

ASX Announcement & Media Release

Circulating Resolution to Noteholders

Melbourne, 7 November 2018

Axsesstoday Limited (ASX: AXL) ("Axsesstoday" or the "Company") advises that a circulating resolution has been sent to Series 2 Note noteholders and Subordinated Note noteholders requesting a waiver of certain covenant breaches, details of which are set out in the Circulating Resolution and Explanatory Memorandum for both notes which are included as addendums to this announcement. The voting process for the circulating resolution has commenced and the final result will be available and announced to the market by 19 November 2018.

Joe Flanagan
CFO and Company Secretary

Email: ir@axsesstoday.com.au

About Axsesstoday

Axsesstoday Limited (ASX: AXL) ("Axsesstoday" or the "Company") is a specialist provider of funding solutions for small to medium sized enterprises (SMEs) in the hospitality, transport and other sectors. The Company has continued to achieve strong growth since commencing operations in 2012 by providing a compelling and differentiated value proposition for merchants to offer finance to their end customers.

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:	1 November 2018
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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.

The Issuer undertakes to pay a consent fee to the Beneficial Holders (“**Consent Fee**”) equal to 0.85% of the aggregate principal amount of Notes beneficially held by each Beneficial Holder who instructs their Austraclear Holder to vote that amount of Notes in favour of the Special Resolution and is payable only to those persons who have instructed in favour of the Special Resolution by the time at which the Issuer or the Trustee has given notice that the Special Resolution has been passed. Payment of the Consent Fee is conditional only upon the Special Resolution being passed.

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 25 TO 27) 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 Closing Date. 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 31 December 2018 (or 31 January 2019 if extended), 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 Waivers will be provided subject to the condition subsequent that the Issuer:

- A. by no later than 31 December 2018, 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 0.85:1 as at 31 December 2018;
 - ii. in the reasonable opinion of the Issuer (based on the current capital management plan for the Group) the monthly average of all 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 January to June 2019 will be no greater than 0.85:1;
 - iii. the Senior Facility Cross Defaults have been unconditionally waived by the Senior Lenders, or if not unconditionally waived, the waiver conditions have been extended by the Senior Lenders to 31 January 2019; and
 - iv. the Series 2 Notes Cross Defaults have been unconditionally waived by the Series 2 Noteholders (unless paragraph B applies); and
- B. if the Senior Facility Cross Defaults were the subject of an extension of waiver conditions as referred to in paragraph A above, by no later than 31 January 2019 confirmation that:
 - i. the Senior Facility Cross Defaults have been unconditionally waived by the Senior Lenders; and
 - ii. the Series 2 Notes Cross Defaults have been unconditionally waived by the Series 2 Noteholders,

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 Waivers 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 Waivers 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@axsesstoday.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 1 November 2018.

KEY DATES

Notification Date Thursday 1 November 2018

Record Date Thursday 1 November 2018

The attached “Instruction to Sign” form must be received no later than 10.00am on Thursday 15 November 2018 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

The “Instruction to Sign” form must be received no later than 10.00am on Thursday 15 November 2018 to be valid.

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

Monday 19 November 2018 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.

On or about 26
November 2018 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.

The date falling two
Business Days after
signing of the
Circulating Resolution

Payment of consent fee

The Issuer shall pay the Consent Fee to the relevant Beneficial Holders who irrevocably direct (with respect to the whole of their beneficial interest in the Notes) their Trustee Austraclear Holder to complete the "Instructions to Sign" form set out in Annexure B in favour of approving the Special Resolution.

The Consent Fee for a Beneficial Holder will be 0.85% of the principal amount of the Notes in which the Beneficial Holder has a beneficial interest.

For the avoidance of doubt, the Consent Fee is payable only for the benefit of the relevant Beneficial Holders of the aggregate principal amount of Notes outstanding in respect of which that Beneficial Holder has directed their Trustee Austraclear Holder to instruct in favour of the Special Resolution prior to the time at which the Issuer or the Trustee has given notice that the Special Resolution has been passed.

Payment of the Consent Fee is conditional only upon the Special Resolution being passed by the requisite majority. The Consent Fee is payable regardless of whether the Conditions Subsequent are satisfied.

The Consent Fee will be payable through the Austraclear System and otherwise in accordance with the Subordinated Note Conditions relating to payments provided that no additional amounts will be payable by the Issuer on account of any taxes, duties, charges, deductions or withholdings in respect of the Consent Fee.

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.

Term	Definition
ASX	ASX Limited (ABN 98 008 624 691) or the securities market operated by it (as the context requires).
Austraclear	Austraclear Ltd (ABN 94 002 060 773).
Austraclear Regulations	has the meaning given to that term in the Subordinated Note Conditions.
Aksesstoday Second Note Trust	the note trust constituted under the Series 2 Note Trust Deed and established in favour of holders of the Series 2 Notes.
Aksesstoday Second Security Trust	the security trust constituted under the Security Trust Deed and established in favour of holders of the Series 2 Notes.
Circulating Resolution	the Circulating Resolution set out in this Notice of Circulating Resolution.
Conditions Subsequent	means the conditions subsequent set out in the Notice having been satisfied on or prior to 31 December 2018 (or 31 January 2019 if extended).
Cross Default	the Event of Default in Subordinated Note Condition 14.3(d)(ii).
Event of Default	means any event of default however described in the Senior Facility Agreement, Subordinated Notes and Series 2 Notes.
Explanatory Memorandum	the Explanatory Memorandum accompanying this Notice of Circulating Resolution.
First Senior Party	each of CBA Corporate Services (NSW) Pty Ltd and each beneficiary of the Aksesstoday Senior Security Trust.
First Senior Security Trustee	CBA Corporate Services (NSW) Pty Ltd.
Group	Aksesstoday Limited ACN 603 323 182 and its subsidiaries.
Holdco	Aksesstoday Limited ACN 603 323 182.
Initial Guarantors	each of Holdco, Aksesstoday Retail Pty Ltd (formerly A.C.N. 161 130 696 Pty Ltd), and Aksesstoday Operations Pty Ltd (formerly A.C.N. 604 340 785 Pty Ltd).
Intercreditor Deed	the Intercreditor Deed – Aksesstoday Group dated 28 April 2017 between, amongst others, the Issuer, the Initial Guarantors, the Series 2 Note Trustee, the Series 2 Security Trustee and the First Senior Parties.
Issuer or Akses	A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126) trading as Aksesstoday.
Meeting Provisions	the provisions for Meetings of the Noteholders set out in Schedule 5 (“Meeting Provisions”) of the Subordinated Note Trust Deed.

New Entity	503 888 65 BL Pty Ltd (ABN 12 627 469 603).
Note Documents	The Series 2 Note Conditions, the Series 2 Note Trust Deed, the Subordinated Note Conditions, and Subordinated Note Trust Deed;
Noteholders	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.
Notice of Circulating Resolution or Notice	this Notice of Circulating Resolution, including the Explanatory Memorandum accompanying this Notice.
Notification Date	1 November 2018, being the date of this Notice.
Proposed Waiver	has the meaning given to it in this Notice.
Record Date	Thursday, 1 November 2018, 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).
Review Event	means a review event under the Senior Facility Agreement as a result of the suspension of trading on the ASX specific to Holdco or its securities for five or more consecutive Business Days
Senior Facility Agreement	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).
Senior Lenders	Commonwealth Bank of Australia and Macquarie Bank Limited (and includes Commonwealth Bank of Australia as Agent for the Senior Lenders)
Series 2 Information Memorandum	the Information Memorandum dated 28 April 2017, as supplemented by the Pricing Supplement dated 28 April 2017.
Series 2 Note Conditions	the terms and conditions of the Series 2 Notes as set out in the Series 2 Information Memorandum.
Series 2 Note Trust Deed	the Series 2 Note Trust Deed dated 28 April 2017 between the Issuer, each Initial Guarantor and the Series 2 Note Trustee, establishing the Axsesstoday Second Note Trust.
Series 2 Note Trustee	BNY Trust Company of Australia Limited (ABN 49 050 294 052) as trustee for the Axsesstoday Second Note Trust constituted by the Series 2 Note Trust Deed.
Series 2 Notes	A\$30,000,000 7.50% Fixed Rate Secured Notes due 22 June 2021 (ISIN: AU3CB0244192).
Series 2 Security Trust Deed	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 Axsesstoday Second Security Trust.
Series 2 Security Trustee	Permanent Custodians Limited (ABN 55 001 426 384) as trustee of the Axsesstoday Second Security Trust.

Simple Corporate Bond	means the "Simple Corporate Bonds" quoted on the ASX under ASX code "AXHLA".
Special Resolution	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.
Subordinated Note Conditions	the terms and conditions of the Subordinated Notes as set out in the Subordinated Note Information Memorandum.
Subordinated Note Information Memorandum	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.
Subordinated Note Trust Deed	the Note Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor and the Subordinated Note Trustee, establishing the Axesstoday Note Trust.
Subordinated Note Trustee	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.
Series 2 Noteholders	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.
Subordinated Notes	A\$50,000,000 Floating Rate Subordinated Notes due 9 October 2021 (ISIN: AU3FN0029096).
Subordinated Security Trust	The security trust constituted by the Subordinated Security Trust Deed and established in favour of the holders of the Subordinated Notes.
Subordinated Security Trust Deed	the Security Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor, and Subordinated Security Trustee, establishing the Axesstoday Security Trust.
Subordinated Security Trustee	Permanent Custodians Limited ABN 55 001 426 384 as security trustee of the Axesstoday Security Trust.

NOTICE OF CIRCULATING RESOLUTION TO NOTEHOLDERS

1 November 2018

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.

The purpose of the Circulating Resolution is to seek and, if passed, obtain waivers and amendments and provide instructions from Noteholders to the Subordinated Note Trustee relating to certain Events of Default which have occurred under the Subordinated Note Conditions:

- A. Events of Default have occurred under the Subordinated Note Conditions in 2 ways:
- i. Directly through breaches of the Subordinated Note Conditions; and
 - ii. Pursuant to Cross Default as a result of default under other finance facilities (the Senior facilities and Series 2 Notes, both referred to below).

B. The following sets out the identified defaults and facts that are relevant:

1. Senior Facility Agreement- Cross Default

The Cross Default provision of the Subordinated Note Conditions provides that it is an Event of Default if any Financial Indebtedness of the Issuer or Holdco or any of its Subsidiaries totalling more than A\$1,000,000 has become (or becomes capable of being declared) due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default, however described.

The Issuer and Initial Guarantors are parties to a Facility Agreement dated 9 November 2016 (as amended and restated from time to time) also between Commonwealth Bank of Australia and Macquarie Bank Limited as lenders (**Senior Lenders**), Commonwealth Bank of Australia as agent (**Agent**) (as amended and restated from time to time) (**Senior Facility Agreement**).

The following breaches and Events of Default have occurred in relation to the Senior Facility Agreement leading to the Cross Default.

Default 1

- a) The Senior Facility Agreement provides that the Arrears Ratio must at all times be less than 4.00%.
- b) As a result of a change in the Guarantor's arrears recognition methodology which was applied in preparation of the financial statements for the Group for the financial

year ending 30 June 2018 (and which will be applied in preparing future financial statements of the Group, unless otherwise amended), the Arrears Ratio has been greater than 4% since 30 June 2018. Any failure to satisfy a financial covenant in the Senior Facility Agreement is an Event of Default.

Default 2

- c) The Senior Facility Agreement includes a representation that the Group structure chart most recently delivered to the Agent is true, complete and accurate in all material respects. Any representation or statement made by parties to the Senior Facility Agreement which is or proves to have been incorrect or misleading in any respect when made is an Event of Default.
- d) On 27 July 2018, 503 888 65 BL Pty Ltd (ABN 12 627 469 603) (**New Entity**), a new, wholly owned subsidiary of the Guarantor was incorporated. No further Group structure chart or other notification was provided to the Agent in relation to the New Entity.

Default 3

- e) The Senior Facility Agreement provides that the Initial Guarantors, Issuer and other Group members must not provide any financial accommodation to or for the benefit of any person, other than Permitted Financial Accommodation (as that term is defined in the Senior Facility Agreement).
- f) The New Entity was created as a vehicle to provide business loans to borrowers in the ordinary course of the Group's business activities. Approximately \$1.96m in business loans were funded through the New Entity via intercompany loans from 13 August 2018 until activity ceased in September 2018. As a result of these matters, the Group did not comply with the terms of the Senior Facility Agreement in providing the funds to the New Entity and ensuring that the New Entity (as a member of the Group) did not provide financial accommodation to any person. Failure to comply with these terms resulted in an Event of Default occurring pursuant to the Senior Facility Agreement.
- g) It is, however, permitted for financial accommodation funded from the proceeds of capital raisings to be provided to a foreign subsidiary of Holdco under the Senior Facility Agreement and the total amount provided to the foreign subsidiary plus the New Entity did not exceed this pre-existing cap. This was an important consideration for the Senior Lenders when considering the default which took place.

Default 4

- h) The Senior Facility Agreement provides that the Issuer and Initial Guarantors must comply with the terms of, not amend or vary or agree to any change in or waive any requirement of any Note Document. Failure to comply with this term is an Event of Default pursuant to the Senior Facility Agreement.
- i) The Issuer and Initial Guarantors have failed to comply with the provisions of the Series 2 Note Conditions and Subordinated Note Conditions as specified in paragraphs 3, 4 and 5 below.

Default 5

- j) The Senior Facility Agreement provides that all factual information provided by or on behalf of the Issuer and Initial Guarantors in writing to the Agent in connection with the Senior Facility Agreement and associated finance documents and transactions must be true and accurate in all material respects and not misleading as at the date it was provided. Failure to comply with this term is an Event of Default pursuant to the Senior Facility Agreement.
- k) The Issuer and Initial Guarantors failed to comply with a representation under a utilisation conditions letter and conditional waiver letter regarding to breaches relating to the Financial Indebtedness Ratio Covenant and the Compliance Certificate Default specified in paragraph 3 below.

Default 6

- l) The Senior Facility Agreement provides that at all times the industry concentration ratio for receivables (in relation to debtors operating in the transport industry) may be no more than 70% (**Industry Concentration Covenant**). Failure to comply with the Industry Concentration Covenant is an Event of Default pursuant to the Senior Facility Agreement.
- m) The Industry Concentration Covenant has not been breached as at the date of this Notice but may be breached in the period before satisfaction of the Conditions Subsequent.

Default 7 (Cross Defaults)

- n) It is an Event of Default under the Senior Facility Agreement if any creditor of the Issuer and Initial Guarantors becomes entitled to declare any financial indebtedness (as that term is defined in the Senior Facility Agreement) of any member of the Group due and payable prior to its specified maturity as a result of an Event of Default or review event (however described).
- o) The Intercreditor Deed provides that if any Event of Default occurs under a Note Document, an Event of Default is taken to have occurred under the Senior Facility Agreement.
- p) Each Event of Default specified in paragraphs 3 and 5 are Events of Default pursuant to the Senior Facility Agreement.
- q) Any events of default (however described) under the Approved Securitisation Warehouse (as that term is described in the Senior Facility Agreement) are Events of Default pursuant to the Senior Facility Agreement.

(Each of the breaches and Events of Default described in a) to q) are referred to as **Senior Facility Cross Defaults.**)

Review Event

- r) The Senior Facility Agreement provides that a Review Event occurs if there is any suspension of trading on the ASX specific to Holdco or its securities for five or more consecutive Business Days (**Review Event**).
- s) Axsesstoday has been in voluntary suspension under listing rule 17.1 pending a

business strategy review since Friday 14 September 2018 (**Suspension Period**).

2. Senior Facility Agreement- Action by Senior Lenders

- a) Holdco, on behalf of the Issuer and the Initial Guarantors requested the Senior Lenders to:
 - I. Waive the Senior Facility Cross Defaults; and
 - II. Refrain from directing the Agent to issue a Review Notice or take any action pursuant to the Review Event provisions of the Senior Facility Agreement (save for any reservation of rights provided for in the Senior Facility Agreement) during the Suspension Period.
- b) The Senior Lenders have conditionally waived the Senior Facility Cross Defaults. The conditional waiver may be extended in the Senior Lenders' discretion.
- c) The Senior Lenders continue to reserve their rights in relation to the Review Event.

3. Subordinated Notes- Defaults

Cross Defaults (Series 2 Notes)

The following breaches and Events of Default have taken place in relation to the Series 2 Notes leading to Cross Default under the Subordinated Note Conditions.

- a) The Series 2 Notes defaults (referred to in paragraph 5 below) have resulted in Events of Default under the Subordinated Note Conditions (**Series 2 Notes Cross Default**).

Financial Covenants (Subordinated Notes)

The following breaches and Events of Default have occurred in relation to the Subordinated Notes

- a) **Financial Indebtedness**- The Issuer, Holdco and Group must not incur or allow to subsist any Financial Indebtedness after the Issue Date unless at all times, the ratio of all Financial Indebtedness of the Group to the Eligible Receivables Balance of the Issuer is not greater than 0.85:1 (Subordinated Note Condition 5.2(a)(i)(D)) (**Financial Indebtedness Ratio Covenant**).
- b) **Consequent Default**- Holdco issued bonds pursuant to the Axesstoday Bonds Trust Deed dated 20 July 2018 (**Bonds**). As a result of issuing the Bonds, the Financial Indebtedness Ratio Covenant was breached. Breach of the Financial Indebtedness Ratio Covenant is an Event of Default under Subordinated Note Condition 14.3(c) (**Financial Indebtedness Ratio Default**).
- c) **Delivery of Compliance Certificates**- The Issuer must provide the Subordinated Note Trustee not later than 30 days after each Test Date a certificate signed by prescribed officers of the Issuer which certifies whether, in the opinion of those officers of the Issuer (as appropriate) and after having made all reasonable enquiries, the Group has complied with, among other things, each of the covenants set out in Subordinated Note Condition 5.2 ("Financial covenants"). In the event the Issuer is not in compliance with any such covenant, such certificate will give reasonable detail of such non-compliance (including any relevant figures and

calculations) and the steps being taken to remedy the same (Subordinated Note Condition 5.4(a)) after each applicable Test Date.

- d) **Consequent Default-** The certificates provided by the Issuer on the Test Dates in July 2018, August 2018 and September 2018 did not comply with the requirements of Subordinated Note Condition 5.4(a). Breach of compliance certificate requirements is an Event of Default under Subordinated Note Condition 14.3(c) (**Compliance Certificate Default**).
- e) **Distributions-** Holdco is not permitted to make a Distribution except where the amount of the Distribution is only paid out of NPAT of the Group for the Previous Financial Year, up to a maximum aggregate amount equal to 50% of NPAT of the Group for that Financial Year (Condition 5.2(b)(iii)(B)) (**Distribution Covenant**).
- f) The drafting of the Distribution Covenant is unclear and it is not necessarily certain, in Holdco's view, that the covenant was breached. However, to the extent that it was given the facts above, the Issuer and Initial Guarantors have requested a Proposed Waiver as set out in this Notice.
- g) **Consequent Default-** In the 2018 financial year, Holdco made 2 Distributions. The first payment was a final dividend for the 2017 financial year declared on 17 August 2017 and the second was an interim dividend for the first half of the 2018 financial year and declared on 2 February 2018. NPAT in FY17 was AUD3.649M so the maximum distribution allowable was AUD1.824M. The total distribution made was AUD2.606M and the Distribution Covenant was arguably breached. Breach of the Distribution Covenant is an Event of Default under Condition 14.3(c) (**Distributions Default**).

4. Subordinated Notes- Consequences of Defaults

- a) The Subordinated Notes give the Subordinated Note Trustee and the Noteholders options where Events of Defaults have taken place. These options are always subject to the restrictions set out in the Intercreditor Deed, Subordinated Note Trust Deed and Subordinated Security Trust Deed.
- b) If an Event of Default occurs and continues unremedied then a Noteholder may, and the Subordinated Note Trustee may (if requested in writing by a Noteholder) declare by notice to the Issuer that each Subordinated Note held (with a copy to the Registrar and the Subordinated Note Trustee if notice is given by a Noteholder) by it is (or, if the Subordinated Note Trustee has given the declaration, all Subordinated Notes are) to be redeemed by the Issuer paying to the Noteholder the applicable redemption amount for the Note (together with any accrued interest) in which case those amounts become immediately due and payable (Subordinated Note Condition 14.4(b)).
- c) Further instructions may be provided to the Subordinated Note Trustee to take enforcement action provided a written request by Noteholders who hold in aggregate 25% or more of the principal amount of all Subordinated Notes then outstanding and unless it decides otherwise, the Subordinated Note Trustee shall have been indemnified to its satisfaction in accordance with the terms of the Subordinated Note Trust Deed (Subordinated Note Condition 14.6).
- d) It is important to note that any action taken by a Noteholder or the Subordinated

Note Trustee is subject to the Intercreditor Deed which provides that, amongst other things, for defaults relating to Subordinated Note Conditions 14.3(c) and (d) entitling Noteholders to accelerate their debt and take steps to enforce their security, action may only be taken after 120 days prior written notice has been provided to the First Senior Security Trustee under the Intercreditor Deed.

5. Series 2 Notes Cross Defaults

The Cross Default provision of the Subordinated Note Conditions provides that it is an Event of Default if any financial indebtedness of the Issuer or Holdco or any of its Subsidiaries totalling more than A\$1,000,000 has become (or becomes capable of being declared) due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default, however described.

The following breaches and Events of Default have occurred in relation to the Series 2 Note Conditions leading to Cross Default in the Subordinated Note Conditions.

Default 1- Cross Default (Senior)

- a) The Senior Facility Cross Default has resulted in an Event of Default under the Series 2 Note Conditions.

Default 2- Cross Defaults (Subordinated Notes)

- b) The **Financial Indebtedness Ratio Default** and the **Compliance Certificate Default** and the **Distributions Default** have resulted in Events of Default under the Series 2 Note Conditions (**Subordinated Notes Cross Default**)

Default 3- Financial Covenants (Series 2 Notes)

- c) **Financial Indebtedness**- The Issuer, Holdco and Group breached the covenant under the Series 2 Note Conditions that mirrors the Financial Indebtedness Ratio Covenant. This resulted in an Event of Default pursuant to the Series 2 Note Conditions.
- d) **Compliance Certificate Default** — The Issuer did not comply with the provisions relating to compliance certificates which led to a Compliance Certificate Default pursuant to the Series 2 Note Conditions.
- e) **Distributions Default** - The Issuer breached the covenant under the Series 2 Note Conditions that mirrors the Distribution Covenant. This resulted in an Event of Default pursuant to the Series 2 Note Conditions.

6. Series 2 Notes- Consequences of Defaults

- a) The Series 2 Notes give the Series 2 Note Trustee and the Series 2 Noteholders options where Events of Default have taken place. These options are always subject to the restrictions set out in the Intercreditor Deed, Series 2 Note Trust Deed and Subordinated Security Trust Deed but include similar options as specified in paragraph 4 in relation to the Subordinated Notes.
- b) The Issuer and Initial Guarantors have requested waivers of the following from the Series 2 Noteholders (**Series 2 Notes Cross Defaults**):

- I. Senior Facility Cross Defaults;
- II. Financial Indebtedness Ratio Default;
- III. Compliance Certificate Default;
- IV. Distributions Default;
- V. Subordinated Notes Cross Defaults; and
- VI. Consequential Defaults.

7. Subordinated Consequential Defaults

- a) The Issuer and Initial Guarantors advise that there may be other breaches of covenants, warranties, representations, undertakings, other provisions and consequential Event of Defaults in relation to the Senior Facility Agreement, Subordinated Notes, and Series 2 Notes which may have occurred or will occur (either directly or as a result of a cross default provision) as a consequence of the events and breaches disclosed by the Issuer and Initial Guarantors in paragraphs 1 to 5 of this Circulating Resolution (**Consequential Defaults**). For the avoidance of doubt, this clause is not intended to apply to any breach or default which does not relate to the facts disclosed about the existing breaches and defaults set out in this document.
- b) The Issuer and Initial Guarantors request a waiver of any Consequential Defaults (other than any Consequential Defaults relating to the Review Event referred to in this document).

8. Subordinated Notes Resolution- Requests for waiver and instructions to Subordinated Note Trustee

The Issuer and Initial Guarantors are requesting that the Noteholders agree to the following:

a) *Waivers*

The Issuer and the Initial Guarantors request that the Noteholders approve the waiver by the Subordinated Note Trustee, such waiver by the Subordinated Note Trustee to be subject to the Conditions Subsequent being fulfilled following granting of the waiver, of the following Events of Default that have or will occur (**Proposed Waivers**):

- I. from the dates that the Events of Default took place to the date that the waivers are given:
 - a. Senior Facility Cross Defaults;
 - b. Compliance Certificate Default;
 - c. Distributions Default; and
 - d. Series 2 Notes Cross Defaults.
- II. from the date the Financial Indebtedness Ratio Default took place until 31 December 2018, the Financial Indebtedness Ratio Default; and
- III. from the date that any Consequential Default has occurred or will occur until the date the waivers are given, the Consequential Defaults (other

than Consequential Defaults relating to the Financial Indebtedness Ratio Covenant in which case the waiver is given until 31 December 2018.

b) Instructions to Subordinated Note Trustee

In addition to the Proposed Waivers, the Issuer and the Initial Guarantors request that the Noteholders resolve to take no action pursuant to Subordinated Note Conditions 14.4(b) and 14.6 either in their own capacity or by requesting the Subordinated Note Trustee to take action in relation to any Event of Default.

c) Meeting waiver

Any obligation for the Subordinated Note Trustee or the Subordinated Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Subordinated Security Trust pursuant to the Default Notice dated 23 October 2018 is waived

d) Variation of Notes (with consent)

In accordance with Subordinated Note Condition 17.1 the financial covenant in Subordinated Note Condition 5.2(a)(ii) is varied by deleting Subordinated Note Condition 5.2(a)(ii)(C) and inserting the following:

"(C) for each other Financial Year (other than as provided in paragraph (D) below), is greater than 2.0:1; and

(D) for the period from 31 October 2018 until and including, 31 December 2019, is greater than 1.75:1."

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 1 November 2018 ("**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 16 November 2018 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. Axsesstoday 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 **Axsessstoday**

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:

- a) approval is given for the Subordinated Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018) and execute any document necessary to give effect to the Proposed Waivers;*
- b) the Subordinated Note Trustee is instructed to take no action under Subordinated Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*
- c) any obligation for the Subordinated Note Trustee or the Subordinated Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Subordinated Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*
- d) Variation of Notes (with consent)*

In accordance with Subordinated Note Condition 17.1 the financial covenant in Subordinated Note Condition 5.2(a)(ii) is varied by deleting Subordinated Note Condition 5.2(a)(ii)(C) and inserting the following:

'(C) for each other Financial Year (other than as provided in paragraph (D) below), is greater than 2.0:1; and

(D) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1."

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

A.C.N. 603 303 126 Pty Ltd

trading as **Aksesstoday**

Dated: 1 November 2018

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 1 November 2018 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:

- a) *approval is given for the Subordinated Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018 and execute any document necessary to give effect to the Proposed Waivers;*
- b) *the Subordinated Note Trustee is instructed to take no action under Subordinated Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*
- c) *any obligation for the Subordinated Note Trustee or the Subordinated Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Subordinated Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*
- d) *Variation of Notes (with consent)*

In accordance with Subordinated Note Condition 17.1 the financial covenant in Subordinated Note Condition 5.2(a)(ii) is varied by deleting Subordinated Note Condition 5.2(a)(ii)(C) and inserting the following:

'(C) for each other Financial Year (other than as provided in paragraph (D) below), is greater than 2.0:1; and

(D) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1."

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\$[•]]	[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) 16 November 2018:
 - Fax no: +61 2 9260 6009
 - email: pei.caipan@bnymellon.com

Executed as a deed on 2018

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

OR

SIGNED 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 waivers and amendments ("**Proposed Waivers and 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 Waivers and 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:

- a) *approval is given for the Subordinated Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018 and execute any document necessary to give effect to the Proposed Waivers; and*
- b) *the Subordinated Note Trustee is instructed to take no action under Subordinated Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*

c) *any obligation for the Subordinated Note Trustee or the Subordinated Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Subordinated Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*

d) *Variation of Notes (with consent)*

In accordance with Subordinated Note Condition 17.1 the financial covenant in Subordinated Note Condition 5.2(ii) is varied by deleting Subordinated Note Condition 5.2(ii)(C) and inserting the following:

'(C) for each other Financial Year (other than as provided in paragraph (D) below), is greater than 2.0:1; and

(D) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1.'"

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 amendment being requested by the Issuer. The Issuer is of the view that for the reasons set out below, the proposed waivers and amendments will not be adverse to the rights or interests of the Noteholders.

Background

Since the update provided on 24 September 2018, Holdco has continued to work closely with its Senior Lenders, as well as other advisors, to obtain waivers for the defaults under the Senior Facility Agreement, Series 2 Notes and the Subordinated Notes as previously disclosed. The waivers being sought from the Noteholders relate to breaches identified during Holdco's board-led strategic review with the assistance of a 3rd party independent consultant.

Summary and Explanation of Defaults and Breaches

The following section sets out additional detail of the breaches discussed in the Notice which were identified during the course of Holdco's ongoing strategic review.

Senior Facility

On 27 July 2018 Holdco incorporated the New Entity for the purpose of funding business loans. Under the terms of the Senior Facility Agreement this required prior consent from the Senior Lenders and also breached the representation regarding the most recent Group structure provided to the Senior Lenders to be accurate.

Holdco provided finance to the New Entity from within the Senior Facility Agreement covenant group to originate \$2.0m of business loans without the consent of its Senior Lenders. This breached Holdco's obligation under the Senior Facility Agreement not to provide financial accommodation to another person unless otherwise permitted.

As a consequence of continued growth in the loan book, in March 2018 Holdco established a Securitisation Warehouse Facility (**SWF**) with one of the Senior Lenders. The creation of the SWF is a prudent funding arrangement used by many non-bank lenders to fund receivables because of the access to cheaper cost of funds over time. However, receivables transferred into the SWF must meet prescribed eligibility criteria including that they must not be in arrears for more than 30 days.

On 1 May 2018, Holdco transferred its first tranche of receivables into the SWF. This and subsequent transfers of receivables into the SWF resulted in a concentration of the receivables in arrears remaining to secure the Senior Facility Agreement.

During the FY18 audit process Holdco amended its bad debt provisioning methodology and increased its impairment recognition to begin at 180 days past due rather than 60 days as was previously undertaken. This change in methodology aligns to industry peers and the collection processes of Holdco. The changes resulted in a greater portion of the portfolio being carried in arrears. The combination of the transfer of receivables into the SWF and the provision methodology change led to the arrears ratio covenant under the Senior Facility Agreement being breached. Holdco is working with its senior bank lenders to revise the covenant to take into account the changes cited above.

Holdco has been in suspension from trading on the ASX for a period greater than that allowed per the terms of the Senior Facility Agreement. This has given rise to a right of review (**Review Event**), after which, the Senior Lenders have the right to determine to either change any of the conditions or to terminate the facility. The Senior Lenders have reserved their rights in relation to the Review Event. On 22 October 2018, Holdco extended its voluntary suspension pending the completion of the detailed review of its business strategy until the earlier of an announcement being made or 30 November 2018. Holdco is working with the Senior Lenders whilst it remains in suspension to implement a long term solution to the breaches cited above.

Series 2 and Subordinated Notes

The defaults described above with respect to the Senior Facility Agreement triggered cross default provisions in the Series 2 and Subordinated Notes.

In addition to the cross defaults, Holdco made distributions during FY18 in excess of 50% of the Net Profit After Tax of FY17. Holdco interpreted the financial year to be considered when calculating the amount available for distribution as being the financial year in which the profits were generated rather than the financial year in which the distribution was declared. Holdco considers the wording of the clause to be unclear, but for the avoidance of doubt, requests a waiver of any inadvertent breach that may be deemed to have occurred.

Following the raising of the Simple Corporate Bond in July 2018, Holdco inadvertently triggered a breach of its Financial Indebtedness Ratio Covenant requiring the ratio of all Financial Indebtedness of the Group to the Eligible Receivables Balance to be less than 0.85:1.

The Compliance certificates issued pursuant to the terms of the Series 2 and Subordinated Notes in July, August and September were incorrect owing to certain matters described above having not been identified at the time of issue of the compliance certificate.

Actions Taken by Holdco Board of Directors and Management

Since the termination of the previous CEO, the business has continued to operate under the guidance of the management team consisting of Michael Sack, Executive Director, Joe Flanagan, CFO, and Konrad Pels, interim COO.

On 18 October 2018 the board engaged Mr Dermott McVeigh as interim Chief Executive Officer during this period. Mr McVeigh has expertise in restructuring and was previously a partner at Deloitte. Mr McVeigh will be instrumental in liaising with lenders and investors and assisting Holdco to implement an updated short and long term capital management plan. Furthermore, the board has continued the process of searching for a new CEO and new board members. The process is expected to continue over the coming months and further updates will be made to the market as appointments are made.

The current management team has made the following changes to implement Holdco's strategy of returning to funding business critical equipment in the hospitality and transport sectors:

- Canadian operations have been shutdown and the loan portfolio (approx. \$2.5m) has gone into run off;
- Business loan funding has been discontinued and the remaining portfolio (approx. \$15m) will amortise over the course of the next 2 years;
- All new product and sector initiatives have been discontinued indefinitely;
- Credit appetite for new originations has been tightened to ensure the quality of the loan portfolio remains sound moving forward;
- The cancellation of the dividend previously announced by ASX Announcement dated 27 August 2018 in order to preserve equity and support the capital structure of Holdco; and
- A focus on pricing margin has been prioritised to ensure that adequate risk-adjusted returns are generated from the portfolio.

The business continued to operate throughout the period of suspension from the ASX with origination volumes reducing to align with the strategy of only funding business critical equipment.

Request of Noteholders

This section sets out Holdco's considerations in requesting the Noteholders to approve the proposed waivers.

Several of the abovementioned defaults are attributable to the fact that Holdco's existing operational risk management framework was not equipped to deal with the complexities arising from the SWF and the Simple Corporate Bond issue. Holdco is reviewing and implementing changes to its internal compliance processes and procedures to mitigate the risk of any further such breaches occurring in future. External counsel has been engaged to provide guidance on Holdco's ongoing compliance with obligations under debt facilities.

Holdco requests that Noteholders provide a temporary amendment of the Interest Cover Ratio (**ICR**) covenant, which is currently set at 2.0x. As part of the current review process, Holdco is incurring additional costs, a number of which will be non-recurring and not reflective of normal operating expenses, but which will nevertheless impact ICR levels. In recognition of this, the proposed minimum ICR covenant would be set at 1.75x until and including 31 December 2019. The amendment period has been requested given the fact that the test is based on a 12 month rolling period, so that changes take time to be reflected. Holdco's ICR was around 2.1x at 31 August 2018 and the proposed waiver provides additional headroom while the strategic review is completed, while restructuring activity is undertaken, and while the capital management plan is implemented with the assistance of Mr McVeigh.

Holdco requests that Noteholders waive compliance with the total indebtedness covenant of 85% until 31 December 2018, to provide Holdco with time to implement its short-term and long-term capital management plan. The capital management plan has been constructed to target comfortable compliance with all indebtedness covenants moving forward. An objective of the capital management strategy will be the targeting of total financial indebtedness levels of around 80% based on the current plan from January 2019 to June 2019. The Noteholders' security position is supported by the \$55.0m held by the unsecured Simple Corporate Bondholders. Targeting additional headroom in the total financial indebtedness covenants will provide further security to the Noteholders. It is Holdco's intention not to refinance the Simple Corporate Bond by raising secured debt which ranks senior to the Subordinated Notes as it recognises that the Simple Corporate Bond provides a layer of protection for the holders of the Series 2 Notes and Subordinated Notes.

The Issuer asks that you approve the proposed waivers 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:

- a) approval is given for the Subordinated Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018 and execute any document necessary to give effect to the Proposed Waivers; and*
- b) the Subordinated Note Trustee is instructed to take no action under Subordinated Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*
- c) any obligation for the Subordinated Note Trustee or the Subordinated Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Subordinated Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*
- d) Variation of Notes (with consent)*

In accordance with Subordinated Note Condition 17.1 the financial covenant in Subordinated Note Condition 5.2(ii) is varied by deleting Subordinated Note Condition 5.2(ii)(C) and inserting the following:

'(C) for each other Financial Year (other than as provided in paragraph (D) below), is greater than 2.0:1; and

(D) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1.'"

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 22 June 2021
(ISIN:AU3CB0244192)**

SERIES 2 NOTES

Date:

1 November 2018

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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.

The Issuer undertakes to pay a consent fee to the Beneficial Holders (“**Consent Fee**”) equal to 0.85% of the aggregate principal amount of Notes beneficially held by each Beneficial Holder who instructs their Austraclear Holder to vote that amount of Notes in favour of the Special Resolution and is payable only to those persons who have instructed in favour of the Special Resolution by the time at which the Issuer or the Trustee has given notice that the Special Resolution has been passed. Payment of the Consent Fee is conditional only upon the Special Resolution being passed.

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 25 TO 27) 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 Closing Date. 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 31 December 2018 (or 31 January 2019 if extended), 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 Waivers will be provided subject to the condition subsequent that the Issuer:

- A. by no later than 31 December 2018, 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 0.85:1 as at 31 December 2018;
 - ii. in the reasonable opinion of the Issuer (based on the current capital management plan for the Group) the monthly average of all 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 January to June 2019 will be no greater than 0.85:1;
 - iii. the Senior Facility Cross Defaults have been unconditionally waived by the Senior Lenders, or if not unconditionally waived, the waiver conditions have been extended by the Senior Lenders to 31 January 2019; and
 - iv. the Subordinated Notes Cross Defaults have been unconditionally waived by the Subordinated Noteholders (unless paragraph B applies); and
- B. if the Senior Facility Cross Defaults were the subject of an extension of waiver conditions as referred to in paragraph A above, by no later than 31 January 2019 confirmation that:
 - i. the Senior Facility Cross Defaults have been unconditionally waived by the Senior Lenders; and
 - ii. the Subordinated Notes Cross Defaults have been unconditionally waived by the Subordinated Noteholders,

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 Waivers 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 Waiver 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@axsesstoday.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 1 November 2018.

KEY DATES

Notification Date Thursday 1 November 2018

Record Date Thursday 1 November 2018

The attached “Instruction to Sign” form must be received no later than 10.00am on Thursday 15 November 2018 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

The “Instruction to Sign” form must be received no later than 10.00am on Thursday 15 November 2018 to be valid.

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

Monday 19 November 2018 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.

On or about 26 November 2018 or such earlier time if the Special Resolution has been passed	<p>Notification to Noteholders</p> <p>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.</p>
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The date falling two Business Days after signing of the Circulating Resolution	<p>Payment of consent fee</p> <p>The Issuer shall pay the Consent Fee to the relevant Beneficial Holders who irrevocably direct (with respect to the whole of their beneficial interest in the Notes) their Trustee Austraclear Holder to complete the "Instructions to Sign" form set out in Annexure B in favour of approving the Special Resolution.</p> <p>The Consent Fee for a Beneficial Holder will be 0.85% of the principal amount of the Notes in which the Beneficial Holder has a beneficial interest.</p> <p>For the avoidance of doubt, the Consent Fee is payable only for the benefit of the relevant Beneficial Holders of the aggregate principal amount of Notes outstanding in respect of which that Beneficial Holder has directed their Trustee Austraclear Holder to instruct in favour of the Special Resolution prior to the time at which the Issuer or the Trustee has given notice that the Special Resolution has been passed.</p> <p>Payment of the Consent Fee is conditional only upon the Special Resolution being passed by the requisite majority. The Consent Fee is payable regardless of whether the Conditions Subsequent are satisfied.</p> <p>The Consent Fee will be payable through the Austraclear System and otherwise in accordance with the Series 2 Note Conditions relating to payments provided that no additional amounts will be payable by the Issuer on account of any taxes, duties, charges, deductions or withholdings in respect of the Consent Fee.</p>
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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.

Term	Definition
ASX	ASX Limited (ABN 98 008 624 691) or the securities market operated by it (as the context requires).
Austraclear	Austraclear Ltd (ABN 94 002 060 773).
Austraclear Regulations	has the meaning given to that term in the Series 2 Note Conditions.
Aksesstoday Second Note Trust	the note trust constituted under the Series 2 Note Trust Deed and established in favour of holders of the Series 2 Notes.
Aksesstoday Second Security Trust	the security trust constituted under the Security Trust Deed and established in favour of holders of the Series 2 Notes.
Circulating Resolution	the Circulating Resolution set out in this Notice of Circulating Resolution.
Conditions Subsequent	means the conditions subsequent set out in the Notice having been satisfied on or prior to 31 December 2018 (or 31 January 2019 if extended).
Cross Default	the Event of Default in Series 2 Note Condition 14.3(d)(ii).
Event of Default	means any event of default however described in the Senior Facility Agreement, Subordinated Notes and Series 2 Notes.
Explanatory Memorandum	the Explanatory Memorandum accompanying this Notice of Circulating Resolution.
First Senior Party	each of CBA Corporate Services (NSW) Pty Ltd and each beneficiary of the Aksesstoday Senior Security Trust.
First Senior Security Trustee	CBA Corporate Services (NSW) Pty Ltd.
Group	Aksesstoday Limited ACN 603 323 182 and its subsidiaries.
Holdco	Aksesstoday Limited ACN 603 323 182.
Initial Guarantors	each of Holdco, Aksesstoday Retail Pty Ltd (formerly A.C.N. 161 130 696 Pty Ltd), and Aksesstoday Operations Pty Ltd (formerly A.C.N. 604 340 785 Pty Ltd).
Intercreditor Deed	the Intercreditor Deed – Aksesstoday Group dated 28 April 2017 between, amongst others, the Issuer, the Initial Guarantors, the Series 2 Note Trustee, the Series 2 Security Trustee and the First Senior Parties.
Issuer or Axsess	A.C.N. 603 303 126 Pty Ltd (ABN 98 603 303 126) trading as Aksesstoday.
Meeting Provisions	the provisions for Meetings of the Noteholders set out in Schedule 5 (“Meeting Provisions”) of the Series 2 Note Trust Deed.

New Entity	503 888 65 BL Pty Ltd (ABN 12 627 469 603).
Note Documents	The Series 2 Note Conditions, the Series 2 Note Trust Deed, the Subordinated Note Conditions, and Subordinated Note Trust Deed;
Noteholders	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.
Notice of Circulating Resolution or Notice	this Notice of Circulating Resolution, including the Explanatory Memorandum accompanying this Notice.
Notification Date	1 November 2018, being the date of this Notice.
Proposed Waiver	has the meaning given to it in this Notice.
Record Date	Thursday 1 November 2018, 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).
Review Event	means a review event under the Senior Facility Agreement as a result of the suspension of trading on the ASX specific to Holdco or its securities for five or more consecutive Business Days
Senior Facility Agreement	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).
Senior Lenders	Commonwealth Bank of Australia and Macquarie Bank Limited (and includes Commonwealth Bank of Australia as Agent for the Senior Lenders)
Series 2 Information Memorandum	the Information Memorandum dated 28 April 2017, as supplemented by the Pricing Supplement dated 28 April 2017.
Series 2 Note Conditions	the terms and conditions of the Series 2 Notes as set out in the Series 2 Information Memorandum.
Series 2 Note Trust Deed	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.
Series 2 Note Trustee	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.
Series 2 Notes	A\$30,000,000 7.50% Fixed Rate Secured Notes due 22 June 2021 (ISIN: AU3CB0244192).
Series 2 Security Trust Deed	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.
Series 2 Security Trustee	Permanent Custodians Limited (ABN 55 001 426 384) as trustee of the Axesstoday Second Security Trust.
Simple Corporate Bond	means the "Simple Corporate Bonds" quoted on the ASX under ASX code

	"AXHLA".
Special Resolution	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.
Subordinated Note Conditions	the terms and conditions of the Subordinated Notes as set out in the Subordinated Note Information Memorandum.
Subordinated Note Information Memorandum	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.
Subordinated Note Trust Deed	the Note Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor and the Subordinated Note Trustee, establishing the Axesstoday Note Trust.
Subordinated Note Trustee	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.
Subordinated Noteholders	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.
Subordinated Notes	A\$50,000,000 Floating Rate Subordinated Notes due 9 October 2021 (ISIN: AU3FN0029096).
Subordinated Security Trust Deed	the Security Trust Deed dated 7 October 2015 between the Issuer, each Initial Guarantor, and Subordinated Security Trustee, establishing the Axesstoday Security Trust.
Subordinated Security Trustee	Permanent Custodians Limited ABN 55 001 426 384 as security trustee of the Axesstoday Security Trust.

NOTICE OF CIRCULATING RESOLUTION TO NOTEHOLDERS

1 November 2018

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.

The purpose of the Circulating Resolution is to seek and, if passed, obtain waivers and amendments and provide instructions from Noteholders to the Series 2 Note Trustee relating to certain Events of Default which have occurred under the Series 2 Note Conditions:

- A. Events of Default have occurred under the Series 2 Note Conditions in 2 ways:
- i. Directly through breaches of the Series 2 Note Conditions; and
 - ii. Pursuant to Cross Default as a result of default under other finance facilities (the Senior facilities and Subordinated Notes, both referred to below).
- B. The following sets out the identified defaults and facts that are relevant:

1. Senior Facility Agreement- Cross Default

The Cross Default provision of the Series 2 Note Conditions provides that it is an Event of Default if any Financial Indebtedness of the Issuer or Holdco or any of its Subsidiaries totalling more than A\$1,000,000 has become (or becomes capable of being declared) due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default, however described.

The Issuer and Initial Guarantors are parties to a Facility Agreement dated 9 November 2016 (as amended and restated from time to time) also between Commonwealth Bank of Australia and Macquarie Bank Limited as lenders (**Senior Lenders**), Commonwealth Bank of Australia as agent (**Agent**) (as amended and restated from time to time) (**Senior Facility Agreement**).

The following breaches and Events of Default have occurred in relation to the Senior Facility Agreement leading to the Cross Default.

Default 1

- a) The Senior Facility Agreement provides that the Arrears Ratio must at all times be less than 4.00%.
- b) As a result of a change in the Guarantor's arrears recognition methodology

which was applied in preparation of the financial statements for the Group for the financial year ending 30 June 2018 (and which will be applied in preparing future financial statements of the Group, unless otherwise amended), the Arrears Ratio has been greater than 4% since 30 June 2018. Any failure to satisfy a financial covenant in the Senior Facility Agreement is an Event of Default.

Default 2

- c) The Senior Facility Agreement includes a representation that the Group structure chart most recently delivered to the Agent is true, complete and accurate in all material respects. Any representation or statement made by parties to the Senior Facility Agreement which is or proves to have been incorrect or misleading in any respect when made is an Event of Default.
- d) On 27 July 2018, 503 888 65 BL Pty Ltd (ABN 12 627 469 603) (**New Entity**), a new, wholly owned subsidiary of the Guarantor was incorporated. No further Group structure chart or other notification was provided to the Agent in relation to the New Entity.

Default 3

- e) The Senior Facility Agreement provides that the Initial Guarantors, Issuer and other Group members must not provide any financial accommodation to or for the benefit of any person, other than Permitted Financial Accommodation (as that term is defined in the Senior Facility Agreement).
- f) The New Entity was created as a vehicle to provide business loans to borrowers in the ordinary course of the Group's business activities. Approximately \$1.96m in business loans were funded through the New Entity via intercompany loans from 13 August 2018 until activity ceased in September 2018. As a result of these matters, the Group did not comply with the terms of the Senior Facility Agreement in providing the funds to the New Entity and ensuring that the New Entity (as a member of the Group) did not provide financial accommodation to any person. Failure to comply with these terms resulted in an Event of Default occurring pursuant to the Senior Facility Agreement.
- g) It is, however, permitted for financial accommodation funded from the proceeds of capital raisings to be provided to a foreign subsidiary of Holdco under the Senior Facility Agreement and the total amount provided to the foreign subsidiary plus the New Entity did not exceed this pre-existing cap. This was an important consideration for the Senior Lenders when considering the default which took place.

Default 4

- h) The Senior Facility Agreement provides that the Issuer and Initial Guarantors must comply with the terms of, not amend or vary or agree to any change in or waive any requirement of any Note Document. Failure to comply with this term is an Event of Default pursuant to the Senior Facility Agreement.
- i) The Issuer and Initial Guarantors have failed to comply with the provisions of the Series 2 Note Conditions and Subordinated Note Conditions as specified in

paragraphs 3, 4 and 5 below.

Default 5

- j) The Senior Facility Agreement provides that all factual information provided by or on behalf of the Issuer and Initial Guarantors in writing to the Agent in connection with the Senior Facility Agreement and associated finance documents and transactions must be true and accurate in all material respects and not misleading as at the date it was provided. Failure to comply with this term is an Event of Default pursuant to the Senior Facility Agreement.
- k) The Issuer and Initial Guarantors failed to comply with a representation under a utilisation conditions letter and conditional waiver letter regarding to breaches relating to the Financial Indebtedness Ratio Covenant and the Compliance Certificate Default specified in paragraph 3 below.

Default 6

- l) The Senior Facility Agreement provides that at all times the industry concentration ratio for receivables (in relation to debtors operating in the transport industry) may be no more than 70% (**Industry Concentration Covenant**). Failure to comply with the Industry Concentration Covenant is an Event of Default pursuant to the Senior Facility Agreement.
- m) The Industry Concentration Covenant has not been breached as at the date of this Notice but may be breached in the period before satisfaction of the Conditions Subsequent.

Default 7 (Cross Defaults)

- n) It is an Event of Default under the Senior Facility Agreement if any creditor of the Issuer and Initial Guarantors becomes entitled to declare any financial indebtedness (as that term is defined in the Senior Facility Agreement) of any member of the Group due and payable prior to its specified maturity as a result of an Event of Default or review event (however described).
- o) The Intercreditor Deed provides that if any Event of Default occurs under a Note Document, an Event of Default is taken to have occurred under the Senior Facility Agreement.
- p) Each Event of Default specified in paragraphs 3 and 5 are Events of Default pursuant to the Senior Facility Agreement.
- q) Any events of default (however described) under the Approved Securitisation Warehouse (as that term is described in the Senior Facility Agreement) are Events of Default pursuant to the Senior Facility Agreement.

(Each of the breaches and Events of Default described in a) to q) are referred to as **Senior Facility Cross Defaults.**)

Review Event

- r) The Senior Facility Agreement provides that a Review Event occurs if there is any suspension of trading on the ASX specific to Holdco or its securities for five

or more consecutive Business Days (**Review Event**).

- s) Axesstoday has been in voluntary suspension under listing rule 17.2 pending a business strategy review since Friday 14 September 2018 (**Suspension Period**).

2. Senior Facility Agreement- Action by Senior Lenders

- a) Holdco, on behalf of the Issuer and the Initial Guarantors requested the Senior Lenders to:
 - I. Waive the Senior Facility Cross Defaults; and
 - II. Refrain from directing the Agent to issue a Review Notice or take any action pursuant to the Review Event provisions of the Senior Facility Agreement (save for any reservation of rights provided for in the Senior Facility Agreement) during the Suspension Period.
- b) The Senior Lenders have conditionally waived the Senior Facility Cross Defaults. The conditional waiver may be extended in the Senior Lenders' discretion.
- c) The Senior Lenders continue to reserve their rights in relation to the Review Event.

3. Series 2 Notes- Defaults

Cross Defaults (Subordinated Notes)

The following breaches and Events of Default have taken place in relation to the Subordinated Notes leading to Cross Default under the Series 2 Note Conditions.

- a) The Subordinated Notes defaults (referred to in paragraph 5 below) have resulted in Events of Default under the Series 2 Note Conditions (**Subordinated Notes Cross Default**).

Financial Covenants (Series 2 Notes)

The following breaches and Events of Default have occurred in relation to the Series 2 Notes

- a) **Financial Indebtedness**- The Issuer, Holdco and Group must not incur or allow to subsist any Financial Indebtedness after the Issue Date unless at all times, the ratio of all Financial Indebtedness of the Group to the Eligible Receivables Balance of the Issuer is not greater than 0.85:1 (Series 2 Note Condition 5.2(a)(i)(E)) (**Financial Indebtedness Ratio Covenant**).
- b) **Consequent Default**- Holdco issued bonds pursuant to the Axesstoday Bonds Trust Deed dated 20 July 2018 (**Bonds**). As a result of issuing the Bonds, the Financial Indebtedness Ratio Covenant was breached. Breach of the Financial Indebtedness Ratio Covenant is an Event of Default under Series 2 Note Condition 14.3(c) (**Financial Indebtedness Ratio Default**).
- c) **Delivery of Compliance Certificates**- The Issuer must provide the Series 2 Note Trustee not later than 30 days after each Test Date a certificate signed by

prescribed officers of the Issuer which certifies whether, in the opinion of those officers of the Issuer (as appropriate) and after having made all reasonable enquiries, the Group has complied with, among other things, each of the covenants set out in Series 2 Note Condition 5.2 ("Financial covenants"). In the event the Issuer is not in compliance with any such covenant, such certificate will give reasonable detail of such non-compliance (including any relevant figures and calculations) and the steps being taken to remedy the same (Series 2 Note Condition 5.4(a)) after each applicable Test Date.

- d) **Consequent Default-** The certificates provided by the Issuer on the Test Dates in July 2018, August 2018 and September 2018 did not comply with the requirements of Series 2 Note Condition 5.4(a). Breach of compliance certificate requirements is an Event of Default under Series 2 Note Condition 14.3(c) (**Compliance Certificate Default**).
- e) **Distributions-** Holdco is not permitted to make a Distribution except where the amount of the Distribution is only paid out of NPAT of the Group for the Previous Financial Year, up to a maximum aggregate amount equal to 50% of NPAT of the Group for that Financial Year (Condition 5.2(b)(iii)) (**Distribution Covenant**).

The drafting of the Distribution Covenant is unclear and it is not necessarily certain, in Holdco's view, that the covenant was breached. However, to the extent that it was given the facts below, the Issuer and Initial Guarantors have requested a Proposed Waiver as set out in this Notice.

- f) **Consequent Default-** In the 2018 financial year, Holdco made 2 Distributions. The first payment was a final dividend for the 2017 financial year declared on 17 August 2017 and the second was an interim dividend for the first half of the 2018 financial year and declared on 2 February 2018. NPAT in FY17 was AUD3.649M so the maximum distribution allowable was AUD1.824M. The total distribution made was AUD2.606M and the Distribution Covenant was arguably breached. Breach of the Distribution Covenant is an Event of Default under Condition 14.3(c) (**Distributions Default**).

4. Series 2 Notes- Consequences of Defaults

- a) The Series 2 Notes give the Series 2 Note Trustee and the Noteholders options where Events of Defaults have taken place. These options are always subject to the restrictions set out in the Intercreditor Deed, Series 2 Note Trust Deed and Series 2 Security Trust Deed.
- b) If an Event of Default occurs and continues unremedied then a Noteholder may, and the Series 2 Note Trustee must (if requested in writing by Noteholders who hold in aggregate 25% or more of the outstanding principal amount) declare by notice to the Issuer that each Series 2 Note held (with a copy to the Registrar and the Series 2 Note Trustee if notice is given by a Noteholder) by it is (or, if the Series 2 Note Trustee has given the declaration, all Series 2 Notes are) to be redeemed by the Issuer paying to the Noteholder the applicable redemption amount for the Note (together with any accrued interest) in which case those amounts become immediately due and payable (Series 2 Note Condition 14.4(b)).

- c) Further instructions may be provided to the Series 2 Note Trustee to take enforcement action provided a written request by Noteholders who hold in aggregate 25% or more of the principal amount of all Series 2 Notes then outstanding and unless it decides otherwise, the Series 2 Note Trustee shall have been indemnified to its satisfaction in accordance with the terms of the Series 2 Note Trust Deed (Series 2 Note Condition 14.6).
- d) It is important to note that any action taken by a Noteholder or the Series 2 Note Trustee is subject to the Intercreditor Deed which provides that, amongst other things, for defaults relating to Series 2 Note Conditions 14.3(c) and (d) entitling Noteholders to accelerate their debt and take steps to enforce their security, action may only be taken after 120 days prior written notice has been provided to the First Senior Security Trustee under the Intercreditor Deed.

5. Subordinated Notes Cross Defaults

The Cross Default provision of the Series 2 Note Conditions provides that it is an Event of Default if any financial indebtedness of the Issuer or Holdco or any of its Subsidiaries totalling more than A\$1,000,000 has become (or becomes capable of being declared) due and payable before its scheduled maturity by reasons of a default, event of default or potential event of default, however described.

The following breaches and Events of Default have occurred in relation to the Subordinated Note Conditions leading to Cross Default in the Series 2 Note Conditions.

Default 1- Cross Default (Senior)

- a) The Senior Facility Cross Default has resulted in an Event of Default under the Subordinated Note Conditions.

Default 2- Cross Defaults (Series 2 Notes)

- b) The **Financial Indebtedness Ratio Default** and the **Compliance Certificate Default** and the **Distributions Default** have resulted in Events of Default under the Subordinated Note Conditions (**Series 2 Notes Cross Default**)

Default 3- Financial Covenants (Subordinated Notes)

- c) **Financial Indebtedness-** The Issuer, Holdco and Group breached the covenant under the Subordinated Note Conditions that mirrors the Financial Indebtedness Ratio Covenant. This resulted in an event of default pursuant to the Subordinated Note Conditions.
- d) **Compliance Certificate Default** — The Issuer did not comply with the provisions relating to compliance certificates which led to a Compliance Certificate Default pursuant to the Subordinated Note Conditions.
- e) **Distributions Default-** The Issuer breached the covenant under the Subordinated Note Conditions that mirrors the Distribution Covenant. This resulted in an Event of Default pursuant to the Subordinated Note Conditions.

6. Subordinated Notes- Consequences of Defaults

- a) The Subordinated Notes give the Subordinated Note Trustee and the Subordinated Noteholders options where Events of Default have taken place.

These options are always subject to the restrictions set out in the Intercreditor Deed, Subordinated Note Trust Deed and Subordinated Security Trust Deed but include similar options as specified in paragraph 4 in relation to the Series 2 Notes.

- b) The Issuer and Initial Guarantors have requested waivers of the following from the Subordinated Noteholders (**Subordinated Notes Cross Defaults**):
 - I. Senior Facility Cross Defaults;
 - II. Financial Indebtedness Ratio Default;
 - III. Compliance Certificate Default;
 - IV. Distributions Default;
 - V. Series 2 Notes Cross Defaults; and
 - VI. Consequential Defaults.

7. Series 2 Consequential Defaults

- a) The Issuer and Initial Guarantors advise that there may be other breaches of covenants, warranties, representations, undertakings, other provisions and consequential Event of Defaults in relation to the Senior Facility Agreement, Series 2 Notes, and Subordinated Notes which may have occurred or will occur (either directly or as a result of a cross default provision) as a consequence of the events and breaches disclosed by the Issuer and Initial Guarantors in paragraphs 1 to 5 of this Circulating Resolution (**Consequential Defaults**). For the avoidance of doubt, this clause is not intended to apply to any breach or default which does not relate to the facts disclosed about the existing breaches and defaults set out in this document.
- b) The Issuer and Initial Guarantors request a waiver of any Consequential Defaults (other than any Consequential Defaults relating to the Review Event referred to in this document).

8. Series 2 Notes Resolution- Requests for waiver and instructions to Series 2 Note Trustee

The Issuer and Initial Guarantors are requesting that the Noteholders agree to the following: subject to the Conditions Subsequent being fulfilled:

a) Waivers

The Issuer and the Initial Guarantors request that the Noteholders approve the waiver by the Series 2 Note Trustee of the following Events of Default that have or will occur (**Proposed Waivers**):

- I. from the dates that the Events of Default took place to the date that the waivers are given:
 - a. Senior Facility Cross Defaults;
 - b. Compliance Certificate Default;

c. Distributions Default; and

d. Subordinated Notes Cross Defaults.

II. from the date the Financial Indebtedness Ratio Default took place until 31 December 2018, the Financial Indebtedness Ratio Default; and

III. from the date that any Consequential Default has occurred or will occur until the date the waivers are given, the Consequential Defaults (other than Consequential Defaults relating to the Financial Indebtedness Ratio Covenant in which case the waiver is given until 31 December 2018

b) Instructions to Series 2 Note Trustee

In addition to the Proposed Waivers, the Issuer and the Initial Guarantors request that the Noteholders resolve to take no action pursuant to Series 2 Note Conditions 14.4(b) and 14.6 either in their own capacity or by requesting the Series 2 Note Trustee to take action in relation to any Event of Default.

c) Meeting Waiver

Any obligation for the Series 2 Note Trustee or the Series 2 Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Series 2 Security Trust pursuant to the Default Notice dated 23 October 2018 is waived.

d) Variation of Notes (with consent)

In accordance with Series 2 Note Condition 17.1 the financial covenant in Series 2 Note Condition 5.2(a)(ii) is varied by deleting Series 2 Note Condition 5.2(a)(ii)(B) and inserting the following:

"(B) for each other Financial Year (other than as provided in paragraph (C) below), is greater than 2.0:1.

(C) for the period from 31 October 2018 until and including, 31 December 2019, is greater than 1.75:1."

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 1 November 2018 ("**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 16 November 2018 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:

- a) approval is given for the Series 2 Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018) and execute any document necessary to give effect to the Proposed Waivers;*
- b) the Series 2 Note Trustee is instructed to take no action under Series 2 Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*
- c) any obligation for the Series 2 Note Trustee or the Series 2 Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Axesstoday Second Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*
- d) Variation of Notes (with consent)*

In accordance with Series 2 Note Condition 17.1 the financial covenant in Series 2 Note Condition 5.2(a)(ii) is varied by deleting Series 2 Note Condition 5.2(a)(ii)(B) and inserting the following:

'(B) for each other Financial Year (other than as provided in paragraph (C) below), is greater than 2.0:1; and

(C) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1."

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

A.C.N. 603 303 126 Pty Ltd

trading as **Axesstoday**

Dated: 1 November 2018

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 1 November

2018 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:

- a) approval is given for the Series 2 Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018 and execute any document necessary to give effect to the Proposed Waivers;*
- b) the Series 2 Note Trustee is instructed to take no action under Series 2 Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*
- c) any obligation for the Series 2 Note Trustee or the Series 2 Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Axesstoday Second Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*
- d) Variation of Notes (with consent)*

In accordance with Series 2 Note Condition 17.1 the financial covenant in Series 2 Note Condition 5.2(a)(ii) is varied by deleting Series 2 Note Condition 5.2(a)(ii)(B) and inserting the following:

'(B) for each other Financial Year (other than as provided in paragraph (C) below), is greater than 2.0:1; and

(C) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1."

Noteholder	Name of authorised representative	Outstanding principal amount of Series 2 Notes to be voted for	Outstanding principal amount of Series 2 Notes to be voted against	Outstanding principal amount of Series 2 Notes abstained	Date of signing
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 SERIES 2 NOTES HELD BY AUSTRACLEAR HOLDER

	Aggregate principal amount of Series 2 Notes held by the Austraclear Holder
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.

Resolutions in respect of the Series 2 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 Series 2 Notes to be voted for	Outstanding principal amount of Series 2 Notes to be voted against	Outstanding principal amount of Series 2 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) 16 November 2018:
 - Fax no: +61 2 9260 6009
 - email: pei.caipan@bnymellon.com

Executed as a deed on 2018

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

OR

SIGNED by)	
)	
.....)	
Name of Attorney)	
as attorney for:)	
)	
.....)	
[insert name of Austraclear Holder])	
pursuant to power of attorney in the)	
presence of:)	
)	
)	
.....)	
Signature of witness)	
)	
.....)	
Name of witness (block letters))	

By executing these Instructions to Sign the attorney states that the attorney has 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.

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 waivers and amendments ("**Proposed Waivers and 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 Waivers and 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:

- a) *approval is given for the Series 2 Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018 and execute any document necessary to give effect to the Proposed Waivers;*
- b) *the Series 2 Note Trustee is instructed to take no action under Series 2 Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*

- c) *any obligation for the Series 2 Note Trustee or the Series 2 Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Axesstoday Second Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*

- d) *Variation of Notes (with consent)*

In accordance with Series 2 Note Condition 17.1 the financial covenant in Series 2 Note Condition 5.2(a)(ii) is varied by deleting Series 2 Note Condition 5.2(a)(ii)(B) and inserting the following:

'(B) for each other Financial Year (other than as provided in paragraph (C) below), is greater than 2.0:1; and

(C) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1.'"

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 amendment being requested by the Issuer. The Issuer is of the view that for the reasons set out below, the proposed waivers and amendments will not be adverse to the rights or interests of the Noteholders.

Background

Since the update provided on 24 September 2018, Holdco has continued to work closely with its Senior Lenders, as well as other advisors, to obtain waivers for the defaults under the Senior Facility Agreement, Subordinated Notes and the Series 2 Notes as previously disclosed. The waivers being sought from the Noteholders relate to breaches identified during Holdco's board-led strategic review with the assistance of a 3rd party independent consultant.

Summary and Explanation of Defaults and Breaches

The following section sets out additional detail of the breaches discussed in the Notice which were identified during the course of Holdco's ongoing strategic review.

Senior Facility

On 27 July 2018 Holdco incorporated the New Entity for the purpose of funding business loans. Under the terms of the Senior Facility Agreement this required prior consent from the Senior Lenders and also breached the representation regarding the most recent Group structure provided to the Senior Lenders to be accurate.

Holdco provided finance to the New Entity from within the Senior Facility Agreement covenant group to originate \$2.0m of business loans without the consent of its Senior Lenders. This breached Holdco's obligation under the Senior Facility Agreement not to provide financial accommodation to another person unless otherwise permitted.

As a consequence of continued growth in the loan book, in March 2018 Holdco established a Securitisation Warehouse Facility (**SWF**) with one of the Senior Lenders. The creation of the SWF is a prudent funding arrangement used by many non-bank lenders to fund receivables because of the access to cheaper cost of funds over time. However, receivables transferred into the SWF must meet prescribed eligibility criteria including that they must not be in arrears for more than 30 days.

On 1 May 2018, Holdco transferred its first tranche of receivables into the SWF. This and subsequent transfers of receivables into the SWF resulted in a concentration of the receivables in arrears remaining to secure the Senior Facility Agreement.

During the FY18 audit process Holdco amended its bad debt provisioning methodology and increased its impairment recognition to begin at 180 days past due rather than 60 days as was previously undertaken. This change in methodology aligns to industry peers and the collection processes of Holdco. The changes resulted in a greater portion of the portfolio being carried in arrears. The combination of the transfer of receivables into the SWF and the provision methodology change led to the arrears ratio covenant under the Senior Facility Agreement being breached. Holdco is working with its senior bank lenders to revise the covenant to take into account the changes cited above.

Holdco has been in suspension from trading on the ASX for a period greater than that allowed per the terms of the Senior Facility Agreement. This has given rise to a right of review (**Review Event**), after which, the Senior Lenders have the right to determine to either change any of the conditions or to terminate the facility. The Senior Lenders have reserved their rights in relation to the Review Event. On 22 October 2018, Holdco extended its voluntary suspension pending the completion of the detailed review of its business strategy until the earlier of an announcement being made or 30 November 2018. Holdco is working with the Senior Lenders whilst it remains in suspension to implement a long term solution to the breaches cited above.

Series 2 and Subordinated Notes

The defaults described above with respect to the Senior Facility Agreement triggered cross default provisions in the Series 2 and Subordinated Notes.

In addition to the cross defaults, Holdco made distributions during FY18 in excess of 50% of the Net Profit After Tax of FY17. Holdco interpreted the financial year to be considered when calculating the amount available for distribution as being the financial year in which the profits were generated rather than the financial year in which the distribution was declared. Holdco considers the wording of the clause to be unclear, but for the avoidance of doubt, requests a waiver of any inadvertent breach that may be deemed to have occurred.

Following the raising of the Simple Corporate Bond in July 2018, Holdco inadvertently triggered a breach of its Financial Indebtedness Ratio Covenant requiring the ratio of all Financial Indebtedness of the Group to the Eligible Receivables Balance to be less than 0.85:1.

The Compliance certificates issued pursuant to the terms of the Series 2 and Subordinated Notes in July, August and September were incorrect owing to certain matters described above having not been identified at the time of issue of the compliance certificate.

Actions Taken by Holdco Board of Directors and Management

Since the termination of the previous CEO, the business has continued to operate under the guidance of the management team consisting of Michael Sack, Executive Director, Joe Flanagan, CFO, and Konrad Pels, interim COO.

On 18 October 2018 the board engaged Mr Dermott McVeigh as interim Chief Executive Officer during this period. Mr McVeigh has expertise in restructuring and was previously a partner at Deloitte. Mr McVeigh will be instrumental in liaising with lenders and investors and assisting Holdco to implement an updated short and long term capital management plan. Furthermore, the board has continued the process of searching for a new CEO and new board members. The process is expected to continue over the coming months and further updates will be made to the market as appointments are made.

The current management team has made the following changes to implement Holdco's strategy of returning to funding business critical equipment in the hospitality and transport sectors:

- Canadian operations have been shutdown and the loan portfolio (approx. \$2.5m) has gone into run off;
- Business loan funding has been discontinued and the remaining portfolio (approx. \$15m) will amortise over the course of the next 2 years;
- All new product and sector initiatives have been discontinued indefinitely;
- Credit appetite for new originations has been tightened to ensure the quality of the loan portfolio remains sound moving forward;
- The cancellation of the dividend previously announced by ASX Announcement dated 27 August 2018 in order to preserve equity and support the capital structure of Holdco; and
- A focus on pricing margin has been prioritised to ensure that adequate risk-adjusted returns are generated from the portfolio.

The business continued to operate throughout the period of suspension from the ASX with origination volumes reducing to align with the strategy of only funding business critical equipment.

Request of Noteholders

This section sets out Holdco's considerations in requesting the Noteholders to approve the proposed waivers.

Several of the abovementioned defaults are attributable to the fact that Holdco's existing operational risk management framework was not equipped to deal with the complexities arising from the SWF and the Simple Corporate Bond issue. Holdco is reviewing and implementing changes to its internal compliance processes and procedures to mitigate the risk of any further such breaches occurring in future. External counsel has been engaged to provide guidance on Holdco's ongoing compliance with obligations under debt facilities.

Holdco requests that Noteholders provide a temporary amendment of the Interest Cover Ratio (ICR) covenant, which is currently set at 2.0x. As part of the current review process, Holdco is incurring additional costs, a number of which will be non-recurring and not reflective of normal operating expenses, but which will nevertheless impact ICR levels. In recognition of this, the proposed minimum ICR covenant would be set at 1.75x until and including 31 December 2019. The amendment period has been requested given the fact that the test is based on a 12 month rolling period, so that changes take time to be reflected. Holdco's ICR was around 2.1x at 31 August 2018 and the proposed waiver provides additional headroom while the strategic review is completed, while restructuring activity is undertaken, and while the capital management plan is implemented with the assistance of Mr McVeigh.

Holdco requests that Noteholders waive compliance with the total indebtedness covenant of 85% until 31 December 2018, to provide Holdco with time to implement its short-term and long-term capital management plan. The capital management plan has been constructed to target comfortable compliance with all indebtedness covenants moving forward. An objective of the capital management strategy will be the targeting of total financial indebtedness levels of around 80% based on current plan from January 2019 to June 2019. The Noteholders' security position is supported by the \$55.0m held by the unsecured Simple Corporate Bondholders. Targeting additional headroom in the total financial indebtedness covenants will provide further security to the Noteholders. It is Holdco's intention not to refinance the Simple Corporate Bond by raising secured debt which ranks senior to the Series 2 Notes as it recognises that the Simple Corporate Bond provides a layer of protection for the holders of the Series 2 Notes and Subordinated Notes.

The Issuer asks that you approve the proposed waivers 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:

- a) approval is given for the Series 2 Note Trustee to provide for the benefit of the Issuer and each Initial Guarantor, the Proposed Waivers (as defined in the Notice of Circulating Resolution dated 1 November 2018 and execute any document necessary to give effect to the Proposed Waivers; and*
- b) the Series 2 Note Trustee is instructed to take no action under Series 2 Note Series 2 Note Conditions 14.4(b) or 14.6 with respect to any Event of Default contemplated in the Proposed Waivers;*
- c) any obligation for the Series 2 Note Trustee or the Series 2 Security Trustee to convene a meeting of Noteholders or beneficiaries of the Security Trust with respect to any Event of Default contemplated in the Proposed Waivers or any meeting of Noteholders or beneficiaries of the Axesstoday Second Security Trust pursuant to the Default Notice dated 23 October 2018 is waived; and*
- d) Variation of Notes (with consent)*

In accordance with Series 2 Note Condition 17.1 the financial covenant in Series 2 Note Condition 5.2(ii) is varied by deleting Series 2 Note Condition 5.2(ii)(B) and inserting the following:

'(B) for each other Financial Year (other than as provided in paragraph (C) below), is greater than 2.0:1; and

(C) for the period from 31 October 2018 until, and including, 31 December 2019, is greater than 1.75:1.'"