliance headroom to accommodate smaller than expected gross proceeds from the equity raise, expected to be settled in January 2019. This amendment serves as a risk mitigation lever for the Company.

Accordingly, the Issuer requests that the ratio be revised to 0.90:1.

In conjunction with the above amendment, it is proposed that:

- Distributions and Capital Reductions may not be made out of NPAT of the Group until after 1 January 2020 and only where the ratio of Financial Indebtedness of the Covenant Group to Eligible Receivable Balance of the Issuer is less than 0.80:1; and
- the compliance certificates deliverable within 30 days of each Test Date will include a general discussion regarding the current performance of the Group's business.

### INSTRUCTIONS TO NOTE TRUSTEE

In addition to the proposed amendments discussed above, the Issuer and Initial Guarantors request that the Subordinated Noteholders instruct the Subordinated Note Trustee to amend the conditions subsequent described in the Previous Notices and applied by the Subordinated Note Trustee to the waivers granted following passing of resolution contemplated in the Previous

Notices by replacing those conditions subsequent with the Conditions Subsequent in this Notice.

## REQUESTED RESOLUTION

The purpose of the Circulating Resolution is to seek and, if passed, amend the Subordinated Note Conditions, and instruct the Subordinated Note Trustee as per the Special Resolution set out below:

*"That pursuant to the Meeting Provisions:*

1. *the Subordinated Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Subordinated Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Subordinated Note Condition 17.1:*
  - a. *Subordinated Note Condition 5.2(a)(i)(D) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Subordinated Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Subordinated Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same."*

### **Your vote is important.**

This Notice of Circulating Resolution constitutes notice (given under and in accordance with Subordinated Note Condition 19 ("Notices") and the Meeting Provisions).

### **Instructions to Austraclear Ltd to sign**

Only those Austraclear Participants in whose Austraclear Security Record the Subordinated Notes appear immediately prior to the Austraclear System opening on 14 January 2019 (**Austraclear Holders**) will be entitled to instruct Austraclear Ltd (**Austraclear**) to sign the Special Resolution set out in Annexure A.

**A person with a beneficial interest in the Subordinated Notes must direct the Austraclear Holder in whose Security Record the Subordinated Notes in respect of which you have that beneficial interest are recorded to complete the "Instructions to Sign" form set out in Annexure B.**

### **Action required by Austraclear Holders**

To instruct Austraclear to sign the Special Resolution set out in Annexure A, Austraclear Holders must complete the Instructions to Sign form in Annexure B and return your "Instructions to Sign"

form by fax or by email to BNY Mellon. The "Instruction to Sign" form must be received no later than 10.00am on Friday, 1 February 2019 to be valid.

**Austraclear to sign**

Austraclear is recorded in the Register as the sole Noteholder for the Subordinated Notes. Consequently, only Austraclear will be entitled to sign the Special Resolution set out in Annexure A. Austraclear will approve the Special Resolution set out in Annexure A, as the sole Noteholder, on the instruction of Austraclear Holders on whose behalf it holds the Subordinated Notes as nominee.

The Special Resolution will be determined by a single circulating resolution with respect to the Subordinated Notes. The Special Resolution will be passed if it is signed by the sole Noteholder acting on the instructions of Austraclear Holders which represent (in aggregate) at least 75% of the principal amount of outstanding Subordinated Notes as at the Notification Date.

**No investment advice**

The information contained in the Notice of Circulating Resolution and Explanatory Memorandum does not constitute financial product advice, and has been prepared without reference to Noteholders' particular investment objectives, financial situation, taxation position, and needs. Axesstoday is not providing any taxation, legal or other advice regarding the proposed amendment. It is important that you read the Notice of Circulating Resolution and Explanatory Memorandum in its entirety before making any decision on how to vote on the Circulating Resolution. If you are in any doubt, you should consult your professional adviser and make (and shall be taken to have made) your own independent investigation as to the suitability of the proposed amendment in your own particular circumstances.

**Neither the Subordinated Note Trustee nor the Subordinated Security Trustee expresses any opinion about the terms of the Special Resolution or makes any recommendation as to whether to vote in favour of or against or how to vote in respect of the Special Resolution.**

Yours sincerely

**A.C.N. 603 303 126 Pty Ltd**  
trading as **Axesstoday**

## ANNEXURE A – SPECIAL RESOLUTION

The Special Resolution to be considered by Noteholders is set out below.

### RESOLUTION IN RESPECT OF THE SUBORDINATED NOTES TO BE CONSIDERED AND IF APPROVED PASSED BY NOTEHOLDERS AS A SPECIAL RESOLUTION

#### 1. Special Resolution

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*"That pursuant to the Meeting Provisions:*

1. *the Subordinated Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Subordinated Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Subordinated Note Condition 17.1:*
  - a. *Subordinated Note Condition 5.2(a)(i)(D) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Subordinated Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Subordinated Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same."*

The Directors recommend that you vote in favour of the Special Resolution.

**A.C.N. 603 303 126 Pty Ltd**

trading as **Aksesstoday**

Dated: 14 January 2019

If passed by Noteholders, Austraclear Ltd, being the holder of the Subordinated Notes issued by the Issuer, will execute the following duly completed confirmation (on its letterhead) as evidence of the Special Resolution having been passed as a Circulating Resolution.

## RESOLUTION IN RESPECT OF THE SUBORDINATED NOTES PASSED BY THE NOTEHOLDERS

Austraclear Ltd, being the holder of the Subordinated Notes issued by the Issuer, in accordance with instructions in the Notification of Voting Intention duly received from the Issuer and the Notice of Meeting dated 14 January 2019 votes in favour of the Special Resolution and consequently, the Special Resolution set out below is passed by this Circulating Resolution.

*"That pursuant to the Meeting Provisions:*

1. *the Subordinated Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Subordinated Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Subordinated Note Condition 17.1:*
  - a. *Subordinated Note Condition 5.2(a)(i)(D) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Subordinated Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Subordinated Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same."*

<b>Noteholder</b>	<b>Name of authorised representative</b>	<b>Outstanding principal amount of Subordinated Notes to be voted for</b>	<b>Outstanding principal amount of Subordinated Notes to be voted against</b>	<b>Outstanding principal amount of Subordinated Notes abstained</b>	<b>Date of signing</b>
Austraclear Ltd		[A\$[•]]	[A\$[•]/Nil]	[A\$[•]/Nil]	

Executed by

[●], as attorney for **AUSTRACLEAR LTD** under  
Power of Attorney dated 4 August 2010 in the  
presence of:

\_\_\_\_\_  
▲ Signature of witness

\_\_\_\_\_  
▲ Signature of Attorney

\_\_\_\_\_  
▲ Full name of witness (print)

\_\_\_\_\_  
▲ Full name of Attorney (print)

## ANNEXURE B – INSTRUCTIONS TO SIGN

### 1 DETAILS OF AUSTRACLEAR HOLDER

Name: .....

Address: .....

### 2 DETAILS OF SUBORDINATED NOTES HELD BY AUSTRACLEAR HOLDER

	Aggregate principal amount of Subordinated Notes held by the Austraclear Holder
A\$35,000,000 in aggregate amount outstanding Australian Dollar Subordinated Notes due 9 October 2021 (ISIN: AU3FN0029096)	A\$[xx]

### 3 DETAILS OF BENEFICIAL HOLDERS WHICH HAVE INSTRUCTED YOU AS THE AUSTRACLEAR HOLDER (This section is not mandatory and failure to complete this section does not invalidate these Instructions to Sign.)

Name: .....

Name: .....

Name: .....

Name: .....

### 4 DIRECTION TO SIGN

I direct Austraclear Ltd to vote in favour of the Special Resolution below by signing and dating the circulating Special Resolution in accordance with the following directions.

Resolutions in respect of the Subordinated Notes					
The Noteholder resolves that with effect on and from [●] 2018, the Special Resolution in the Circulating Resolution and execution of the Circulating Resolution by A.C.N. 603 303 126 Pty Ltd be agreed and approved.					
Noteholder	Name of authorised representative	Outstanding principal amount of Subordinated Notes to be voted for	Outstanding principal amount of Subordinated Notes to be voted against	Outstanding principal amount of Subordinated Notes abstained	Date of signing
Austraclear Ltd		A\$[xx]	A\$[xx]/Nil	A\$[xx]/Nil	

**SIGNING PAGE**

**Signing Instructions:**

Austraclear Holders are requested to:

- 1 select the appropriate execution clause from those set out below (or if the appropriate execution clause is not set out below, insert the appropriate execution clause);
- 2 sign and date it accordingly; and
- 3 deliver the completed Instructions to Sign form by fax or by email to BNY Mellon at the following details, by no later than 10.00am (Sydney time) Friday, 1 February 2019:
  - Fax no: +61 2 9260 6009
  - email: pei.caipan@bnymellon.com

**Executed** as a deed on 2018

<b>EXECUTED</b> by	)	
	)	
.....	)	
Name of Austraclear Holder	)	
	)	
.....	)	.....
Company Secretary/Director	)	Director
	)	
.....	)	.....
Name of Company Secretary/Director (block letters)	)	Name of Director (block letters)

**OR**

<b>SIGNED</b> by	)	
	)	
.....	)	
Name of Attorney	)	
as attorney for:	)	
	)	
.....	)	.....
[insert name of Austraclear Holder]	)	By executing these Instructions to Sign
pursuant to power of attorney in the	)	the attorney states that the attorney has
presence of:	)	received no notice of revocation of the
	)	power of attorney and has included a
	)	certified copy of the power of attorney
.....	)	with these Instructions to Sign.
Signature of witness	)	
	)	
.....	)	
Name of witness (block letters)	)	

**OR**



**SIGNED** by )  
 )  
 ..... )  
 as Authorised Representative for )  
 )  
 ..... )  
 [*insert name of Austraclear Holder*] )  
 in the presence of: )  
 )  
 ..... )  
 Signature of witness )  
 )  
 ..... )  
 Name of witness (block letters) )

.....  
By executing these Instructions to Sign  
the authorised representative states  
that the authorised representative has  
received no notice of revocation of their  
authority to sign.

**OR INSERT OTHER BELOW**

## ANNEXURE C - NOTIFICATION OF VOTING INTENTION RECEIVED FROM AUSTRACLEAR HOLDERS

*[To be provided by the Issuer to Austraclear]*

### **[Letterhead of the Issuer]**

#### **Amendment of the Subordinated Note Conditions of the following Notes**

Issuer	ISIN	Title	Status	Aggregate outstanding principal amount
A.C.N. 603 303 126 Pty Ltd trading as Axsesstoday	AU3FN0029096	Floating Rate Subordinated Notes due 9 October 2021	Secured	A\$35,000,000

Date: **[●] 2018**

To: **Austraclear Ltd (ABN 94 002 060 773) as the registered Noteholder of the Notes issued by A.C.N. 603 303 126 Pty Ltd trading as Axsesstoday (Issuer) and described above (the Notes)**

We refer to the Notice of Circulating Resolution and Explanatory Memorandum dated [●] 2018 (**Notice**) in respect of the proposed amendments (**Proposed Amendments**) set out in that Notice. We confirm that a Special Resolution in the form set out in the Notice is required to give effect to the Proposed Amendments. Terms not defined in this letter have the meanings given in that Notice.

We confirm that the Subordinated Note Trustee has advised us that the Notice was circulated to Austraclear Holders.

We certify that we received instructions from the Subordinated Note Trustee that, as at [●][am/pm] on [●] 2018, the Subordinated Note Trustee had received validly completed Instructions to Sign in respect of the Special Resolution from Austraclear Holders (or nominee Austraclear Holders) in whose Security Record the Notes are held, in the form satisfactory to the Subordinated Note Trustee in respect of Notes representing A\$[●] in aggregate principal amount outstanding.

We confirm that those Austraclear Holders have instructed Austraclear Ltd to vote on the resolution by signing a Circulating Resolution in the form set out in the Notice, as follows

Voted for	Voted against	Abstained	No votes received
A\$[●]	A\$[●]	A\$[●]	A\$[●]

The Issuer certifies that this is sufficient majority to pass the resolution as a Special Resolution and that the Austraclear Holders have authorised and instructed Austraclear Ltd to pass the resolution set out below:

*"That pursuant to the Meeting Provisions:*

1. *the Subordinated Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Subordinated Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Subordinated Note Condition 17.1:*
  - a. *Subordinated Note Condition 5.2(a)(i)(D) is amended by replacing "0.85:1" with "0.90:1"*

- b. *Subordinated Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
- c. *Subordinated Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same."*

We **attach** a Circulating Resolution to be signed by Austraclear reflecting those instructions.

We have relied, without further investigation or verification, on the Instructions to Sign received by the Subordinated Note Trustee and from the Austraclear Holders and forwarded to us as we have no reasonable grounds to believe that those Instructions to Sign are not genuine or correct.

.....  
 Authorised signatory of A.C.N. 603 303 126 Pty Ltd trading as Axesstoday

..... Name (print):

## EXPLANATORY MEMORANDUM

### OVERVIEW

The information in this section is a brief summary of the reasons for the Proposed Amendments being requested by the Issuer. The Issuer is of the view that for the reasons set out below, the Proposed Amendments will not be adverse to the rights or interests of the Subordinated Noteholders.

#### 1. Background and Summary

Holdco has gone through a significant review process internally over the course of the last few months (**Internal Review**). In the course of completing this review, Holdco reissued its FY18 Financial Statements, refocused its originations on the core equipment finance business, implemented new internal governance frameworks and process controls, refreshed its management and has formulated a new capital management plan. The first stage of this plan is cornerstoned by the equity raise which began in December and is expected to close in January/February 2019.

The equity raise is conducted through an entitlement offer through which existing shareholders can participate, and is also being made available to select new investors. The planned gross amount of the raise is A\$25m. The equity raise provides additional support to existing debt holders in the Covenant Group while securing funding for ongoing originations. The capital management plan anticipates the completion of securitisation transactions in 2019, including a term out and the planned sell down of the mezzanine note in the SWF which the Company itself holds. The completion of these transactions releases significant equity capital from the warehouse back to the Covenant Group which can be deployed for the repayment of secured debt, including but not limited and subject to Senior Lender consent, the Series 2 and Subordinated Notes in the latter half of 2019 (subject to consent of Senior Lenders).

#### 2. Actions Taken by Holdco Board of Directors and Management

##### *Appointment of new managing director*

Since the departure of the previous CEO, the Company has been operating under the guidance of the management team consisting of Dermott McVeigh interim CEO, Joe Flanagan, CFO, and Konrad Pels, acting COO. Mr McVeigh has been assisting the board of directors with implementing an updated capital management plan and with recruitment for a replacement CEO since October. A replacement CEO has been appointed, conditional on the successful completion of the capital raise.

The conditionally-appointed CEO has over 10 years' experience in the financial services sector. His extensive experience includes leading the business lending area of a major bank, his familiarity with the type of finance provided by the Company is considered a strong asset in stepping into the role of leading the Company. Upon successful completion of the capital raise, Mr McVeigh would remain with the Issuer as a consultant for a transition period.

##### *Strengthening of governance and internal controls*

External legal counsel has been engaged on a retainer basis to provide guidance on the Issuer's ongoing compliance with its funding agreements. The Company is in the process of recruiting a General Counsel with significant banking and finance experience. The Company has also recently recruited a Compliance Manager with over a decade of experience at a major bank, an acting Chief Operating Officer with a strong business operations improvement background.

The Company had in place a Credit Committee composed of management, involved in the assessment of large and complex deals, setting credit policy and providing oversight of the management of credit risk across the business. The structure of the Credit Committee was recently amended to enhance its independence and effectiveness. The amendments included the adoption of a new board-approved charter, a widening of

executive participation in the committee, and a review and update of the Company's credit policy. The Credit Committee is accountable to the board of directors and members must be appointed by the board.

The Company maintains its focus on continuous technology improvement. It is expecting to implement an updated version of its Loan Origination System and Core Banking platform over the course of this financial year. The upgrade will provide further significant operational efficiencies, operational controls and reporting enhancements that will ensure the Company has the necessary tools to manage compliance requirements effectively in the future.

#### *Capital management plan*

Under the Company's revised capital management plan, it has suspended dividend distributions and initiated an equity raise to provide further support to the capital structure. The capital management plan has been constructed to target ongoing compliance with all debt facilities and funding for future receivables growth.

The plan focuses on the use of securitisation term outs to debt investors to optimise debt funding and, over time, reduce leverage in the Covenant Group. The first term out from the SWF is targeted in the latter half of FY19, with the potential sale of the mezzanine note in the SWF also being explored.

### **3. Request to Noteholders for Amendment**

The below outlines the details of the amendment to the Subordinated Notes that the Issuer and Initial Guarantors are seeking.

While the Company continues to target a gross raise amount of A\$25m, it intends to provide itself with a fall-back position by amending the Subordinated Note covenant relating to the total Financial Indebtedness of the Group so that it can accommodate a smaller raise of above A\$10m if required. The reason for this is that the planned capital raising was delayed due to the reissuance of FY18 Financial Statements which occurred in November 2018. The reissuance was necessary to complete before the equity raise could be undertaken. The consequence of the delay in the capital raise timetable to the end of the year has been that equity markets have begun to close, making it more challenging to raise the desired amount.

The proposed revision of the ratio of the total Financial Indebtedness of the Covenant Group to the Eligible Receivables Balance, from 0.85:1 to 0.90:1, provides additional compliance headroom in the event that the gross proceeds from the equity raise are less than A\$25m. For gross proceeds of A\$15-20m, a covenant ratio limit of 0.90:1 would allow the Issuer to have at least the same degree of headroom, as would be the case if it had completed a A\$25m equity raise, with a covenant limit of 0.85:1. Accordingly, the Issuer requests that the ratio be revised to 0.90:1 and is seeking approval to amend the terms of the Senior Facility Agreement and the Simple Corporate Bond to match this request where applicable.

The Company's intention is to ensure that the proceeds of the raise allow for long term compliance with all covenants based on conservative forecasts. The proceeds of the equity raise will serve as additional support for the Series 2 Noteholders, Subordinated Noteholders and holders of Simple Corporate Bonds. In approving the proposed amendment, the Subordinated Noteholders will be assisting in the success of the equity raise by enhancing the positive impact which it has on compliance with the total Financial Indebtedness covenant. This ultimately supports their security position despite increasing the limit on the permitted indebtedness level of the Company.

In support of the Company's intent, it is also proposed that the Subordinated Conditions are amended so that:

- no Distribution or Capital Reduction out of NPAT of the Group may be undertaken before 1 January 2020 and must not be undertaken where the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is greater than 0.80:1; and
- the compliance certificates deliverable within 30 days of each Test Date will include a general discussion regarding the current performance of the Group's business.

The Conditions Subsequent include receiving at least A\$10m under the Capital Raising. In order for the equity raise to have been settled, the Senior Lenders will have reset the covenants and waived all existing breaches

in the Syndicated Facility. Additionally, the investigating accountant engaged as part of the equity raise will have provided confirmation that, in its reasonable estimate, the Company is not, subject to certain assumptions, forecast to breach finance covenants over the next 12 months.

**The Issuer asks that you approve the Proposed Amendments as it works to complete its strategic review and refocus on funding business critical equipment in the hospitality and transport sectors.**

## SPECIAL RESOLUTION

### Special Resolution:

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*"That pursuant to the Meeting Provisions:*

1. *the Subordinated Note Trustee is instructed to amend the conditions subsequent applicable to the waivers and amendments granted by the Subordinated Note Trustee following passing of the resolutions contemplated in the Previous Notices by replacing those conditions subsequent with the Conditions Subsequent.*
2. *in accordance with Subordinated Note Condition 17.1:*
  - a. *Subordinated Note Condition 5.2(a)(i)(D) is amended by replacing "0.85:1" with "0.90:1"*
  - b. *Subordinated Note Condition 5.2(b)(iii) is amended by replacing "where, in the case of a Distribution or Capital Reduction,..." with "where, in the case of a Distribution or Capital Reduction, such Distribution or Capital Reduction occurs after 1 January 2020, the Financial Indebtedness of the Covenant Group to the Eligible Receivable Balance of the Issuer is not greater than 0.80:1 and..."*
  - c. *Subordinated Note Condition 5.4(a) is amended by inserting "In addition, the certificate will include brief commentary by management on the general performance of the Group's business." after "...steps being taken to remedy the same."*