

IP Deed

Dated 9 December 2020

Pallas Funds Pty. Limited (ACN 604 352 347) as trustee of the Pallas FM Trust ("**Issuer**")

CF Mellick Pty. Limited (ACN 061 209 596) as trustee of the CF Mellick Holding Trust ("**CFM**")

Jubilee Group Pty. Limited (ACN 119 582 320) as trustee of the Jubilee Trust ("**Jubilee**")

Gallen Holdings Pty. Limited (ACN 607 491 887) as trustee of the Gallen Holdings Trust ("**GHT**")

Selmar Investments Pty. Limited (ACN 615 705 372) as trustee of the Spring Family Trust ("**SFT**")

IP Deed

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IP Deed

DATED:

GHL

December 2020

BETWEEN:

Pallas Funds Pty. Limited (ACN 604 352 347) of 33-39 Riley Street, Woolloomooloo in New South Wales as trustee of the Pallas FM Trust (**Issuer**)

CF Mellick Pty. Limited (ACN 061 209 596) as trustee of the CF Mellick Holding Trust (**CFM**)

Jubilee Group Pty. Limited (ACN 119 582 320) as trustee of the Jubilee Trust (**Jubilee**)

Gallen Holdings Pty. Limited (ACN 607 491 887) as trustee of the Gallen Holdings Trust (**GHT**)

AND

Selmar Investments Pty. Limited (ACN 615 705 372) as trustee of the Spring Family Trust (**SFT**)

- Recitals**
- A** The Issuer proposes to issue Notes pursuant to a Note Trust Deed made by it and AMAL Trustees Pty. Limited and dated 9 December 2020 (**Note Trust Deed**).
 - B** The Sponsors have agreed to support certain Series of Notes issued pursuant to the Note Trust Deed on the terms set out in this Deed.

General terms

1 Interpretation

1.1 Definitions

Terms which are defined in the Note Trust Deed have the same meaning when used in this Deed unless the same term is also defined in this Deed, in which case the definition in this Deed prevails and the following meanings apply unless the contrary intention appears:

Additional Reserve means Qualifying Assets held by the Issuer in accordance with clause 3.

Additional Reserve Amount means the amount calculated from time to time in accordance with clause 3.1.

Bank Guarantee means a bank guarantee held by the Issuer and unconditionally available for drawdown by the Issuer.

Base Reserve means Qualifying Assets held by the Issuer in accordance with clause 2 of this Deed.

Base Reserve Amount means the amount described as the Base Reserve Amount in the Schedule.

Business Day means a day on which banks in Sydney are open for general banking business other than a Saturday, Sunday or public holiday.

Deficiency means, in relation to a Direct Loan:

- (a) any amount required to be paid by the borrower in accordance with the terms of that loan and not paid on the due date; or
- (b) in the case of a payment by the borrower less than the full amount required to be paid in accordance with the terms of the relevant loan, the amount by which the payment received was less than the amount required to be paid, and

in relation to an SPV Investment:

- (c) any amount required to be paid by an SPV Lender in accordance with the terms of an Investment and not paid on the due date; or
- (d) in the case of a payment by an SPV Lender less than the full amount required to be paid in accordance with the terms of the relevant Investment, the amount by which the payment

received was less than the amount required to be paid.

Deficiency Recovery	has the meaning given in clause 4.4.
Direct Loan	means a loan by the Issuer.
IP Mechanism	means the provision, application and maintenance of the Base Reserve and the Additional Reserve in accordance with this Deed.
Investor Obligation	means any obligation of the Issuer to make any payment whatsoever in respect of any Relevant Note arising under any Transaction Document.
Investment	means a Direct Loan or an SPV Investment.
Issue Supplement	means the Issue Supplement related to Series A of the Notes and any other pricing or other supplement prepared and issued in relation to subsequent issues of such Notes that incorporate the IP Mechanism and which have been confirmed in writing by the Issuer and the Sponsors.
Maximum Single Deficit	means, in relation to any Deficiency, the greater of: <ul style="list-style-type: none">(a) \$1.5 million;(b) an amount equal to 20% of the largest single Direct Loan or SPV Investment on the date on which the deficiency arose; and(c) the Base Reserve Amount on the date on which the Deficiency arose.
Principal Outstanding	means the total principal amount received by the Issuer in respect of the issue of any Relevant Note and not repaid by the Issuer upon the redemption of that Note.
Qualifying Asset	means cleared monies at bank and the amount immediately and unconditionally available to be drawn down under a Bank Guarantee.
Relevant Note	means a Note issued on terms that entitle it to participate in Security Pool A.
Sponsor	means each of CFM, GHT, Jubilee and SFT.
SPV Investment	means shares and/or units held by the Issuer in a company and/or trust acting as an SPV Lender or any other right, title or interest held by the Issuer in an SPV Lender.
SPV Lender	means a special purpose vehicle (including a unit trust) in which the Issuer holds an Investment.
Subordinated Loan	means any advance by the Sponsors to the Issuer and the value of any Bank Guarantee procured by the

Sponsors in favour of the Issuer in accordance with clause 6.1.

Term	means the period in which any Relevant Note remains in issue.
Transaction Document	means those transaction documents, as defined in the Security Trust Deed executed by the Trustee and dated 9 December 2020 (as amended or supplemented from time to time), that relate to any Relevant Notes.

1.2 References to certain general terms

Unless the contrary intention appears, a reference to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) a document includes any amendment, variation or replacement of it;
- (d) anything (including any amount) is a reference to the whole and each part of it;
- (e) "\$" is a reference to the lawful currency of Australia;
- (f) a time of day is a reference to Sydney time;
- (g) a "person" includes an individual, a firm, a body corporate, an unincorporated association and any other legal entity;
- (h) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (i) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 Number

The singular includes the plural and vice versa.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Deed.

1.5 Calculation of period of time

If a notice must be given within a certain period of days or a certain number of days' notice must be given or any other matter must take place within a certain number of days, the day on which the notice is given or action taken, and the day on which the meeting is to be held or other action taken, are not to be counted in calculating that period.

2 Maintenance of Base Reserve

2.1 General

The Issuer will at all times issue a Drawdown Notice as required to maintain, increase and replenish a holding of Qualifying Assets available to be applied in accordance with this Deed with a total value at least equal to the Base Reserve Amount, such assets to constitute the Base Reserve.

2.2 Issue of Relevant Notes

Prior to the issue of any Relevant Note the Issuer must notify the Sponsors of the number of Relevant Notes that it proposes to issue and the value of Qualifying Assets required to maintain the value of the Base Reserve at an amount at least equal to the Base Reserve Amount following that issue.

2.3 Increase in Principal Outstanding

If at any time the amount of Principal Outstanding increases and the corresponding increase in the Base Reserve Amount is at least \$50,000, the Issuer will immediately notify the Sponsors of that increase.

2.4 Decrease in Principal Outstanding

If at any time the Issuer redeems any Relevant Note, and thereby reduces Principal Outstanding and the Base Reserve Amount, the Issuer will immediately notify the Sponsors of that decrease and will remit to the Sponsors an amount equal to the amount of decrease in the Base Reserve Amount in reduction of the Sponsor Loan.

3 Maintenance of Additional Reserve

3.1 Calculation of Additional Reserve

At all times the Additional Reserve is the amount equal to:

- (a) the aggregate of each Deficiency that has arisen in respect of any Investment, provided that the maximum Deficiency in respect of any one Investment is the Maximum Single Deficit; minus
- (b) the aggregate of each Deficiency Recovery retained by the Trustee as a Trust Asset; minus
- (c) the aggregate of previous applications of Qualifying Assets representing Additional Reserve pursuant to clause 4.1.

3.2 Maintenance

The Issuer will at all times issue a Drawdown Notice as required to maintain a holding of Qualifying Assets available to be applied in accordance with this Deed with a total value at least equal to the Additional Reserve Amount, such assets to constitute the Additional Reserve.

4 Application of Reserves

4.1 General

The Base Reserve and the Additional Reserve are Trust Assets that may be applied to discharge an Investor Obligation if at any time the Issuer does not have sufficient funds (apart from those reserves) to discharge that Investor Obligation.

4.2 Deficiency Recovery

If at any time the Issuer recovers any moneys in respect of a Deficiency the Issuer will promptly remit to the Sponsors the amount recovered (**Deficiency Recovery**) in reduction of the Subordinated Loan if requested in writing by the Sponsors.

5 Limit on obligation of the Sponsors

5.1 Maximum Obligation of the Sponsors

For the avoidance of doubt, and notwithstanding any other provision of this Deed, the obligation of the Sponsors pursuant to this Deed can never exceed the obligation to advance Qualifying Assets:

- (a) as required to maintain the Base Reserve in accordance with clause 2.1, 2.2 and 2.3; and
- (b) up to the amount of the Additional Reserve in accordance with clause 3.1.

5.2 Relevant Period

For the avoidance of doubt, and notwithstanding any other provision of this Deed, this clause will only operate during the Term.

6 Subordinated Loan

6.1 Advances

Upon receipt by the Sponsors of:

- (a) any notice of a proposed issue of Relevant Notes pursuant to clause 2.2;
- (b) any notice of an increase in Principal Outstanding pursuant to clause 2.3;
- (c) any notice of a Deficiency pursuant to clause 3.2; or
- (d) any notice of the application of Qualifying Assets representing part of the Base Reserve pursuant to clause 4.1,

(each such notice, a **Drawdown Notice**), within ten Business Days the Sponsors will advance monies to the Issuer and/or procure the issue of Bank Guarantees in favour of the Issuer, having a total value at least equal to the amount of additional Qualifying Assets required as specified in that Drawdown Notice.

6.2 Status of Advances

Any advance of Qualifying Assets made pursuant to clause 6.1 constitutes an advance under the Subordinated Loan.

6.3 Terms of Subordinated Loan

The Sponsors may charge interest in respect of the amount outstanding under the Subordinated Loan, but all amounts owing by the Issuer to the Sponsors pursuant to that loan are subordinated to all Investor Obligations.

6.4 Joint and Several

The obligations of the Sponsors pursuant to this Deed are unconditional and joint and several.

6.5 Alternate Lender

The Sponsors may procure that a third party complies with the obligations set out in clause 6.1 either generally or in response to a particular Drawdown Notice, provided that the Sponsors cannot delegate any responsibility to perform any obligation set out in this Deed and such responsibility remains with the Sponsors.

7 Terms of Subordination

7.1 Subordination

The Subordinated Loan is subordinated to the payment of all Investor Obligations. Accordingly, each Noteholder may recover any Investor Obligation in priority to the Subordinated Loan.

7.2 Trustee's undertakings

At all times during the Term, the Trustee must not and warrants that it will not:

- (a) pay or repay the Subordinated Loan or any interest on the Subordinated Loan, except in accordance with clause 2.4;
- (b) give any security, guarantee or indemnity securing the Subordinated Loan; or
- (c) agree to any setting-off of the Subordinated Loan.

7.3 Sponsors' undertakings

At all times during the Term:

- (a) the terms and conditions applicable to the Subordinated Loan will not be varied, rescinded, or terminated by agreement between the Trustee and the Sponsors and any variation, rescission, or termination effected without consent is null and void; and
- (b) the Sponsors must ensure that:
 - (i) the Subordinated Loan is not repayable in whole or in part during the Term except in accordance with clause 2.4;
 - (ii) they do not take or permit to subsist any security, guarantee, or indemnity securing the Subordinated Loan; and
 - (iii) they may not enforce any security, guarantee, or indemnity relating to the Subordinated Loan.

7.4 Continuing obligations

The obligations of the Sponsors under this Deed are continuing obligations and will not be abrogated, prejudiced, affected, or wholly or partially discharged by any one or more of the following:

- (a) the payment in whole or part of any Investor Obligations;
- (b) any time, credit, indulgence, or concession extended by the Trustee to the Sponsors or any other person;
- (c) any compounding, compromise, release, abandonment, waiver, variation, relinquishment, or renewal of any rights of the Trustee against the Sponsors or any other person;
- (d) the neglect or omission of Trustee to enforce any rights;

- (e) the winding up, bankruptcy, or death of the Sponsors, or any other person;
- (f) the lack of power of the Trustee or the Sponsors to enter into this Deed;
- (g) any other obligation arising between the Trustee, the Sponsors, or any other person becoming unenforceable in whole or in part for any reason;
- (h) any partial or total release or discharge of any Investor Obligations, the Subordinated Loan, the Sponsors, or any security, guarantee, or indemnity, or person; or
- (i) anything else.

7.5 Variation of Investor Obligations

The obligations of the Sponsors under this Deed extend to any variation of any Investor Obligation including, without limitation:

- (a) any extension of the period for payment of any Investor Obligation;
- (b) any increase or decrease in the number or value of Relevant Notes on issue;
- (c) any increase or decrease in the interest rate payable in respect of any Relevant Note; and
- (d) any other variation, whether or not the variation is formalised in writing and whether or not the Sponsors are aware of the variation.

7.6 Clawback

If any payment of the Subordinated Loan to the Trustee is refunded under any statutory provision or otherwise, the obligations of the Sponsors continue and the parties will be restored to the rights each would have had if the payment had not been made.

8 Limitation of liability of trustees

8.1 Trustee Capacity

Each party enters into this Deed in its capacity as trustee of the relevant trust and in no other capacity.

8.2 Ceasing to be Trustee

The parties acknowledge that each party incurs the Trustee Liabilities solely in its capacity as trustee of the relevant trust and agree that (to the maximum extent permitted by law) that party will cease to have any Trustee Liability if it ceases for any reason to be trustee of the relevant trust.

8.3 Enforcement Against Trustee

A Trustee Liability may be enforced against a party only to the extent to which:

- (a) that party is actually indemnified for that Trustee Liability out of the property of the relevant trust; and
- (b) there is sufficient property held by that party as trustee of the relevant trust at the time, which is available to meet that indemnity (after all trust assets have been allocated to meet the indemnity and any other valid claims).

8.4 Action Against Trustee

Subject to clause 8.5, no person will be entitled to:

- (a) claim from or commence proceedings against a party in respect of any Trustee Liability in any capacity other than as trustee of the relevant trust;
- (b) enforce or seek to enforce any judgment in respect of any Trustee Liability against any property of the party other than property held by the trust as trustee of that trust;
- (c) take any steps to procure or support the appointment of a liquidator, administrator or any other similar office holder to the relevant party on the basis of a Trustee Liability, or prove in liquidation, administration or arrangement of or affecting that trust; or
- (d) in respect of a Trustee Liability, appoint or take any steps to procure or support the appointment of a receiver or receiver and manager to any property of such party, other than property which is held by it in its capacity as trustee of the relevant trust.

8.5 Fraud, Negligence or Default

The restrictions in clauses 8.3 and 8.4 do not apply to any Trustee Liability to the extent to which there is, whether under the relevant trust deed or by operation of law, a reduction in the extent of the party's indemnification, or in respect of which that party is not entitled to be indemnified, out of the property of the relevant trust, as a result of that party's fraud, gross negligence or wilful default.

8.6 Failure of Another Party

Each other party to this Deed agrees that no act or omission of a party (including any related failure to satisfy any Trustee Liabilities) will constitute fraud, gross negligence or wilful default of that party for the purpose of clause 8.5 to the extent to which the act or omission was caused or contributed to by any failure of that other party to fulfil its obligations relating to the party (or the relevant trust) or by any other act or omission of that other party.

8.7 Actions of Attorney

No attorney, agent or other person appointed in accordance with this Deed has authority to act on behalf of a trustee in a way which exposes that trustee to any personal liability, and no act or omission of such a person will be considered fraud, negligence or breach of trust of that trustee for the purposes of clause 8.5.

8.8 Status of this Limitation

Subject to clause 5.5, this limitation of the trustee's liability applies despite any other provisions of this or any other document and extends to all Trustee Liabilities of that trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this Deed or its performance.

8.9 Subsequent Actions of Trust

A trustee referred to in this clause 8 is not obliged to do or refrain from doing anything under this Deed (including incur any liability) unless that trustee's liability is limited in the same manner set out in clauses 8.3 to 8.8.

8.10 Meaning of Trustee Liability

In this clause 8, "Trustee Liability" means any liability or obligation (of any kind including, without limitation, for negligence, in tort, in equity, or under statute) of

the trustee which arises in any way under or in connection with this Deed or its performance, or any representation, warranty, conduct, omission, agreement or transaction made under or in connection with this Deed, the Notes or its performance of this Deed or in respect of the Notes.

9 General

9.1 Joint and Several

All obligations of the Sponsors under this deed are joint and several.

9.2 Costs and Expenses

The Sponsors must, on demand by the Issuer, pay to, or as directed by, the Issuer, and indemnify the Issuer against all costs, losses, charges, expenses, liabilities, damages, fees and disbursements (including all reasonable legal costs on a solicitor and own client basis) paid or incurred by the Issuer of or incidental to any breach of, or default under, this Deed by the Sponsors.

9.3 Notices

(a) Notices

The particulars for delivery of notices are initially:

Issuer:

Address: 33-39 Riley Street, Woolloomooloo in New South Wales 2011

Email address: patrick@pallasgroup.com.au

Jubilee Trust:

Address: 33-39 Riley Street, Woolloomooloo in New South Wales 2011

Email address: patrick@pallasgroup.com.au

Mellick Holding Trust:

Address: 33-39 Riley Street, Woolloomooloo in New South Wales 2011

Email address: charles@fortis.com.au

Gallen Holdings Trust:

Address: 33-39 Riley Street, Woolloomooloo in New South Wales 2011

Email address: dan@pallascapital.com.au

Spring Family Trust:

Address: 33-39 Riley Street, Woolloomooloo in New South Wales 2011

Email address: mark@pallascapital.com.au

Each party may change its particulars for delivery of notices by notice to each other party.

(b) Communications by post

Subject to clause 9.3(d), a communication is given if posted:

- (i) within Australia to an Australian postal address, three Business Days after posting; or

(ii) outside of Australia to an Australian postal address or within Australia to an address outside of Australia, ten Business Days after posting.

(c) Communication by email

Subject to clause 9.3(d), communication by email is given at the time shown in the 'sent emails' as the time that the email was sent unless, within 60 minutes, the sender receives electronic notification that the transmission failed.

(d) After hours communications

If a communication is given:

(i) after 5.00 pm in the place of receipt; or

(ii) on a day which is not a Business Day in the place of receipt,

it is taken as having been given at 9.00 am on the next day which is a Business Day in that place.

9.4 No assignment

A party must not assign or otherwise deal with its rights under this Deed or allow any interest in it to arise or be varied, in each case without the prior written consent of the other parties.

9.5 Amendment

This Deed may only be varied or replaced by a document executed by the parties.

9.6 Waiver and exercise of rights

(a) A single or partial exercise or waiver by a party of a right relating to this Deed does not prevent any other exercise of that right or the exercise of any other right.

(b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

9.7 Rights cumulative

Except as expressly stated otherwise in this Deed, the rights of a party under this Deed are cumulative and are in addition to any other rights of that party.

9.8 Entire understanding

(a) This Deed contains the entire understanding between the parties as to the subject matter of this Deed.

(b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this Deed are merged in and superseded by this Deed and are of no effect. No party is liable to any other party in respect of those previous matters.

(c) No oral explanation or information provided by any party to another:

- (i) affects the meaning or interpretation of this Deed; or
- (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

9.9 Relationship of parties

This Deed is not intended to create a partnership, joint venture or agency relationship between the parties.

9.10 Governing law and jurisdiction

- (a) This Deed is governed by, and is to be construed in accordance with, the laws applicable in New South Wales, Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

9.11 Counterparts

This Deed may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

Signing page

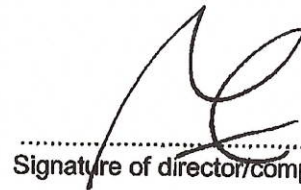
SIGNED, SEALED and DELIVERED as a deed on the date first mentioned above.

EXECUTED by **PALLAS FUNDS PTY. LIMITED** as trustee of the Pallas FM Trust in accordance with section 127(1) of the *Corporations Act 2001* (Cth.) by authority of its directors:)



.....
Signature of director)

.....
Daniel Gallen
Name of director (block letters))



.....
Signature of director/company secretary)

.....
PATRICK KEENAN
Name of director/company secretary)

EXECUTED by **CF MELLICK PTY. LIMITED** as trustee of the CF Mellick Holding Trust in accordance with section 127(1) of the *Corporations Act 2001* (Cth.) by authority of its directors:)



.....
Signature of sole director/company secretary)

.....
Charles Mellick
Name of director/company secretary)

EXECUTED by **JUBILEE GROUP PTY. LIMITED** as trustee of the Jubilee Trust in accordance with section 127(1) of the *Corporations Act 2001* (Cth.) by authority of its directors:

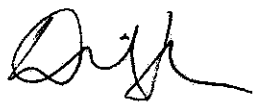

Signature of director

ELIZABETH KEENAN
Name of director (block letters)


Signature of director/company secretary

PATRICK KEENAN
Name of director/company secretary

EXECUTED by **GALLEN HOLDINGS PTY. LIMITED** as trustee of the Gallen Holdings Trust in accordance with section 127(1) of the *Corporations Act 2001* (Cth.) by authority of its directors:


Signature of sole director/company secretary

Daniel Gallen
Name of sole director/company secretary

EXECUTED by **SELMAR INVESTMENTS PTY. LIMITED** as trustee of the Spring Family Trust in accordance with section 127(1) of the *Corporations Act 2001* (Cth.) by authority of its directors:


Signature of director

MARK SPENCE
Name of director (block letters)


Signature of director/company secretary

SELENA SPRING
Name of director/company secretary

Schedule

Base Reserve Amount

An amount equal to 5% of
Principal Outstanding