

Information Memorandum



Maurice Blackburn Pty Limited

(ABN 21 105 657 949)

Issue of secured and subordinated medium term notes

Each Noteholder's ability to receive amounts owing to it under the Notes is subject to the terms of the Priority Deed.

The Notes have the benefit of the security, and are unconditionally and irrevocably guaranteed on a joint and several basis by, amongst others, certain subsidiaries of the Issuer, each as described in this Information Memorandum

Lead Manager and Initial Subscriber

FIIG Securities Limited

(ABN 68 085 661 632)

29 August 2018

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Important Notice

Introduction

This Information Memorandum relates to an issue of Australian dollar notes ("**Notes**") by Maurice Blackburn Pty Limited (ABN 21 105 657 949) ("**Issuer**").

The Notes are initially unconditionally and irrevocably guaranteed on a joint and several basis by each entity described as an "Initial Guarantor" in the section entitled "Summary of the Notes" below (together, the "**Initial Guarantors**") pursuant to the guarantee ("**Guarantee**") set out in the note trust deed dated 29 August 2018 ("**Note Trust Deed**") between the Issuer, the Initial Guarantors and BNY Trust Company of Australia Limited (ABN 49 050 294 052) ("**Note Trustee**"). The Issuer may, from time to time, and in accordance with the terms of the Note Trust Deed, appoint or procure the appointment of any member of the Group (as defined below) which is not an Initial Guarantor as an additional guarantor (each such guarantor, a "**New Guarantor**" and together with the Initial Guarantors, the "**Guarantors**") or, in accordance with the terms of the Note Trust Deed, obtain a release of the guarantee provided by a Guarantor (and such released entity shall no longer be a Guarantor).

The Notes will have the benefit of each Security applicable to the Notes (as described in the section entitled "Security Arrangements" and "Priority Arrangements" below).

References to the "**Group**" or "**Maurice Blackburn**" are to the Issuer, the Guarantors and each of their respective Subsidiaries (which includes a subsidiary within the meaning of Division 6 of Part 1.2 of the Corporations Act 2001 of Australia ("**Corporations Act**")) taken as a whole from time to time.

References to "**Information Memorandum**" are to this Information Memorandum together with any other document incorporated by reference and to any of them individually.

Prospective investors should read this Information Memorandum carefully prior to making any decision in relation to purchasing, subscribing for or investing in the Notes.

Terms used in this Information Memorandum but not otherwise defined have the meaning given to them in the Conditions (as defined below).

Issuer's responsibility

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents (each as defined in the section entitled "Summary of the Notes" below) in relation to their respective details in the sections entitled "Summary of the Notes" and "Directory" below.

Place of issuance

Subject to applicable laws and directives, the Issuer may issue the Notes in any country including Australia and countries in Europe and Asia but not in the United States of America unless an exemption from the registration requirements under the United States Securities Act of 1933 (as amended) ("**Securities Act**") is available.

Terms and conditions of issue

EACH NOTEHOLDER'S ABILITY TO RECEIVE PAYMENT OF AMOUNTS OWING TO IT UNDER THE NOTES IS SUBJECT TO THE TERMS OF THE PRIORITY DEED.

The Notes will be issued in a single series under the Note Trust Deed. The series may comprise one or more tranches (each a "**Tranche**") having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and date of the first payment of interest).

A pricing supplement ("**Pricing Supplement**") will be issued for each Tranche of Notes. A Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest payable (if any) together with any other terms and conditions not set out in the section entitled "Conditions" below that may be applicable to that series of Notes. The terms and conditions ("**Conditions**") applicable to each series of Notes are included in this Information

Memorandum and may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes.

A Pricing Supplement or another supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- the Note Trust Deed;
- the Security Trust Deed;
- each Security applicable to the Notes;
- the Priority Deed;
- the Account Bank Deed;
- the most recent audited consolidated financial statements and unaudited semi-annual financial statements (if any) of the Group;
- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time and all documents stated herein or therein to be incorporated in this Information Memorandum;
- all other documents issued by the Issuer and stated to be incorporated by reference in this Information Memorandum by reference; and
- the Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be modified or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies or supersedes such statement (including whether expressly or by implication).

Copies of the Note Trust Deed, the Security Trust Deed, each of the Securities applicable to the Notes, the Priority Deed, the Account Bank Deed, each Pricing Supplement and any other documents incorporated by reference in this Information Memorandum may be obtained from the office of the Issuer, the Note Trustee or such other person specified in the Pricing Supplement.

Except as provided above, no other information, including any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

No independent verification

The only role of the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the sections entitled "Summary of the Notes" and "Directory" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or

implied, is made, and no responsibility is accepted, by any of them, as to the accuracy or completeness of, or any errors or omissions in, this Information Memorandum or any further information supplied by the Issuer in connection with the Notes.

The Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee and the Agents expressly do not undertake to any holder of a Note to review the financial condition or affairs of the Issuer, the Guarantors or any of their affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer or a Guarantor or any of their affiliates and make no representations as to the ability of the Issuer or a Guarantor to comply with their respective obligations under the Notes.

Forward looking statements

To the extent that any forward looking statements are made in this Information Memorandum, those statements reflect the views of the Issuer as at the Preparation Date. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of the Issuer and the Guarantors to differ materially from the results, performance or achievements expressed, implied or projected in this Information Memorandum. Forward looking statements are inherently uncertain, and therefore undue reliance should not be placed on forward looking statements contained in this Information Memorandum. This Information Memorandum may also contain financial projections which are based on the Issuer's estimates of future financial performance. Many of the factors affecting such future financial performance are impossible to predict with certainty, and as such are outside the Issuer's ability to control.

None of the Issuer, the Guarantors or any of their officers or any other party associated with the preparation of this Information Memorandum make any representation or warranty (either express or implied) as to the accuracy or likelihood of any forward looking statement or any events or results expressed or implied in any forward looking statement. None of the Issuer, the Guarantors or any of their officers or any other party associated with the preparation of this Information Memorandum guarantee that any specific objective of the Issuer or a Guarantor will be achieved.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Issuer, the Guarantors, the Securities and the Notes and should be read in conjunction with all of the documents which are deemed to be incorporated by reference herein. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, any Guarantor, the Securities or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer, the Guarantors and the Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax (including stamp duty) laws applicable to their particular situation.

No advice is given in and no recommendation is made in respect of an investment in the Notes or the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them and each investor should consult their own professional adviser.

Investing in the Notes entails a number of risks as more fully described in the section entitled "Key Risk Factors" below. However, this Information Memorandum does not describe all of the risks associated with the Group's business, those associated with an investment in any Notes or the market generally. Prospective investors should consult their own professional, financial, legal and tax advisers about

risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents to any person to subscribe for, purchase or otherwise deal in any Notes.

Selling restrictions and no disclosure

EACH INVESTOR SUBSCRIBING FOR, PURCHASING OR OTHERWISE DEALING IN ANY NOTES IS DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS A PERSON TO WHOM IT IS LAWFUL TO MAKE ANY OFFER OF NOTES AND IT IS A PERSON TO WHOM AN OFFER OF NOTES FOR ISSUE OR SALE MAY BE MADE WITHOUT DISCLOSURE UNDER PART 6D.2 OR CHAPTER 7 OF THE CORPORATIONS ACT.

The distribution and use of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Notes may be restricted by law or directive in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions. In particular, no action has been taken by any of the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been lodged with the Australian Securities and Investments Commission (“**ASIC**”). A person may not make or invite an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in another currency, in each case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act and such action complies with all applicable laws and directives.

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act.

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Notes, see the section entitled “Selling Restrictions” below.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes except if the offer or invitation complies with all applicable laws, regulations and directives.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Guarantors or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents.

No registration in the United States

The Notes have not been, and will not be, registered under the Securities Act. The Notes may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

Agency and distribution arrangements

The Issuer has agreed or may agree to pay fees to the Note Trustee, the Security Trustee and the Agents for undertaking their respective roles and reimburse them for certain of their expenses properly incurred in connection with the Notes.

The Issuer will also pay a fee to the Lead Manager and Initial Subscriber in respect of the placement of the Notes, and has agreed to reimburse the Lead Manager and Initial Subscriber for certain expenses properly incurred in connection with the Notes and will indemnify the Lead Manager and Initial Subscriber against certain liabilities in connection with the offer and sale of Notes.

The Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Note Trustee, the Security trustee and the Agents, and their respective related entities, directors, officers and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

The distribution and use of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions. In particular, no action has been taken by any of the Issuer, the Guarantors, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or any Agents which would permit a public offering of any Notes or distribution of this Information Memorandum or any such document in any jurisdiction where action for that purpose is required.

Currency

In this Information Memorandum, references to “\$”, “A\$” or “**Australian dollars**” are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer or any Guarantor at any time subsequent to the Preparation Date. In particular, neither the Issuer nor any Guarantor nor any other person is under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended, or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any annual reports and financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Summary of the Notes

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the Note Trust Deed, the Security Trust Deed, each Security applicable to the Notes, the Priority Deed, the applicable Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Pricing Supplement" does not limit provisions or features which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to an issue of Notes.

- Issuer:** Maurice Blackburn Pty Limited (ABN 21 105 657 949).
- Further information (which information is not incorporated by reference in this Information Memorandum) regarding the Issuer and the Group can be obtained from the website: <https://www.mauriceblackburn.com.au/> or from the documents which are specifically incorporated by reference in this Information Memorandum.
- Initial Guarantors and Guarantee:**
- (a) Zabulon Pty Ltd (ABN 50 005 114 670) in its personal capacity and as trustee of the Colquhoun Trust (ABN 28 436 311 025);
 - (b) Claims Funding Australia Pty Ltd (ABN 66 158 551 967) in its own capacity and as trustee of the Claims Funding Australia Discretionary Trust (ABN 26 319 419 953);
 - (c) Zabulon Holdings Pty Ltd (ABN 66 128 858 113) in its personal capacity and as trustee of the Zabulon Holdings Unit Trust (ABN 70 684 632 109); and
 - (d) Claims Funding International PLC registered company number 455396 (Ireland).
- The Notes are issued with the benefit of the Guarantee and the payment of principal and interest in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors as more fully set out in the Note Trust Deed.
- As more fully described below, the Issuer may, from time to time, as required under Condition 5.9 ("Guarantor Group") and in accordance with the terms of the Note Trust Deed, appoint or procure the appointment of any Subsidiary of the Issuer or a Guarantor which is not an Initial Guarantor as an additional guarantor or obtain a release of a guarantor (each entity from time to time appointed as a guarantor which has not been released, a "**Guarantor**").
- Lead Manager and Initial Subscriber:** FIIG Securities Limited (ABN 68 085 661 632).
- Registrar:** BTA Institutional Services Australia Limited (ABN 48 002 916 396) or such other person appointed by the Issuer under an Agency Agreement to perform registry functions and establish and maintain a Register (as defined below) on the Issuer's behalf from time to time ("**Registrar**").
- Issuing & Paying Agent:** BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer under an Agency Agreement to act as issuing or paying agent on the Issuer's behalf from time to time ("**Issuing & Paying Agent**").
- Calculation Agent:** BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer under an Agency Agreement to act as calculation agent on the Issuer's behalf from time to time ("**Calculation Agent**").
- Agents:** Each of the Registrar, Issuing & Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with

respect to any Tranche or series of Notes (each an “**Agent**” and, together, the “**Agents**”).

Note Trustee: BNY Trust Company of Australia Limited (ABN 49 050 294 052) or such other person appointed under the Note Trust Deed as trustee of the Maurice Blackburn Note Trust from time to time (“**Note Trustee**”).

Security Trustee: Permanent Custodians Limited (ABN 55 001 426 384) or such other person appointed under the Security Trust Deed as trustee of the Maurice Blackburn Note Security Trust from time to time (“**Security Trustee**”).

Form of Notes: Notes will be issued in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Trust Deed.

Notes take the form of entries in a register (“**Register**”) maintained by the Registrar.

No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.

Negative pledge: Notes will have the benefit of a negative pledge, as described in Condition 5.1 (“**Negative pledge**”).

Financial undertakings: Notes will have the benefit of certain financial undertakings as described in Condition 5.2 (“**Financial undertakings**”).

Status and ranking of the Notes: Subject to the terms of the Transaction Documents, the Notes will be direct, secured and subordinated obligations of the Issuer and will at all times rank equally among themselves and at least equally with all other direct, secured and subordinated obligations of the Issuer, subject to any prior ranking Permitted Security Interest and other obligations mandatorily preferred by law. See in particular, the section entitled “**Priority Arrangements**” below for a summary of these prior ranking interests.

Status and ranking of the Guarantee: The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors, subject to the release of such Guarantors and the addition of new entities as Guarantors as set out in the Note Trust Deed. Subject to the terms of the Transaction Documents, the obligation of each Guarantor under the Guarantee will rank as direct, secured and subordinated obligations of the Guarantors and will at all times rank equally among themselves and at least equally with all other direct, secured and subordinated obligations of the Guarantors, subject to any prior ranking Permitted Security Interest and other obligations mandatorily preferred by law.

The obligations of each of Zabulon Pty Ltd (ABN 50 005 114 670), Claims Funding Australia Pty Ltd (ABN 66 158 551 967) and Zabulon Holdings Pty Ltd (ABN 66 128 858 113) under the Guarantee are incurred both in its personal capacity and in its capacity as trustee of each of the Colquhoun Trust (ABN 28 436 311 025), the Claims Funding Australia Discretionary Trust (ABN 26 319 419 953) and the Zabulon Holdings Unit Trust (ABN 70 684 632 109), respectively.

Each potential purchaser of the Notes should be aware that the right of indemnity of each of Zabulon Pty Ltd and Claims Funding Australia Pty Ltd out of the assets of each of the Colquhoun Trust and the Claims Funding Australia Discretionary Trust (as the case may be) (and therefore an investor’s ability to recover against the assets of each of the Colquhoun Trust and the Claims Funding Australia Discretionary Trust) may be lost if Zabulon Pty Ltd and Claims Funding Australia Pty Ltd act fraudulently in bad faith with respect to the Colquhoun Trust and the Claims Funding Australia Discretionary Trust (whether or not such breach is in connection with its obligations under the Guarantee).

In addition, the Issuer undertakes:

- (a) that, at all times, the aggregate of the:
 - (i) EBITDA generated by the Issuer and the Guarantors is at least 95 per cent. of the total EBITDA of the Group (as a whole); and
 - (ii) Total Assets of the Issuer and the Guarantors is at least 95 per cent. of the Total Assets of the Group (as a whole),in each case, on an unconsolidated basis and excluding intra-group items; and
- (b) to cause such Subsidiaries of the Group to accede as a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the aggregate of the:
 - (i) EBITDA generated by the Issuer and the Guarantors is at least 95 per cent. of the total EBITDA of the Group (as a whole); and
 - (ii) Total Assets of the Issuer and the Guarantors is at least 95 per cent. of the Total Assets of the Group (as a whole),in each case, on an unconsolidated basis and excluding intra-group items and based on the latest Financial Statements, subject to, and provided that, in the case of an existing Subsidiary that is required to become a Guarantor under this clause, it becomes a Guarantor within 30 days of the latest Financial Statements and, in the case of a new Subsidiary which has become a member of the Group, the completion of any financial assistance whitewash procedures required under Part 2J.3 of the Corporations Act (or equivalent laws in any other applicable jurisdictions) within 45 days of the first shareholders general meeting of the Issuer held after the relevant Subsidiary (which is required to become a Guarantor) becomes a member of the Group.

Security:

The Notes will be secured by security interests granted over all of the Issuer's and each Guarantor's present (and after-acquired) property (including property held on trust and shares and units in its wholly owned subsidiaries), and includes anything in respect of which the Issuer or the Guarantor has at any time a sufficient right, interest or power to grant a security interest (the "**Securities**").

The Issuer, each Guarantor, the Security Trustee and the Senior Security Trustee (among others) intend to enter into a Priority Deed under which the Securities will rank behind the securities granted by the Group to the Senior Security Trustee.

Any payments of principal, interest or other amounts under the Notes, and the ability of each holder to enforce its rights under the Notes, may only occur in accordance with the Security Trust Deed and, once entered into, the Priority Deed.

Details of the security arrangements for the Notes are more fully described in the section entitled "Security Arrangements" and "Priority Arrangements" below.

Interest:

Each Note bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date (unless redeemed earlier) at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date or such other date on which a Note is redeemed, and adjusted, if necessary, in accordance with the Business Day Convention.

All such information will be set out in the relevant Pricing Supplement.

Denomination:	Notes will be issued in the single denomination of A\$1,000.
Minimum parcel size on initial issue:	A\$50,000 or such other amount as determined by the Lead Manager.
Clearing System:	<p>Notes may be transacted either within or outside a clearing system.</p> <p>The Issuer intends to apply to Austraclear Ltd (ABN 94 002 060 773) ("Austraclear") for approval for Notes to be traded on the clearing and settlement system operated by Austraclear ("Austraclear System"). Upon approval by Austraclear, the Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes.</p> <p>Transactions relating to interests in the Notes may also be carried out through the settlement system operated by Euroclear Bank S.A./N.V. ("Euroclear") or the settlement system operated by Clearstream Banking S.A. ("Clearstream").</p> <p>Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream.</p> <p>The rights of a holder of interests in a Note held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, the terms and conditions of agreements between Euroclear and Clearstream and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.</p> <p>None of the Issuer, any Guarantor, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or any Agent will be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.</p>
Title:	<p>Entry of the name of the person in the Register in respect of Notes in the registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Note subject to correction for fraud or error.</p> <p>Title to Notes which are held in the Austraclear System will be determined in accordance with the rules and regulations of the Austraclear System.</p> <p>Notes which are held in the Austraclear System will be registered in the name of Austraclear.</p>
Payments:	Payments to persons who hold Notes through the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.
Payment Date:	A Payment Date for a Note is the Maturity Date, an Interest Payment Date or any other relevant date on which a payment in respect of that Note is due, adjusted in accordance with the applicable Business Day Convention.
Record Date:	The Record Date is the close of business (in the place where the Register is maintained) on the eighth day before the Payment Date.

Maturity and redemption:

Subject to compliance with all relevant laws and directives, each Note will be redeemed on its Maturity Date at its then Outstanding Principal Amount, unless the Note has been previously redeemed or purchased and cancelled.

Notes are also redeemable at their then Outstanding Principal Amount prior to their scheduled maturity:

- at the option of the Issuer on certain Optional Redemption Dates; and/or
- at the option of the Issuer for change in tax law which result in the Issuer being required to pay an Additional Amount under the Conditions; and
- at the option of a holder of a Note following the occurrence of a Change of Control,

each as more fully set out in the Conditions and the relevant Pricing Supplement.

Notes entered in the Austraclear System will be redeemed through the Austraclear System in a manner that is consistent with the rules and regulations of the Austraclear System. However, the ability of the Issuer to give effect to any redemption of Notes is subject to the terms of the Priority Deed.

Selling restrictions:

The offer, sale and delivery of Notes and the distribution of this Information Memorandum and other material in relation to any Notes are subject to such restrictions as may apply in any country in connection with the offer and sale of the Notes. In particular, restrictions on the offer, sale or delivery of Notes in Australia and Singapore are set out in the section entitled "Selling Restrictions" below.

Transfer procedure:

Notes may only be transferred in whole and in accordance with the Conditions.

In particular, the Notes may only be transferred if the offer or invitation for the sale or purchase of Notes is received by a person:

- (a) in Australia, only if the minimum aggregate consideration payable at the time of the transfer is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee) or the Notes are transferred in circumstances that do not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transfer complies with all applicable laws and directives; and
- (b) if, in a jurisdiction outside Australia, the transfer complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

Transfers of Notes held in the Austraclear System will be made in accordance with the rules and regulations of the Austraclear System.

Investors to obtain independent advice with respect to investment and other risks:

Investing in the Notes entails a number of risks. Certain risks associated with the Group's business are outlined in the section entitled "Key Risk Factors" below. However, this Information Memorandum does not describe all of the risks associated with the Issuer's or the Group's business and those associated with an investment in any Notes or the market generally.

As such, prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

**Taxes,
withholdings,
deductions and
stamp duty:**

Other than in certain limited circumstances, as specified in Condition 12.3 (“Gross-up exceptions”), all payments in respect of Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, levies, duties, assessments or governmental charges of any nature whatsoever imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision thereof or any authority therein or thereof unless such withholding or deduction is required by law.

It is intended that the Notes will be offered, and interest will be paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in section 128F of the Australian Tax Act (see the section entitled “Australian Taxation” below for further information).

If such withholding or deduction is required by law by any party in relation to a payment on the Notes, that party will account to the relevant authority for the amount required to be withheld or deducted and an additional amount in respect of such withholding or deduction will be paid to the relevant Noteholder (other than on account of the exemptions set out in Condition 12.3 (“Gross-up exceptions”), including, without limitation, for or on account of any withholding or deduction arising under or in connection with FATCA or any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with FATCA, or pursuant to any agreement with the U.S. Internal Revenue Service in connection with FATCA).

Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in any Notes and none of the Issuer, a Guarantor, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or any Agent makes any representation regarding the taxation treatment of the Notes for any particular investor.

FATCA and CRS:

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) establish a new due diligence, reporting and withholding regime. FATCA aims to detect U.S. taxpayers who use accounts with “foreign financial institutions” (“**FFIs**”) to conceal income and assets from the U.S. Internal Revenue Service (“**IRS**”).

Under FATCA, a 30% withholding may be imposed (i) in respect of certain U.S. source payments, (ii) from 1 January 2019 in respect of gross proceeds from the sale of assets that give rise to U.S. source interest or dividends and (iii) from 1 January 2019, at the earliest, in respect of “foreign passthru payments” (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements (“**FATCA withholding**”).

Financial institutions through which payments on the Notes are made may be required to withhold on account of FATCA. A withholding may be required if (i) an investor does not provide information sufficient for the Issuer or the relevant financial institution to determine whether the investor is subject to FATCA withholding or (ii) an FFI to or through which payments on the Notes are made is a “non-participating FFI”.

FATCA withholding is not expected to apply if the Notes are treated as debt for U.S. federal income tax purposes and the grandfathering provisions from withholding under FATCA are applicable. The grandfathering provisions require, amongst other things, that the Notes are issued on or before the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

Further, Australia and the United States signed an intergovernmental agreement (“**Australian IGA**”) in respect of FATCA on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the Australian IGA (“**Australian Amendments**”). Under the Australian

Amendments, an Australian FFI may be required to provide the Australian Taxation Office with information on financial accounts (for example, the Notes) held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs. The Australian Taxation Office is required to provide that information to the IRS. Consequently, Noteholders may be requested to provide certain information and certifications to a financial institution through which payments on the Notes are made in order for such financial institution to comply with its FATCA obligations.

An Australian FFI that complies with its obligations under the Australian IGA will not generally be subject to FATCA withholding on amounts it receives, and will not generally be required to deduct FATCA withholding from payments it makes with respect to the Notes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

FATCA is particularly complex legislation. Investors should consult their own tax advisers on how these rules may apply to them under the Notes.

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) will require certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed the CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

- Listing:** It is not intended that the Notes be listed or quoted on any stock or securities exchange.
- Rating:** Neither the Issuer nor the Notes have been, nor is it intended that they will be, rated by any credit ratings agency.
- Governing law:** The Notes and all related documentation (other than the mortgage debenture granted by Claims Funding International PLC) will be governed by the laws of Victoria, Australia.
- The mortgage debenture granted by Claims Funding International PLC, and any non-contractual obligation arising from or connected with it, will be governed by and construed in accordance with the laws of Ireland.
- Use of proceeds:** The Issuer will use the proceeds from the issue of the Notes to repay existing senior debt and for general corporate purposes of the Group.

Security Arrangements

This section contains a summary of the Security Trust Deed dated 29 August 2018 between amongst others, the Issuer, the Guarantors and Permanent Custodians Limited (ABN 55 001 426 384) (“Security Trustee”) (“Security Trust Deed”), the Securities applicable to the Notes and the Priority Deed the Issuer intends to enter into with the Guarantors, the Security Trustee and the Senior Security Trustee (“Priority Deed”). This summary is qualified in its entirety by reference to the provisions of the Conditions of the Notes, the Security Trust Deed, the Securities applicable to the Notes, the Priority Deed and the other underlying documents described below and elsewhere in this Information Memorandum.

Capitalised terms used in this section have the meaning given to them in the Conditions, the Security Trust Deed or Priority Deed, unless otherwise defined.

1 Overview

1.1 Note Securities

The obligations of the Issuer under the Notes and the Guarantors under the Guarantee will be secured on a subordinated basis by a general security agreement (or other form of security) over all of the Issuer’s and each Guarantor’s present (and after-acquired) property (including property held on trust and shares and units in its wholly owned subsidiaries), and includes anything in respect of which the Issuer or the Guarantor has at any time a sufficient right, interest or power to grant a security interest (the “**Note Securities**”). The Note Securities have been granted in favour of the Security Trustee, who holds them on trust for the Beneficiaries in accordance with the terms of the Security Trust Deed.

1.2 Senior Debt Provider Securities

In addition, the Issuer and Guarantors intend to grant a general security agreement (or other form of security) over all of the Issuer’s and each Guarantor’s present (and after-acquired) property (including property held on trust and shares and units in its wholly owned subsidiaries), which shall include anything in respect of which the Issuer or the Guarantor has at any time a sufficient right, interest or power to grant a security interest (the “**Senior Debt Provider Securities**”). The Senior Debt Provider Securities will be granted in favour of the Senior Security Trustee, who shall hold them on trust for the beneficiaries under the Senior Security Trust Deed in accordance with its terms.

1.3 Priority Deed

The Issuer, each Guarantor, the Security Trustee and the Senior Security Trustee, among others, intend to enter into the Priority Deed to govern the priority of the Note Securities and the Senior Debt Provider Securities. Further details are set out in the section entitled “Priority Arrangements”.

1.4 Discharge of existing security interests

On settlement of the Notes, the Issuer will procure that the existing financing arrangements provided by Westpac Banking Corporation (“**Retiring Financier**”) are repaid in full and the securities in favour of the Retiring Financier are discharged. New security as described above will be put in place in favour of the Security Trustee and the Senior Security Trustee, and any Permitted Security Interests (including any security interests granted to secure financial indebtedness under the Transactional Banking Facilities) will remain or be granted.

2 The Security Trust Deed

2.1 Beneficiaries under the Security Trust Deed

The Beneficiaries will have the benefit of the Securities granted to the Security Trustee under the Security Trust Deed. The Security Trustee, the Note Trustee, each Agent, the Noteholders and each other person which the Security Trustee acknowledges is a Beneficiary for the purposes of the Security

Trust Deed will be the Beneficiaries under the Security Trust Deed. The Senior Debt Providers are not Beneficiaries under the Security Trust Deed and the Senior Security Trustee will hold the Senior Debt Provider Securities in favour of the beneficiaries under the Senior Security Trust Deed.

2.2 Powers of the Security Trustee

The Security Trustee has all the powers of a natural person or corporation in connection with the exercise of its rights and compliance with its obligations under the Transaction Documents to which it is a party. The Security Trustee will be under no obligation to act unless it is adequately indemnified. The Security Trust Deed contains provisions that govern the performance by the Security Trustee of its duties and obligations in connection with the Securities and the protections afforded to the Security Trustee in doing so. In addition, it contains provisions which govern the steps that are to be taken by the Security Trustee upon the occurrence of an Event of Default.

2.3 Instructions to the Security Trustee

The rights under the Securities are granted in favour of the Security Trustee. The Security Trust Deed provides that, in the exercise of all such rights, the Security Trustee shall act in accordance with the instructions of the Beneficiaries given by way of Ordinary Resolution or by way of a Special Resolution or by unanimous instruction of all Beneficiaries as set out in clauses 4.1 (“Instructions; extent of discretion”) and 4.2 (“Matters requiring a Special Resolution”) of the Security Trust Deed. This is subject to the matters set out in the section entitled “Unanimous instructions under the Security Trust Deed” below. In the absence of such instructions, the Security Trustee need not act. Any action taken by the Security Trustee in accordance with the instructions of the relevant Beneficiaries binds all the Beneficiaries.

Under the Security Trust Deed, an “Ordinary Resolution” means a resolution passed at a meeting of Beneficiaries of at least 50% of the votes cast or a circular resolution signed by Beneficiaries representing more than 50% of the Secured Money and a “Special Resolution” means a resolution passed at a meeting of Beneficiaries by at least 66 $\frac{2}{3}$ % of the votes cast or a circular resolution signed by Beneficiaries representing more than 66 $\frac{2}{3}$ % of the Secured Money.

2.4 Unanimous instructions under the Security Trust Deed

Under the Security Trust Deed, there are certain circumstances in which the Security Trustee must only act on the instructions of all Beneficiaries (with the Note Trustee acting as the representative for all Noteholders). These include:

- (a) a change to certain definitions in the Security Trust Deed;
- (b) an exercise of any discretion in distribution of moneys received or recovered by the Security Trustee; and
- (c) a change to the clauses which govern the ability to instruct the Security Trustee and the order of distribution of moneys received or recovered by the Security Trustee.

2.5 Events of Default

In general, if any Event of Default is continuing, the Security Trustee agrees to as soon as possible and in any event within 5 Business Days of becoming aware of the Event of Default notify all Beneficiaries of, among other things, the Event of Default and convene a meeting of the Beneficiaries to obtain directions as to what actions the Security Trustee should take in respect of the Securities. Any meeting of Beneficiaries will be held in accordance with the terms of the Security Trust Deed.

2.6 Procedures for seeking instructions

Under the Security Trust Deed, when seeking instructions from the Beneficiaries, the Security Trustee must specify in writing a period within which instructions are to be provided. The period will be as set out in the Transaction Documents to which the Security Trustee is a party if specified or, if not specified, a period of at least 21 days (or any shorter period agreed by the Beneficiaries).

If a Beneficiary does not provide instructions in writing within the period specified it will be disregarded for the purpose only of determining whether instructions have been given by a specified majority of, or by all, Beneficiaries.

Under the Note Trust Deed, if the Security Trustee requests instructions from the Note Trustee for the taking of any action which requires a direction, approval, consent or determination of all or a specified majority of the Beneficiaries under the Security Trust Deed (or any class of them), the Note Trustee must:

- (a) notify each Noteholder and seek directions and instructions;
- (b) calculate the aggregate Exposure of Noteholders directing in favour or and against the approval, consent, determination or direction;
- (c) if the required majority have been satisfied, then all Noteholders will be deemed to have provided the relevant approval, consent, determination or direction; and
- (d) notify the Security Trustee of the outcome of the request for approval, consent, determination or direction and if requested by the Security Trustee, provide the Security Trustee with details of Exposure of Noteholders directing in favour for and against the approval, consent, determination or direction.

2.7 Distribution of recovered moneys

Under the Security Trust Deed, the Security Trustee will apply all money received or recovered by it which is available for distribution to the Beneficiaries in the following order of priority (unless otherwise agreed unanimously by the Beneficiaries):

- (a) **First:** pari passu and rateably, all fees, costs, charges, expenses and indemnities of the Security Trustee, the Note Trustee or any Receiver or Attorney, which are incurred in or are incidental to the actual or attempted exercise or performance of a right, power or remedy or otherwise in relation to any Transaction Document;
- (b) **Second:** any other outgoings which the Security Trustee, Receiver or Attorney thinks proper to pay;
- (c) **Third:** pari passu and rateably, to pay each Agent for any amounts owing to it personally in connection with performing its role as Agent;
- (d) **Fourth:** to each holder of a Security Interest of which the Security Trustee is aware and which has priority in relation to the relevant Collateral (as defined in the Security), to the extent, and in order, of priority;
- (e) **Fifth:** pro rata in reimbursement of any amount paid by the Beneficiaries to the Security Trustee pursuant to clause 9.9 ("Indemnity by Beneficiaries") of the Security Trust Deed;
- (f) **Sixth:** towards satisfaction of the Exposure of each Beneficiary in the same proportion as its Exposure bears to the aggregate Exposure of all Beneficiaries;
- (g) **Seventh:** to each holder of a Security Interest of which the Security Trustee is aware and which ranks after any Security in relation to the relevant Collateral (as defined in the Security), to the extent, and in order, of priority; and
- (h) **Eighth:** the surplus (if any) to or at the direction of the relevant Obligor. The surplus will not carry interest.

Notwithstanding the above, amounts distributed in accordance with the Security Trust Deed to the extent payable in respect of Notes will be paid to the Note Trustee (as required by clause 7.4 ("Distribution of recovered money under Security Trust Deed") of the Note Trust Deed) and distributed

by it in the order described in clause 3.3 (“Issuer’s undertaking to pay and perform obligations”) of the Note Trust Deed.

2.8 Release of property from a Security

The Security Trustee must remove or release property from a Security if:

- (a) the Transaction Documents permit the removal or release of property, the requirements of those Transaction Documents are satisfied; or
- (b) in all other cases, on the instructions of the Beneficiaries by way of Special Resolution.

2.9 Indemnity to Security Trustee

Under the Security Trust Deed, the Security Trustee has the benefit of an indemnity (including out of the Security Trust Fund (as defined in the Security Trust Deed)), from the Beneficiaries (to the extent not reimbursed by the Obligors) against any loss, liability, Cost or damage the Security Trustee may sustain or incur directly or indirectly other than in the case of its own fraud, gross negligence or wilful misconduct.

2.10 Limitation of liability of Security Trustee

Under the Security Trust Deed, the Security Trustee is not liable except to the extent those liabilities are satisfied from its indemnity from the Security Trust Fund for a broad range of matters other than in the case of its own fraud, gross negligence or wilful misconduct. This includes any action taken or not taken by it or them under any Transaction Document.

3 Risks associated with the security arrangement

3.1 The proceeds from the enforcement of the Securities may be insufficient to pay amounts owing on the Notes

If the Security Trustee enforces the Securities after an Event of Default, there is no assurance that there will be at that time an active and liquid market for the assets or that the market value of the assets will be equal to or greater than the outstanding amount owed on the Notes and other prior ranking liabilities.

The Security Trustee, the Note Trustee, the Agents and any Receiver or Attorney (and any prior ranking secured creditor) will generally be entitled to receive the proceeds of any sale of the assets, to the extent they are owed fees, expenses and other amounts, before Noteholders. Consequently, the proceeds from the sale of the assets after an Event of Default may be insufficient to pay amounts owing under the Notes in full.

In addition, a substantial proportion of the Group’s assets comprises of work in progress or receivables. There is no assurance that these may be realised at their book values following an Event of Default or other enforcement action.

3.2 Beneficiaries must act to effect enforcement of the Securities

If an Event of Default occurs and is continuing, the Security Trustee must obtain instructions from the Beneficiaries as to what actions the Security Trustee is to take under the Securities.

If the Beneficiaries have not directed the Security Trustee to do so, enforcement of the Securities will not occur, other than where, subject to the Priority Deed, in the opinion of the Security Trustee, the delay required to obtain instructions from the Beneficiaries would be materially prejudicial to the interests of the Beneficiaries and the Security Trustee has determined to take (but is not obliged to take) action (which may include enforcement) without instructions from them.

Priority Arrangements

This section contains a summary of the Priority Deed the Issuer intends to enter into with the Guarantors, the Senior Security Trustee (“Secured Party A”) and the Security Trustee (“Secured Party B”) (“Priority Deed”). This summary is qualified in its entirety by reference to the provisions of the Conditions of the Notes, the Security Trust Deed, the Securities applicable to the Notes, the Priority Deed and the other underlying documents described below and elsewhere in this Information Memorandum.

Capitalised terms used in this section have the meaning given to them in the Priority Deed, unless otherwise defined.

1 Priority

1.1 Priority

Under the Priority Deed:

- (a) in respect of the Collateral (other than the Interest Reserve Account):
 - (i) the Secured Party A Securities shall have priority over the Secured Party B Securities for the payment of the Secured Money owed to Secured Party A up to the Secured Party A Amount;
 - (ii) after Secured Party A receives the amounts under subparagraph (a)(i) above, the Secured Party B Securities shall have priority over the Secured Party A Securities for the payment of the Secured Money owed to Secured Party B; and
 - (iii) after Secured Party B receives the amounts under paragraph (a)(ii) above, the Secured Party A Securities shall have priority over the Secured Party B Securities for any Secured Money which remains unpaid to Secured Party A; and
- (b) in respect of the Interest Reserve Account:
 - (i) the Secured Party B Securities shall have priority over the Secured Party A Securities for the payment of the Secured Money owed to Secured Party B; and
 - (ii) after Secured Party B receives the amounts under subparagraph (b)(i) above, the Secured Party A Securities shall have priority over the Secured Party B Securities for any Secured Money which remains unpaid to Secured Party A.

“Secured Party A Amount” means the sum of:

- (a) any amounts payable under monetary obligations secured under the Secured Party A Securities of the type falling within the definition of Principal to a limit of A\$40,000,000;
- (b) all Interest incurred in connection with the above; and
- (c) all Fees and Costs secured under the Secured Party A Securities.

“Secured Party A Securities” means, at any time, each Encumbrance over the Collateral held by Secured Party A.

“Secured Party B Securities” means, at any time, each Encumbrance over the Collateral held by Secured Party B.

1.2 Increase to the Secured Party A Amount

Under clause 21.2 (“When the Security Trustee may agree to certain amendments or waivers”) of the Security Trust Deed, the Security Trustee may agree to amend the Priority Deed without the consent of Noteholders to increase the Secured Party A Amount from a Principal limit of A\$40,000,000 to an amount of up to 1.5 times the EBITDA of the Group for the 12 month period ending on the Calculation Date provided that the Security Trustee has received a certificate signed by either two directors or a chief financial officer of the Issuer:

- (a) attaching the audited Financial Statements of the Group for the last financial year (which has been signed off without qualification by the Issuer’s auditor); and
- (b) confirming:
 - (i) the EBITDA of the Group for the last financial year as calculated by reference to the audited Financial Statements of the Group; and
 - (ii) that the Issuer will still be in compliance with Condition 5.2(e) (“Priority Financial Indebtedness”) (calculated on the basis as if the new Secured Party A Amount was fully drawn under the Senior Debt).

2 Enforcement

2.1 Notice of default and enforcement

Each Secured Party agrees to promptly notify the other Secured Party in writing:

- (a) if it has been notified in writing that a Grantor is in Default under any document secured by its Security;
- (b) if it has waived a Default under any document secured by its Security; and
- (c) subject to paragraphs 2.2 (“Standstill Period”) and 2.3 (“Permitted Enforcement Action”) below, before it takes any action to enforce a Security (including appointment of a Receiver). (However, if it reasonably considers that any delay in taking the action would adversely affect the value of its Securities or the Collateral, it agrees to notify the other Secured Party of the action taken as soon as reasonably practicable after taking the action).

2.2 Standstill Period

A Standstill Period of 180 days starts on any date the Secured Party A is notified in writing of an event of default (however described) under the Notes (each such occurrence, a “**Trigger Default**”). During any Standstill Period:

- (a) Secured Party B may withdraw monies from the Interest Reserve Account to pay any amounts outstanding under the Notes; and
- (b) may not take any Enforcement Action except as permitted in the circumstances described in paragraph 2.3 (“Permitted Enforcement Action”) below.

2.3 Permitted Enforcement Action

At all times:

- (a) Secured Party A can take Enforcement Action by notifying the Secured Party B of its intention to do so (the “**Enforcement Notice**”); and
- (b) Secured Party B may not take Enforcement Action except:

- (i) upon receipt of an Enforcement Notice; or
- (ii) subject to paragraph 4 (“Drag-along”) below, if a Trigger Default has occurred and that Trigger Default is subsisting on the expiry of the Standstill Period or as permitted under paragraph 3(c) (“Interest Reserve Account for the Notes”) below; or
- (iii) if an administrator or liquidator is appointed to a Grantor; or
- (iv) as contemplated by paragraph 3(c) (“Interest Reserve Account for the Notes”) below; or
- (v) where all Secured Moneys owed by the Grantors to Secured Party A have been fully paid and discharged and all commitments under the Secured Party A Finance Documents have been cancelled; or
- (vi) with the prior written consent of the Secured Party A.

2.4 Permitted payments to Secured Party B

- (a) Subject to paragraphs 2.2 (“Standstill Period”) and 2.3 (“Permitted Enforcement Action”), and paragraph (b) below, no payment of any Secured Money secured under the Secured Party B Securities may be made or demanded, if and to the extent that:
 - (i) a Secured Party A Default has occurred and is subsisting; and
 - (ii) Secured Party A has delivered a Secured Party A Default Notice in relation to that Secured Party A Default.
- (b) The payment restriction in (a) above:
 - (i) does not apply to any money withdrawn from the Interest Reserve Account and applied to amounts outstanding under the Notes; and
 - (ii) does not apply to any moneys owed to the Note Trustee or Note Agent for performing its role as Note Trustee or Note Agent (as the case may be), provided that on or prior to the date any Enforcement Action is taken, the annual and acceptance fees (as set out in the Note Trustee & Note Agent Fee Letter) payable to the Note Trustee and Note Agent do not exceed in aggregate:
 - (A) A\$50,000 per annum for the initial tranche of Notes; and
 - (B) A\$20,000 per annum for each subsequent tranche of Notes; and
 - (iii) will otherwise cease to apply on the earlier to occur of:
 - (A) the date falling 180 days after the date of the Secured Party A Default Notice, if Secured Party A has not taken Enforcement Action by that date;
 - (B) the date that the applicable Secured Party A Default ceases to subsist; or
 - (C) the date that Secured Party A provides its written consent.

3 Interest Reserve Account for the Notes

The Issuer must ensure that:

- (a) on or before the date the Notes are issued, the Interest Reserve Account is established and maintained with the Account Bank;

- (b) at all times (other than during any Standstill Period, in which case this paragraph (b) shall not apply) until the Secured Party A Securities have been discharged or released, the amount standing to the credit of the Interest Reserve Account is no less than the Minimum Deposit Amount; and
- (c) the written consent of Secured Party A is obtained prior to any top-up of the Interest Reserve Account provided that if the Interest Reserve Account is not topped up as required by subparagraph (b) above at the expiry of the Standstill Period, notwithstanding that the Trigger Default may have been remedied, Secured Party B will be entitled to take Enforcement Action on the expiry of that Standstill Period for so long as the Issuer remains in breach of subparagraph (b) above.

The “**Minimum Deposit Amount**” is, at any time, the aggregate amount of the interest payable by the Issuer under the Notes on the next two Interest Payment Dates (as defined in the Conditions).

4 Drag-along

- (a) Any amendment, waiver, consent or approval given under any Secured Party A Finance Document (other than under the Priority Deed) will be binding on Secured Party B and each Noteholder to the extent the same circumstances would give rise to a Trigger Default except for provisions under the Secured Party B Finance Documents in respect of:
 - (i) any payment due to Secured Party B or any Noteholder (including waivers extending the due date for, reducing the amount of, or changing the currency of, any such payment or which changes the terms by reference to which any payment is to be calculated or made under the Secured Party B Finance Documents);
 - (ii) any event of default relating to insolvency, insolvency proceedings, creditors' process, or similar events elsewhere with respect to any Grantor, or invalidity, unlawfulness and repudiation with respect to any Secured Party B Finance Document;
 - (iii) any restrictions on any of the following:
 - (A) any change of control of any Grantor;
 - (B) the disposal of all or substantially all of the Grantors' assets or undertakings (taken as a whole);
 - (C) a material change to the Grantors' core business; or
 - (D) a Grantor's right to declare or pay any Dividends, Capital Reductions or Other Restricted Payments (in each case, as defined in the Note Conditions);
 - (iv) a breach of any financial undertaking; or
 - (v) any release or change to the scope of the Secured Party B securities or guarantees outside of a Permitted Disposal or paragraph 5 (“Release of Securities”) below unless this occurs as part of any Enforcement Action permitted under paragraph 2.3 (“Permitted Enforcement Action”) above.
- (b) Despite any deemed waiver as contemplated above, the Secured Party B and each Noteholder shall continue to have the right to determine:
 - (i) whether a condition precedent has been satisfied under the Notes; and
 - (ii) whether a Trigger Default or potential event of default (howsoever defined in the Secured Party B Finance Documents) has occurred for the purpose of causing default interest to accrue under the Notes.

5 Release of Securities

If on the disposal of, or other dealing with, the Collateral, whether or not on enforcement of a Security, the proceeds are insufficient to pay to Secured Party B the amounts secured by Secured Party B Securities (or that one of the Secured Party B Securities which relates to the Collateral), then Secured Party B agrees to give to Secured Party A:

- (a) a discharge of the Secured Party B Securities (or a discharge of that Security which relates to the Collateral); and
- (b) any other document required by Secured Party A to enable Secured Party A to provide clear title to the Collateral to a purchaser.

Secured Party B need not comply with this clause until Secured Party A establishes to the reasonable satisfaction of Secured Party B that the disposal of, or other dealing with, the Collateral has been made in good faith. Secured Party B need not release any personal obligation from the Grantor or any other person.

6 No amendment resulting in early repayment of Secured Money for Secured Party B

No Grantor may, and Secured Party B must not, amend (or permit the amendment of) any document under which financial accommodation is provided to any Grantor that has the effect requiring the repayment of any Principal comprising all or any part the Secured Money for Secured Party B on a date that is earlier than the date scheduled for the repayment of that amount, as at the date of the Priority Deed.

Description of the Issuer and the Group

The information in this section is a brief summary only of the Issuer and other members of the Group and their respective businesses and does not purport to be, nor is it, complete.

Investors should review, amongst other things, this Information Memorandum and the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Notes.

This Information Memorandum contains only summary information concerning the Issuer, the Group and the Notes. It should be read in conjunction with the Conditions, the documents which are deemed to be incorporated by reference in it (including the Note Trust Deed), the Security Trust Deed, in conjunction with the Securities applicable to the Notes and the Priority Deed. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, the Group or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, the Group, the Lead Manager and Initial Subscriber, the Note Trustee, the Security Trustee or the Agents that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Investing in the Notes entails a number of risks. Certain risks associated with the Group's businesses are outlined in the section entitled "Key Risk Factors" below. However, this Information Memorandum does not describe all of the risks associated with the Group's business or the risks associated with an investment in any Notes or the market generally. Prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Disclosure of information to Noteholders

Noteholders may access information in relation to the Issuer and the Group by contacting the Issuer through the "Contact Us" page on its website: <https://www.mauriceblackburn.com.au/> and obtaining an investor login. Information will be uploaded to the investor centre.

The Issuer has undertaken, pursuant to the Note Trust Deed, to provide directly to the Note Trustee and to make available on a password-protected section of its website to Noteholders:

- (a) within 120 days after the end of each financial year, a copy of the Group's audited consolidated Financial Statements in respect of that financial year;
- (b) within 90 days after the end of each financial half year, a copy of the Group's unaudited consolidated Financial Statements in respect of that financial half year;
- (c) within 45 days after the end of each quarter, a quarterly report that includes:
 - (i) an updated commentary on the performance of the Group over the last quarter; and
 - (ii) the management accounts for the Group for the last quarter; and
- (d) as soon as practicable after an Obligor becomes aware of their existence, information relating to the following events:
 - (i) the occurrence and details of any Event of Default under the Notes or the Senior Debt;
 - (ii) any material change to the financial forecasts or expectations, value of underlying assets or any financial rating of an Obligor or a member of the Group;
 - (iii) any material changes to the debt funding arrangements of an Obligor or a member of the Group, including any material breach of covenants;

- (iv) any proposal to appoint an external administrator to an Obligor or any member of the Group or a receiver to any of their assets;
- (v) any other information likely to have a material effect on the value of the Notes or any other securities of an Obligor or a member of the Group;
- (vi) promptly, copies of all documents and notices given by an Obligor to Noteholders;
- (vii) details of any Change of Control of the Issuer; and
- (viii) all other information or reports regarding the financial condition and operations of an Obligor or the Group as the Note Trustee or a Noteholder (in each case, acting reasonably) may request.

Personal legal services industry in Australia

Firms in the personal legal services industry advise and represent individuals. Key success factors in this industry include strong brand awareness, good reputation, highly trained workforce, as well as efficient and fully integrated systems and processes.

Industry snapshot

The industry is estimated to be worth A\$7.1 billion in revenue¹, and includes personal injury, family law, property law, class actions, probates and residential conveyancing. Maurice Blackburn operates across many areas within the personal legal services industry, with most revenues being derived from personal injury claims (which is a subset of the personal legal services industry²).

Key barriers to new entrants and existing participants include:

- regulatory complexity;
- access to capital to fund brand awareness, “No Win, No Fee” model and strong case management systems; and
- supply of appropriately skilled staff.

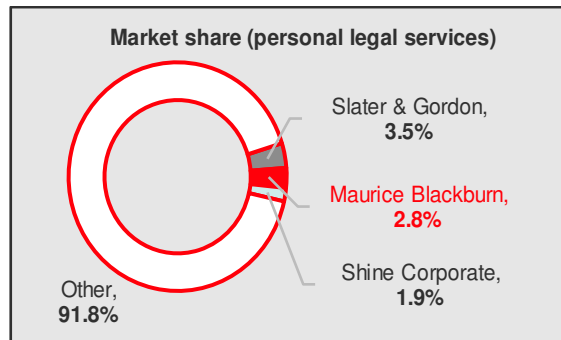
Competitive landscape

Most legal firms in Australia are private partnerships which are independently operated.

Maurice Blackburn is the second largest plaintiff litigation firm in Australia. Through organic growth and by leading an industry consolidation charge, Maurice Blackburn and its largest competitors have grown significantly in recent years. However, the market share of these three largest plaintiff litigation firms combined still represent less than 10% of the broader personal legal services market. The market remains fragmented with a long-tail of smaller firms. As the market has been consolidating, there are opportunities for strengthening organic growth prospects.

¹ IBIS World Industry Report OD5519

² The overview of personal injury litigation industry is provided on the next page



Personal injury litigation industry in Australia

Maurice Blackburn’s core market is personal injury (“PI”) litigation, which is a broad subset of personal legal services industry. The PI litigation sector is highly regulated and defensive. It exhibits low correlation to the macro cycle, typically driven by factors like population growth and accident rates.

Industry snapshot

PI litigation industry covers a broad range of practices, including motor vehicle accidents, work injuries, medical malpractice and others. The industry is estimated to be worth A\$1.7 billion in revenue³. Maurice Blackburn’s annualised growth of 7% over the past five years represents a significant outperformance of the overall industry over the period, which have grown at an annualised 0.4% over the same period.

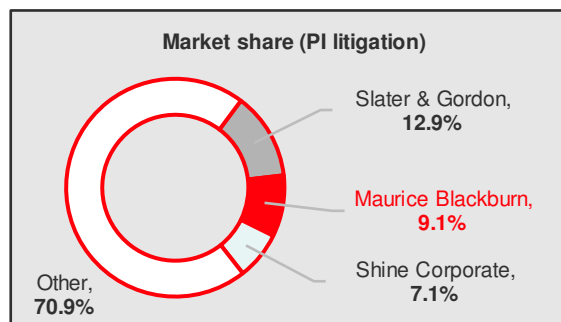
PI litigation is a defensive sector as accident claims are unaffected by economic conditions, other than a very minor impact from increasing unemployment decreasing workers compensation claims.

The sector generally operates under a “No Win, No Fee” model and is characterised by large volume, low value of claims. Robust cash conversion is of critical importance in the sector as WIP recoverability typically spans 18-24 months in PI litigations.

Competitive landscape

Maurice Blackburn has established a market leading position in this highly defensive and growing sector. Together with Slater & Gordon and Shine Corporate (the two other large players in PI litigation), these three largest players account for 30% of industry PI revenue. The expansion of these three firms has forced less profitable firms out of the industry – this trend is expected to continue at the expense of smaller players.

The strong growth of these players indicates that clients are more willing to trust well-known and high-profile legal firms.



³ IBISWorld Industry Report OD5519

Industry outlook

Industry revenue for personal legal services is forecast to grow by c.2.5% p.a. supported by a growing population and increased brand awareness of larger service providers. The strong growth by key players is expected to continue outperforming the market.

Forecast growth

- Despite increasing safety on the road and in the workplace, population growth is expected to cause the number of non-fatal accidents to increase.
- Encouraged by the success of advertising campaigns over the past five years, large firms are anticipated to continue investing in marketing to increase their share in the market (with smaller, less-profitable firms being forced out of the market, unable to match the marketing spend of larger competitors).
- Industry forecast revenue growth rate of 2.5% p.a.

Corporate Profile



Maurice Blackburn is Australia's leading compensation and social justice law firm with almost 100 years of history. Maurice Blackburn operates across its "Backbone" practice areas (comprising Social Justice, Wills and Estates Law, Employment and Industrial Law, Superannuation, Financial Advice Disputes and Injuries and Compensation), Class Actions and Litigation Funding.

Maurice Blackburn has leading positions in the personal injury litigation sector and has the largest class actions practice in Australia.

27,344 Clients served in FY18

64% Brand awareness

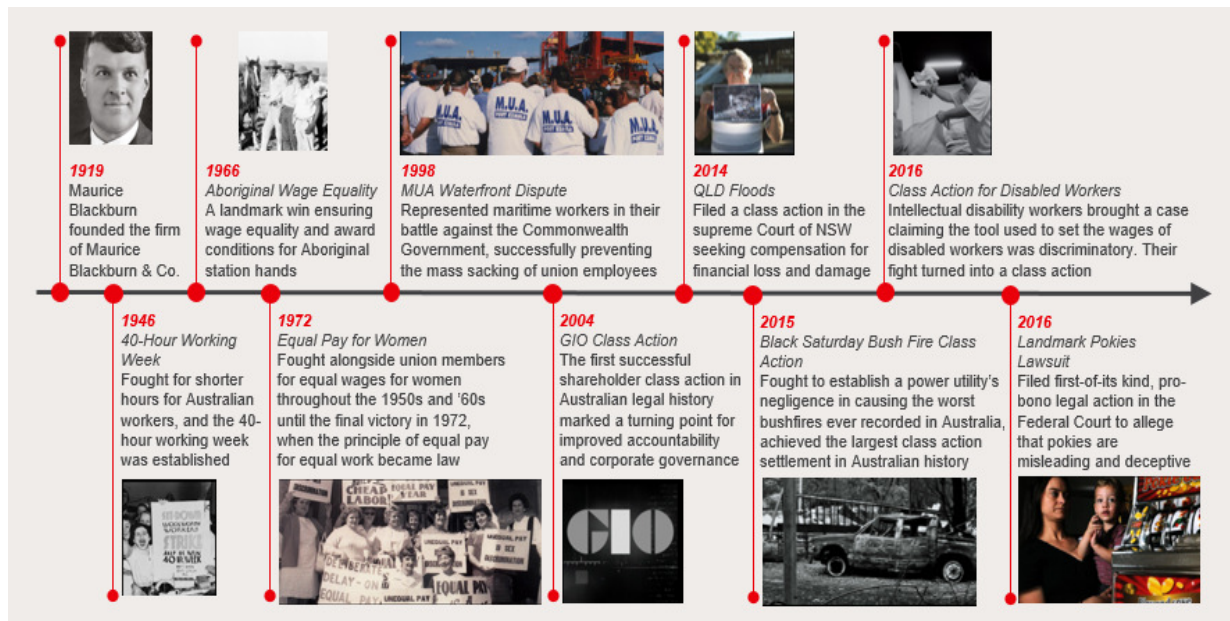
1,060 Number of staff

\$2.5bn Received in Class Actions since 1998

Unlike its listed peers, Maurice Blackburn is focused on the domestic market and has executed a cautious approach to acquisitions. Maurice Blackburn has no plans to alter its acquisition strategy.

History timeline

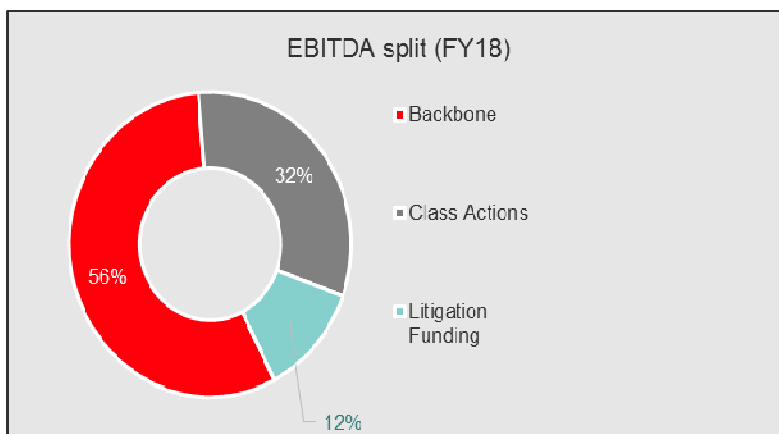
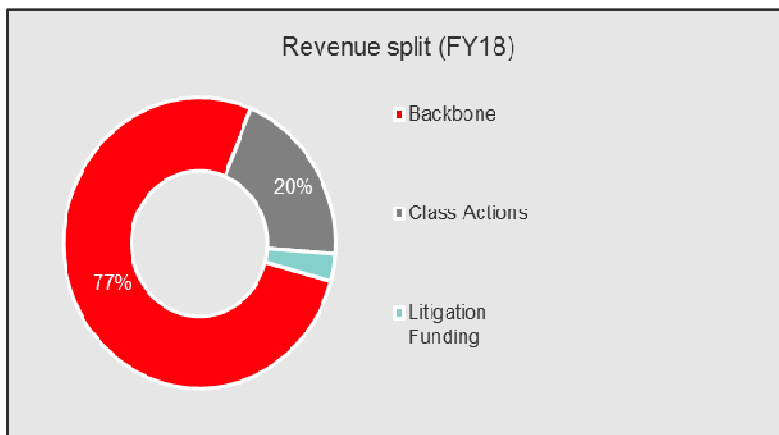
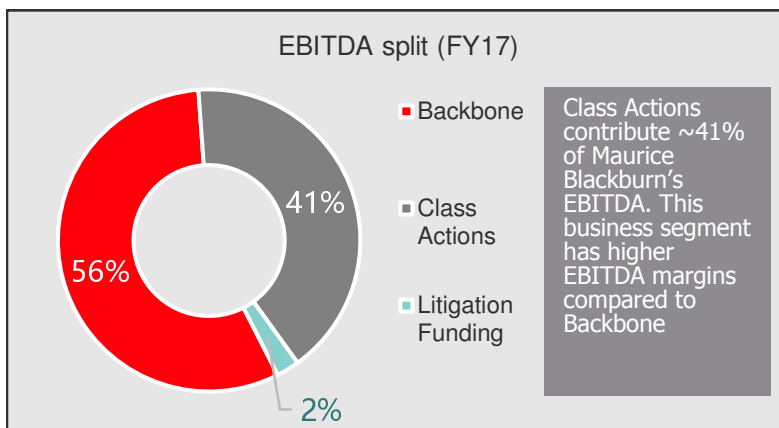
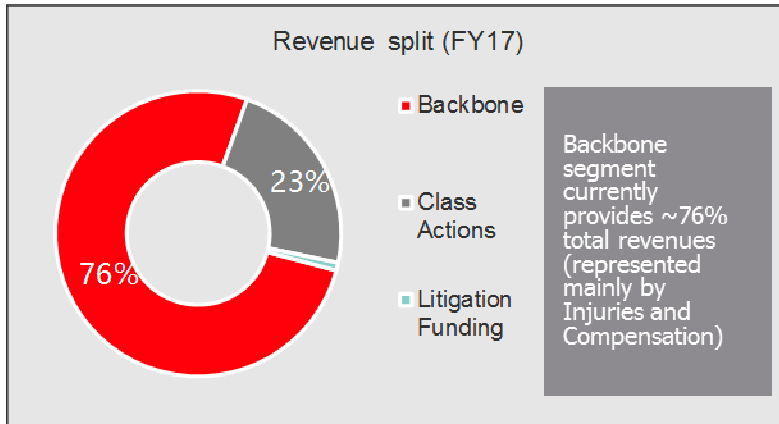
In the last century, Maurice Blackburn has fought many fights for fair. Maurice Blackburn has taken on big businesses on behalf of workers and consumers, exposed conditions at detention centres and fought for those without a voice, such as Indigenous Australians and refugees.



Practice Areas

Maurice Blackburn operates in all major consumer law practice areas, making Maurice Blackburn a natural first touch point for consumers needing legal services.

- Maurice Blackburn has a large, full-service offering. Diversification of services reduces the risk relating to law changes in one practice area and jurisdiction materially impacting group revenues.
- Revenue is generated in the form of legal fees by representing clients on a contingent fee basis and prosecuting their cases through the litigation process.
- New work is mainly generated through inquiries via Help Line, long-standing relationships which provide a consistent source of new client referrals and 'word of mouth'.
- Maurice Blackburn's three key business segments include:
 - **Backbone:** major practice areas include Injuries and Compensation, 75%; Superannuation, 20%; Employment and Industrial Law, 5%;
 - **Class Actions**
 - **Litigation Funding**



FY18 results are based on unaudited accounts.

Backbone

Maurice Blackburn has many years of experience handling high volumes of legal matters. The sheer number of Backbone cases means that lumpy individual cash flows are relatively smooth on the group level and losing a few cases does not damage the business.

Backbone segment represents 77%⁴ revenues, the major component of which is Injuries and Compensation. Business flow is stable as accident claims are unaffected by economic conditions. Maurice Blackburn is able to utilise its extensive experience and scale to streamline the process.

Injuries and Compensation (75% of Backbone revenue)

Open matters: **11,773**



- A personal injury claim takes action against the person, company or agency responsible for the claimant's injury or illness. Specifically, the claim seeks compensation for medical costs, lost income and other resulting costs. Injury claims include road accident injuries, work related injuries, occupational diseases, medical negligence and others.
- A typical process involves a client meeting, obtaining medical records (depending on the merit of the case) and estimation of damages that should be awarded to the client. For Common Law, the next step is to secure a Serious Injury certificate from government authorities (Work Cover / TAC). This is followed by mandated timelines through to a settlement conference.

Superannuation (20% of Backbone revenue)

Open matters: **4,857**



- Legal advice on accessing claimant's superannuation funds or some elements of the insurance.
- Maurice Blackburn has the largest superannuation and insurance claims teams in Australia.
- A typical process involves a client meeting, obtaining medical records (depending on the merit of the case). A claim form is submitted to the insurance company. If follow up discussions do not resolve the claim, the matter proceeds to litigation (which involves court proceedings).

Employment and Industrial Law (5% of Backbone revenue)

Open matters: **393**



- Advice and representation on a wide range of complex legal issues (workplace investigations, negotiating the terms of employment contracts, recovering bonus payments).
- Industrial law can be legal advice delivered directly to union organisations or acting on behalf of union members (for example, on unfair dismissal).
- Employment law often involves legal advice to private sector employees (executives), for example disputing termination rights.

⁴ As at 30 June 2018

Class Actions

Maurice Blackburn has the largest class actions practice in Australia. Maurice Blackburn has obtained more than A\$2.5 billion in settlements for Australians since the establishment of its Class Actions practice area in 1998.

- The Class Actions business represents 20%⁵ of Maurice Blackburn's revenues.
- Class actions are an important part of the legal system that enables disputes and claims involving potentially large numbers of people to be resolved in a single case. These matters are often extensively covered in the media providing a strong awareness for Maurice Blackburn.
- The Class Actions practice area provides for the potential for good returns and ground-breaking cases which boost Maurice Blackburn's public profile. This complements the Backbone practice that provides a stable stream of operating cash flow to the business.
- Maurice Blackburn has a long history of successfully undertaking these types of cases, and is more recognised for this aspect compared to its major competitors. Maurice Blackburn is the only Australian law firm to have settled shareholder class actions in excess of A\$ 100 million (which Maurice Blackburn has now done five times). Maurice Blackburn conducted the first successful shareholder class action in Australian legal history, and is also the only Australian law firm to have run and won cartel class actions.
- Class actions are often the most effective legal strategy available to Maurice Blackburn's clients.

Types of class actions undertaken by Maurice Blackburn

- Shareholder class actions involving continuous disclosure obligations and misleading and deceptive conduct by companies in takeovers, in prospectuses and in releases to the ASX.
- Consumer actions such as current Volkswagen global diesel emissions case and Cash Converters pay day lending case.
- Negligence claims such as the Queensland floods and Black Saturday bushfire actions.
- Cartels involved in price fixing and market rigging, such as Amcor and Visy and the Air Cargo cartel class action.
- Defective product cases such as knee and hip implants

Litigation Funding

Litigation Funding is the provision of funding to meet the costs of conducting litigation with the assumption by the funder of the adverse cost risk (adverse costs are the costs payable to the other side if the litigation is unsuccessful).

Numerous cases in Australia and elsewhere have supported the concept of litigation funding. In 2006, the High Court of Australia handed down a decision in favour of litigation funding – *Campbells Cash and Carry Pty Limited v Fostif Pty Limited*⁶. The High Court held that, in principle, litigation funding provides access to justice, is supportive of the Court's process and is consistent with public policy.

⁵ As at 30 June 2018

⁶ *Campbells Cash and Carry Pty Ltd v Fostif Pty Limited* [2006] HCA 41.

- What is litigation funding?*
- Funding of legal claims of third parties to meet the costs of conducting litigation.
 - Funded cases typically relate to insolvency, large commercial claims and class actions.
- What is litigation funding in Australia?*
- Fast growing market for the past two decades.
 - Market has been facilitated by:
 - prohibition of contingency-based legal fees; and
 - absence of adverse cost insurance, now available.
- What are Government regulations?*
- Litigation funding is currently not a regulated industry
 - In its draft report dated April 2014, Productivity Commission has recommended that litigation funders should hold AFSL and meet capital adequacy requirements.
- What are typical costs and returns?*
- Returns are % of recovery amount typically ranging between 25-50%.
 - Costs are litigation costs and indemnity for adverse costs.
- What are the benefits of litigation funding?*
- Litigation funding is a valuable resource where a person or company:
 - has a good claim but insufficient funds to pursue it;
 - cannot provide security to meet a security for costs order;
 - wishes to reduce the financial risk associated with litigation; or
 - is concerned about being exposed to pay the other side's costs.

Source: Productivity Commission Report dated April 2014

Clients

Maurice Blackburn's customer base is primarily the general public who have suffered injury and / or loss and are seeking damages / compensation from an opposing party.

Client base

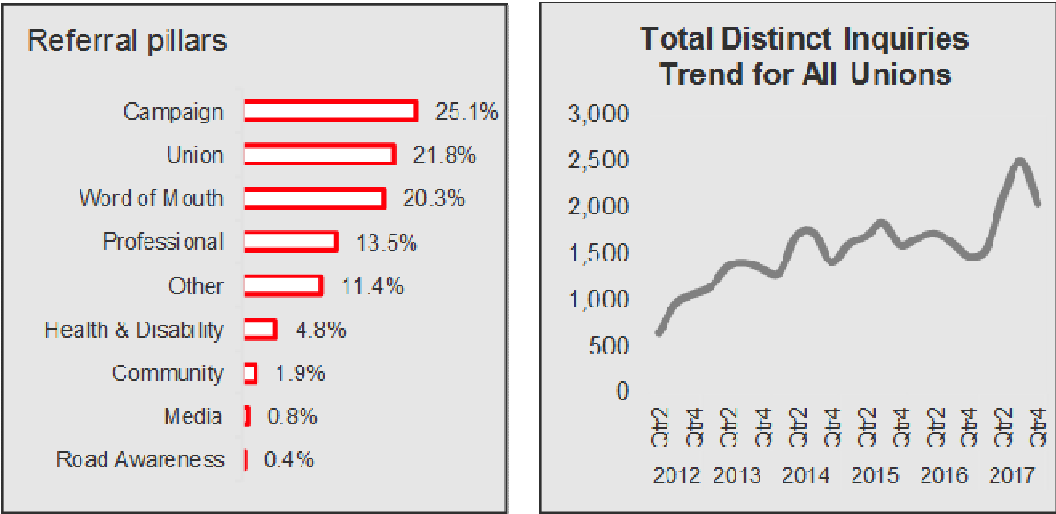
Maurice Blackburn typically represent individual people or families, or in the case of a class action, groups of people. Maurice Blackburn has 17,713 active clients⁷. Given the nature of the industry, whilst Maurice Blackburn does not tend to have recurrent clients (as injuries tend to be one off), it does benefit from client and other referrals.

Referral sources

While a large percentage of new client enquiries come to Maurice Blackburn because of its general reputation and brand awareness, a significant number also comes through various referral sources

⁷ As of 30 June 2018

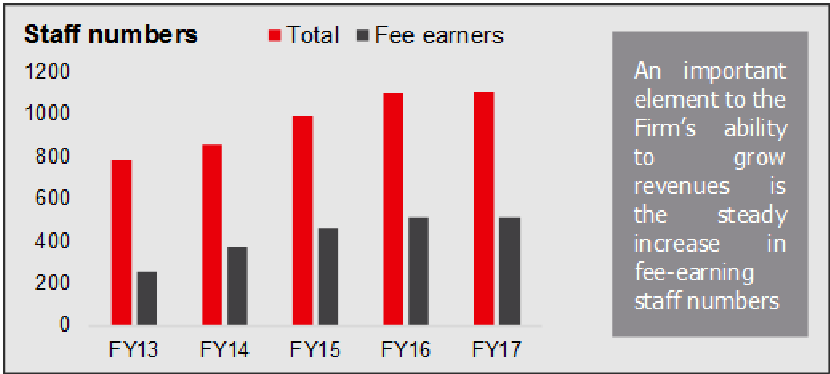
(including other lawyers, health professionals, support groups etc.). The referrals received from these professionals provide a significant flow of work for Maurice Blackburn. Long standing relationships with unions (such as Australian Workers Union) also provide a consistent source of new client referrals.



People

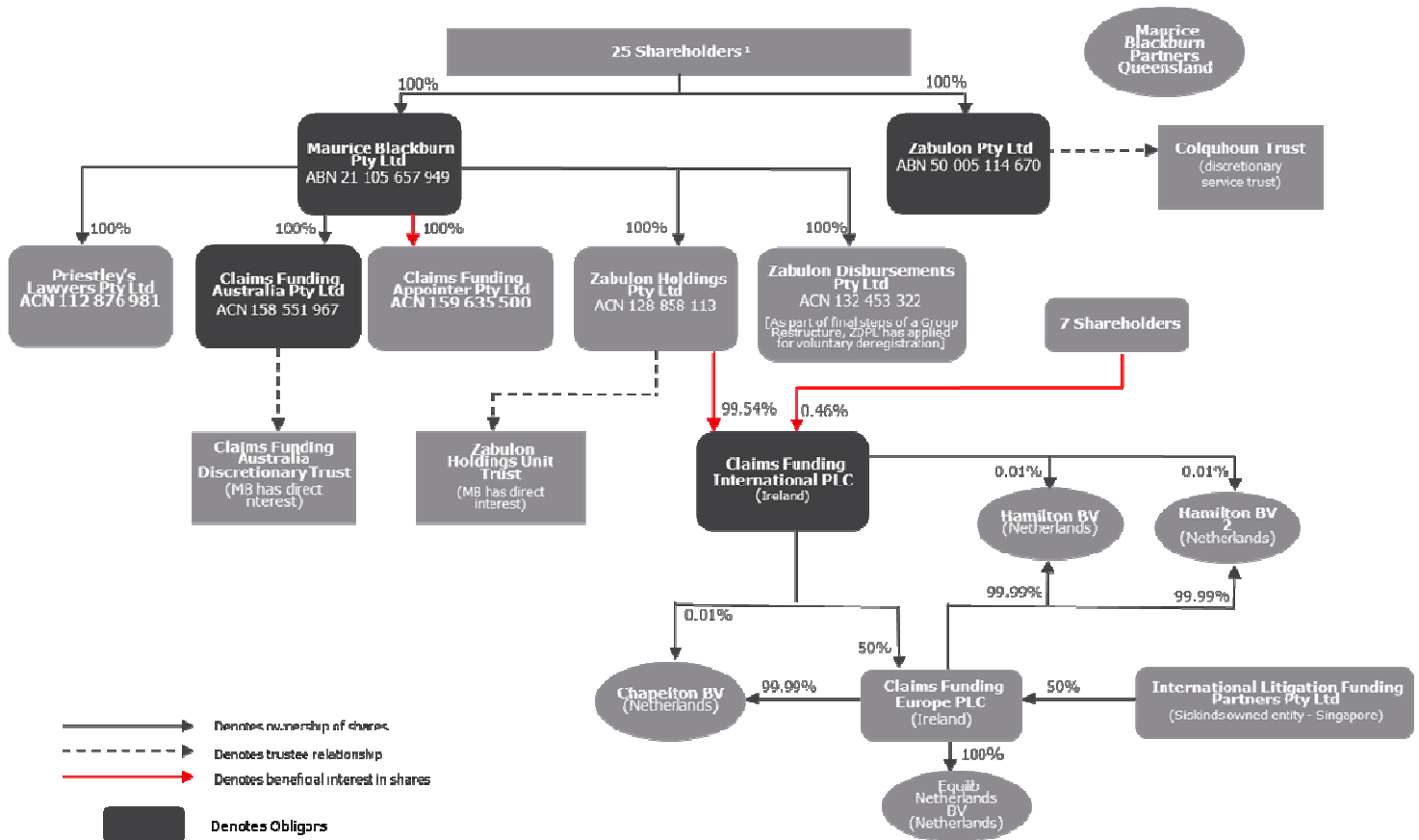
Maurice Blackburn’s capacity to meet demand, select cases and generate fee revenue is dependent upon staff numbers and staff quality. The relatively high volume and low value of cases somewhat differentiates consumer law firms from other law firms, reducing the reliance of Maurice Blackburn on key staff members.

Maurice Blackburn works hard to attract staff closely aligned to its values. Maurice Blackburn attracts, retains and incentivises talent by promoting its values based culture and by providing an environment where individuals and teams are recognised, rewarded and inspired to deliver outcomes for clients. Celebrating successes and milestones is encouraged. Succession plans are developed and implemented by the Board.



Corporate Structure and Proposed Restructure

As at the date of this Information Memorandum, the corporate structure of the Group is as follows:

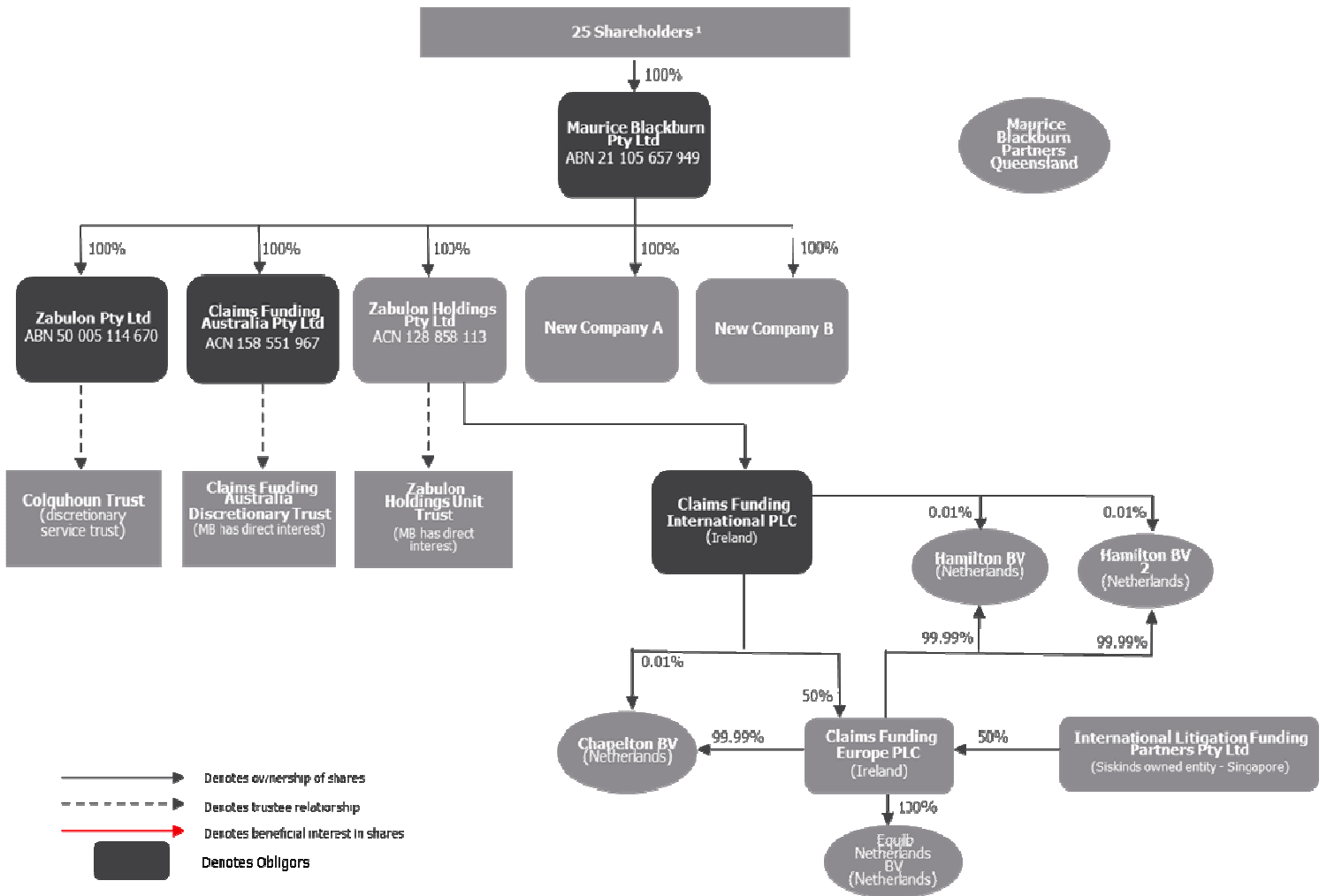


¹ No shareholder controls 25% or more of the shares on issue
 All entities are incorporated in Australia unless otherwise indicated

The Group is undertaking a restructure to simplify its corporate structure and to bring entities within its income tax consolidated group. The restructure is not anticipated to have a material effect on the Group's current asset backing or business. It is proposed that the remaining following restructure steps will be undertaken:

- Zabulon Disbursements Pty Ltd, will be voluntarily wound up and de-registered;
- all of the shares in Zabulon Pty Ltd (currently owned by the equity principals) will be transferred to Maurice Blackburn Pty Ltd;
- possible transfer of beneficial ownership of all the shares in Claims Funding International PLC to 100% direct ownership by Zabulon Holdings Pty Ltd;
- possible voluntary wind up and de-registration of Claims Funding Appointer Pty Ltd;
- possible voluntary wind up and de-registration of Priestley's Lawyers Pty Ltd;
- possible creation of new company 100% owned by Maurice Blackburn Pty Ltd for the South Australian legal practice; and
- possible creation of new company 100% owned by Maurice Blackburn Pty Ltd to employ all principals.

Following the restructure, the corporate structure of the Group will be as follows:



¹No shareholder controls 25% or more of the shares on issue
 All entities are incorporated in Australia unless otherwise indicated

Financial information

Set out below is an extract of the Group's 2017 Financial Accounts:

Statement of Profit or Loss and other Comprehensive Income

	2017	2016
	\$	\$
Revenue	211,584,771	194,227,563
Litigation investment income	-	4,367,104
Other income	151,540	93,874
Litigation investment expenses	(3,012,592)	-
Salaries and wages expenses	(109,134,593)	(98,497,062)
Marketing and advertising expenses	(15,762,168)	(14,755,276)
Communication expenses	(2,212,326)	(1,971,752)
Non-recoverable work in progress and debtor expenses	(5,693,164)	(4,693,764)
Insurance expenses	(1,732,204)	(1,510,635)
Subscriptions and membership expenses	(1,076,384)	(599,777)
Travel expenses	(2,653,920)	(1,686,696)
Depreciation and amortisation expenses	(8,621,905)	(4,042,377)
Occupancy expenses	(8,249,943)	(6,881,668)
Impairment of goodwill	(700,000)	-
Other expenses	(23,306,090)	(22,467,629)
Net result	29,581,022	41,581,905
Share-based payment expenses	(10,993,657)	(4,326,627)
Exit retirement benefit income / (expense)	12,365,346	(27,098,696)
Results from operating activities	30,952,711	10,156,582
Finance income	314,371	36,817
Finance costs	(2,504,788)	(3,493,425)
Net finance costs	(2,190,417)	(3,456,608)
Share of equity accounted investee, net of tax	(444,489)	(338,237)
Profit before income tax	28,317,805	6,361,737
Total income tax (expense) / benefit	(9,524,012)	252,667
Profit for the year	18,793,793	6,614,404
Other comprehensive income		
<i>Items that are or may be reclassified to profit or loss</i>		
Foreign operations – foreign currency translation differences	9,711	64,640
Litigation investments – net change in fair value	4,579,378	-
Other comprehensive income, net of tax	4,589,089	64,640
Total comprehensive income for the year	23,382,882	6,679,044

Statement of Financial Position

	2017	2016
	\$	\$
Assets		
Cash and cash equivalents	8,428,760	8,581,549
Trade and other receivables	34,051,966	23,993,397
Work in progress	156,959,762	167,634,061
Litigation investments	11,703,493	-
Other assets	2,167,152	1,961,762
	<u>213,311,133</u>	<u>202,170,769</u>
Total current assets		
Work in progress	81,692,621	81,153,124
Litigation investments	5,884,240	1,601,294
Property, plant and equipment	19,664,268	21,073,054
Intangible assets	3,667,285	3,957,468
Investments	4,627,037	5,107,561
	<u>115,535,451</u>	<u>112,892,501</u>
Total non-current assets		
Total assets	<u>328,846,584</u>	<u>315,063,270</u>
Liabilities		
Bank overdraft	-	358,737
Trade payables and other liabilities	47,017,374	35,619,754
Current tax payable	5,399,111	4,555,892
Employee benefits	36,302,620	55,248,246
Provisions	1,872,903	621,050
Loans and borrowings	32,509,835	3,675,499
	<u>123,101,843</u>	<u>100,079,178</u>
Total current liabilities		
Trade payables and other liabilities	5,437,275	4,362,910
Employee benefits	31,825,938	22,039,656
Provisions	476,967	473,766
Loans and borrowings	2,646,089	36,569,455
Deferred tax liability	47,823,440	44,068,403
	<u>88,209,709</u>	<u>107,514,190</u>
Total non-current liabilities		
Total liabilities	<u>211,311,552</u>	<u>207,593,368</u>
Net assets	<u>117,535,032</u>	<u>107,469,902</u>
Equity		
Share capital	55	55
Reserves	5,511,125	922,081
Retained earnings	111,987,015	106,516,900
	<u>117,498,195</u>	<u>107,439,036</u>
Total equity attributable to equity holders of the Group		
Non-controlling interest	36,837	30,866
	<u>117,535,032</u>	<u>107,469,902</u>
Total equity		

Statement of Cash Flows

	2017 \$	2016 \$
Cash flows from operating activities		
Receipts from customers	229,347,736	194,865,929
Proceeds from litigation funding	3,313,634	5,887,956
Payments to suppliers and employees	(190,466,926)	(167,738,309)
Payments for litigation funding	(9,188,583)	(1,601,294)
Dividends paid – share based payments	(3,245,000)	(4,881,350)
Interest received	124,721	36,817
Finance costs	(2,504,788)	(3,249,491)
Income taxes received	-	5,575,326
Income taxes paid	(6,963,689)	(1,200,761)
Net cash from operating activities	<u>20,417,105</u>	<u>27,694,823</u>
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets	(2,612,932)	(2,015,135)
Proceeds from sale of property, plant and equipment and intangible assets	-	647,176
Net cash used in investing activities	<u>(2,612,932)</u>	<u>(1,367,959)</u>
Cash flows from financing activities		
Repayment of borrowings	(4,000,000)	(4,000,000)
Receipts from shareholders	1,046,960	2,400,000
Trust distributions	(9,377,007)	(4,492,825)
Payments of lease liabilities	(3,029,322)	(4,006,488)
Payments for related party loans	(2,230,845)	(2,120,568)
Net cash used in financing activities	<u>(17,590,214)</u>	<u>(12,219,881)</u>
Net increase in cash and cash equivalents		
Cash and cash equivalents at 1 July	8,222,812	(5,917,958)
Net increase in cash held	213,959	14,106,983
Effect of movements in exchange rates on cash held	(8,011)	33,787
Cash and cash equivalents at 30 June	<u>8,428,760</u>	<u>8,222,812</u>

Key Risk Factors

By investing in the Notes you will be lending money to the Issuer and may be exposed to a number of risks which can be broadly classified as risks associated with the Notes and risks associated with the Issuer's business that may affect the Notes.

This section describes potential risks associated with the Issuer's business and risks associated with an investment in the Notes and the Issuer. It does not purport to list every risk that may be associated with an investment in the Notes now or in the future and the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of the Issuer, its directors and senior management team. This assessment is based on the knowledge of the directors as at the date of this Information Memorandum but there is no guarantee or assurance that the importance of different risks will not change or other risks emerge.

Prospective investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described below, and have regard to their own investment objectives, financial circumstances and taxation position, before applying for any Notes.

Risks associated with the Group's business that may affect Notes

Regulation

The risk from legislative change exists at both the State and Federal level. The risk at the State level relates to changes in Common Law rights around Workcover and Compulsory Third Party schemes. Changes to common law rights usually involves a change in the injury threshold that allows access to a legal remedy. The risks from Federal government action could impact the Class Actions regime such as a change to the Corporations Act. Such risks could affect demand and the revenue generated by the business.

Market Risk

There is market risk across the divisions within the Group's business. In the Injuries division after a sustained period of industry consolidation, the market is fragmenting. Smaller players in this market may have the capacity to win market share based on a low overhead model and access to key referrers.

Within Class Actions, the emergence of multiple third party funders could produce downward pressure on recoverable hourly rates.

Operations Risk

The principal risk in this area is file selection and the possibility that ultimately there no revenue obtained from a specific matter. Within the Injuries and Superannuation divisions some attrition on matters is inevitable.

The other risk in the Injuries/Superannuation arena is the potential for changing tactics from the firm's opponents. Typically this will impact the lead time on completion of matters and will mean the firm has to carry a larger WIP balance.

Within the Class Actions and Litigation Funding divisions the risks associated with file selection are more acute. In these areas there are far fewer matters and their average values are much larger. Any movements in attrition generally have a more disproportionate impact on profitability. In addition, the matters within Litigation Funding can include the risk that a judge may award adverse cost payment to the other side if the matter is unsuccessful.

Financing Risk

There is a risk in obtaining finance consistent with executing on the Group strategy.

Balance Sheet Risks

The largest risk on the balance sheet is the recoverability of the WIP balance. The WIP balance is overwhelmingly contingent on successful outcomes.

Key Personnel

Retaining key personnel is central to the on-going success of the Group. Whilst there are no “Personal Franchises” as such, and the brand is considered to be extremely strong in its own right, within the firm there are certain key relationships with referrers.

Conditions

The following are the Conditions which, as supplemented, amended, modified or replaced in relation to any Tranche of Notes by the relevant Pricing Supplement, will apply to that Tranche of Notes. References to a "Pricing Supplement" in these Conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement.

The Notes are constituted by the Note Trust Deed. Each Noteholder, and any person claiming through or under any Noteholder, is entitled to the benefit of, is bound by and is deemed to have notice of, all of the provisions of the Note Trust Deed, the Security Trust Deed, the Securities applicable to the Notes, the Priority Deed, these Conditions and the relevant Pricing Supplement. Each such person is also deemed to have notice of the Information Memorandum. Copies of each such document are available for inspection at the Specified Office of the Issuer and the Note Trustee.

1 Interpretation

1.1 Terms defined in Pricing Supplement

Terms which are specified in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions.

1.2 Definitions

In these Conditions, the following meanings apply unless the contrary intention appears:

Accepted Accounting Practices means:

- (a) in relation to any Financial Statements in respect of a member of the Group that is not incorporated in Australia, the accounting practices and standards generally accepted in the jurisdiction of incorporation of that member of the Group from time to time; and
- (b) for all other purposes, the accounting practices and standards generally accepted in Australia from time to time;

Account Bank Deed means the document entitled "Account bank deed (Maurice Blackburn Interest Reserve Account)" dated 29 August 2018 and executed by Australia and New Zealand Banking Group Limited, the Issuer and the Security Trustee;

Additional Amount means an additional amount payable by the Issuer under Condition 12.2 ("Withholding tax");

Agency Agreement means:

- (a) the agreement entitled "Agency and Registry Services Agreement" between the Issuer, the Guarantors, the Registrar, the Issuing & Paying Agent and the Calculation Agent dated 29 August 2018;
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement entered into between the Issuer and an agent in connection with any issue of Notes;

Agent means each of the Registrar, the Paying Agent, the Calculation Agent and any other agent appointed under an Agency Agreement, or any of them as the context requires;

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as “Austraclear Regulations” together with any instructions or directions established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

Australian Tax Act means the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia, as applicable;

BBSW Rate means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” rate on the Reuters Screen BBSW Page or the “MID” rate on the Bloomberg Screen BBSW Page (or any designation on those pages, or any replacement page) at approximately 10:30am (or such other time at which such rate customarily appears on that page) on the first day of that Interest Period. However, if such rate does not appear on the Reuters Screen BBSW Page or the Bloomberg Screen BBSW Page (or any replacement page) by 10:45am on that day (or such other time that is 15 minutes after the then prevailing time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate, **BBSW Rate** means such other substitute or successor base rate that an alternate financial institution appointed by the Calculation Agent (upon written direction of the Issuer) determines, in its sole discretion, is most comparable to the BBSW Rate and is consistent with industry accepted practices, which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) by such alternate financial institution. The rate determined by such alternate financial institution and notified in writing to the Calculation Agent (with a copy to the Issuer) will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.);

Business Day means a day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Melbourne and, if a Note held in the Austraclear System is to be issued or payment made in respect of a Note held in the Austraclear System on that day, a day on which the Austraclear System is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Following Business Day Convention** means that the date is postponed to the first following date that is a Business Day; and
- (b) **Modified Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;

Calculation Agent means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

Calculation Date means 31 March, 30 June, 30 September and 31 December in each year;

Capital Reduction has the meaning given in Condition 5.6 (“Limit on making certain payments”);

Cash Balance means the aggregate amount of cash and cash at bank credited to an account in the name of an Obligor with a reputable financial institution and to which the Obligor alone is entitled;

Change of Control means, on any date, an event where:

- (a) a person in control of the Issuer as at the Issue Date ceases to be in control of the Issuer. For this purpose, “control” has the meaning given in section 50AA of the Corporations Act; or
- (b) an IPO occurs after the Issue Date;

Claims Funding Australia Discretionary Trust means the trust of that name, under trust deed dated 21 August 2012;

Code means the United States of America Internal Revenue Code of 1986;

Colquhoun Trust means the trust of that name, constituted under trust deed dated 10 October 1975;

Conditions means, in relation to the Notes, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered Condition shall be construed accordingly;

Controller means, in relation to an entity’s property:

- (a) a receiver or receiver and manager of that property; or
- (b) anyone else who (whether or not as agent for that entity) is in possession, or has control, of that property for the purposes of enforcing a Security Interest;

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365; and
- (b) if “**RBA Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

Debt Incurrence Event means:

- (a) any increase to the aggregate credit limits approved from time to time by the Senior Debt Providers; or
- (b) any proposed Capital Reduction or Distribution.

Debt to Eligible Assets Ratio means, for any period, the ratio of A:B, where:

A = the Financial Indebtedness of the Group; and

B = the Eligible Assets of the Group;

Denomination means A\$1,000, being the notional face value of a Note on its Issue Date;

Distribution means:

- (a) any dividend, charge, interest, fee, payment or other distribution (whether cash or assets) or redemption, repurchase, defeasance, retirement or repayment on or in respect of any shares or any other ownership interest issued by, or otherwise in respect of, an Obligor (including any trust or similar distributions);
- (b) any interest payment, any repayment or prepayment of any amount of principal or any other payment in respect of any liability of an Obligor to any holder (in that capacity) of shares, or other ownership interest, whether direct or indirect, or shareholder subordinated loans; and/or
- (c) any bonus payment, management, advisory or other fee payable to, or to the order of, any shareholder of the Issuer (or to any Related Entity of any shareholder of the Issuer);

For the purposes of this definition, a Distribution in the form of a dividend shall relate to the Financial Year in respect of which such dividend is declared, regardless of the Financial Year in which such dividend is declared or paid;

Domestic Adverse Costs means any adverse cost requirement imposed by the courts in third party run domestic litigation matters;

EBITDA means, for any particular period, the total consolidated operating profit (or loss) of the Group excluding for that period excluding:

- (a) goodwill amortisation, depreciation and amortisation;
- (b) Interest Expense;
- (c) Tax;
- (d) unusual items (within the meaning given to that term in Accepted Accounting Practices);
- (e) any amounts relating to non-cash investment property revaluations or any impairment losses;
- (f) share based payment expenses (within the meaning given to that term in Accepted Accounting Practices);
- (g) exit retirement benefit income or expenses (within the meaning given to that term in Accepted Accounting Practices); and
- (h) equity principal salary adjustments which is calculated as a product of (A) and (B) where:

A = the number of equity principals employed by the Group during the relevant period other than any equity principal who retired during the period; and

B = A\$200,000;

Eligible Assets means the sum of:

- (a) 80% of Eligible Debtors;
- (b) 70% of Eligible Backbone WIP;
- (c) 30% of Eligible Major Projects WIP;

- (d) 70% of Eligible Backbone Disbursements; and
- (e) 30% of Eligible Major Projects Disbursements,

in each case, without any double counting;

Eligible Backbone Disbursements means the Eligible Disbursements allocated to practice areas comprising Social Justice, Wills and Estates Law, Employment and Industrial Law, Superannuation, Financial Advice Disputes and Injuries and Compensation in the Management Accounts;

Eligible Backbone WIP means the WIP allocated to practice areas comprising Social Justice, Wills and Estates Law, Employment and Industrial Law, Superannuation, Financial Advice Disputes and Injuries and Compensation in the Management Accounts that is aged 24 months or less;

Eligible Debtors means all debtors aged 100 days or less;

Eligible Disbursements means all disbursements paid by a member of the Group less:

- (a) accrued barristers' fees and other disbursement fees (success based);
- (b) internal charges (soft disbursements); and
- (c) all paid disbursements that relate to matters that have a specific provision raised against them;

Eligible Major Projects Disbursements means the Eligible Disbursements paid in respect of Major Projects;

Eligible Major Projects WIP means WIP incurred in respect of Major Projects (net of specific provisions) in the management accounts;

Event of Default means the happening of any event set out in Condition 14.1 ("Events of Default");

FATCA means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement under the implementation of paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Finance Lease means a lease constituting or accounted for in or in a similar way to a finance lease or a capitalised lease under Accepted Accounting Practices and, for the avoidance of doubt, includes any hire purchase arrangement;

Finance Lease Charges means any charges in relation to finance leases;

Financial Accommodation includes every form of financial accommodation including:

- (a) making an advance or loan;

- (b) drawing, accepting, endorsing, discounting, collecting or paying a bill of exchange, cheque or other negotiable instrument; and
- (c) entering into any agreement or transaction of any kind as a result of which a debt or liability or a contingent debt or liability arises to a person or for a person's benefit (including any finance lease or capitalised lease);

Financial Indebtedness of a person means, without double counting, any liability, obligation or indebtedness (whether present or future, actual or contingent) of that person for or in respect of:

- (a) money borrowed or raised;
- (b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Accepted Accounting Practices, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares where the holder has the right or the right in certain conditions, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets or services payable more than 120 days after acquisition;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; or
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above;

Financial Statements means, in relation to an entity, the following financial statements and information in relation to that entity:

- (a) an income statement;
- (b) a statement of financial position or balance sheet; and
- (c) a statement of cash flows,

together with any notes to them and any accompanying reports, statements, declarations and other documents or information;

Financial Undertakings means each of the undertakings in Condition 5.2 ("Financial undertakings");

Financial Year means any 12 month period ending on 30 June;

First Optional Redemption Date means the date so specified in the Pricing Supplement;

Fixed Charge Cover Ratio means, in respect of a period, the ratio of A : B, where:

- A = (a) EBITDA for the previous 12 month period; plus
(b) Operating Lease Expense; plus
(c) Rent Expense; plus
(d) Finance Lease Charges; and

B = Fixed Charges for the previous 12 month period;

Fixed Charges means the resulting figure from the calculation of:

- (a) Interest Expense; plus
(b) Operating Lease Expense; plus
(c) Rent Expense; plus
(d) Finance Lease Charges;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the applicable Pricing Supplement;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable monthly or 2, 3, 6, or 12 monthly or in respect of any other period or on any other date specified in the applicable Pricing Supplement;

General Security Agreement means each of:

- (a) the general security agreement granted by the Issuer and each Guarantor (except for Claims Funding International PLC) dated 29 August 2018 in favour of the Security Trustee; and
(b) the mortgage debenture granted by Claims Funding International PLC, registered company number 455396 (Ireland) dated 29 August 2018 in favour of the Security Trustee;

Group means the Issuer and the Guarantors and each of their respective Subsidiaries from time to time;

Guarantee means the guarantee of the Notes set out in the Note Trust Deed;

Guarantors means the Initial Guarantors and each other entity that has provided a Guarantee of the Notes (and has not been released from such Guarantee) under the Note Trust Deed from time to time;

Information Memorandum means the information memorandum, disclosure document or other offering document referred to in a Pricing Supplement in each case prepared by, or on behalf of, and approved by, the Issuer in connection with the issue of Notes and all documents incorporated by reference in it;

Initial Guarantors means the following persons:

- (a) Zabulon Pty Ltd (ABN 50 005 114 670) in its personal capacity and as trustee of the Colquhoun Trust (ABN 28 436 311 025);
- (b) Claims Funding Australia Pty Ltd (ABN 66 158 551 967) in its own capacity and as trustee of the Claims Funding Australia Discretionary Trust (ABN 26 319 419 953);
- (c) Zabulon Holdings Pty Ltd (ABN 66 128 858 113) in its personal capacity and as trustee of the Zabulon Holdings Unit Trust (ABN 70 684 632 109);
- (d) Claims Funding International PLC, registered company number 455396 (Ireland);

Insolvency Event means, in respect of a person (including a trust):

- (a) an order being made, or the person passing a resolution, for its winding up;
- (b) an application being made to a court for an order for its winding up, unless the application is withdrawn or dismissed within 5 Business Days;
- (c) an administrator being appointed to the person;
- (d) the person resolving to appoint a Controller or analogous person to the person or any of the person's property;
- (e) an application being made to a court for an order to appoint a Controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property, unless the application is withdrawn or dismissed within 5 Business Days; or
- (f) an appointment of the kind referred to in paragraph (e) being made (whether or not following a resolution or application);
- (g) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand (except where the statutory demand is being contested in good faith);
- (h) the person:
 - (i) suspending payment of its debts, is unable to pay its debts, or being or becoming otherwise insolvent; or
 - (ii) being taken by applicable law to be unable to pay its debts or otherwise insolvent;
- (i) any application (which is not withdrawn or dismissed within 5 Business Days) is made to a court for an order that or a person becomes insolvent under administration (as defined in section 9 of the Corporations Act);
- (j) any application (which is not withdrawn or dismissed within 5 Business Days) is made to a court for an order, a meeting convened, or a resolution is passed for the purposes of entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors; or
- (k) any analogous event,

unless this takes place as part of a solvent reconstruction or amalgamation;

Intangible Assets means deferred development expenses, deferred foreign exchange gains, organisational or experimental expenses, research and development expenses, intellectual

property, future income tax benefits, goodwill, patents, trademarks, service marks, design rights, franchises, copyrights, licenses, underwriting and formation expenses and other items of a like nature which, according to Accepted Accounting Practices, are regarded as intangible assets;

Interest Commencement Date means, for a Note, the Issue Date of the Note or any other date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Expense means all interest expenses including fees, charges or premiums relating to any contingent guarantees, letters of credit or bonds;

Interest Payment Date means each date so specified in the Pricing Supplement;

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date or, if redeemed earlier in accordance with these Conditions, on the Optional Redemption Date or other redemption date on which the Notes are so redeemed;

Interest Rate means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

Interest Reserve Account has the same meaning given to it in the Priority Deed;

International Adverse Costs means any adverse cost requirement imposed by the courts in third party run international litigation matters.

IPO means any primary listing on any recognised stock exchange, or the sale or issue by way of flotation or other public offering, of shares or similar equity or convertible securities in the Issuer, a holding company of the Issuer, any member of the Group or any Related Body of a member of the Group in any jurisdiction or country;

Issue Date means the date on which a Note is, or is to be issued, as specified in, or determined in accordance with, the Pricing Supplement;

Issuer means Maurice Blackburn Pty Limited (ABN 21 105 657 949);

Issuing & Paying Agent means BTA Institutional Services Australia Limited (ABN 48 002 916 396);

Litigation Funding means:

- (a) the bonding of Domestic Adverse Costs and International Adverse Costs; and
- (b) funding of third party run litigation;

Major Projects means work undertaken that is attributable to class actions undertaken by an Obligor on a no win no fee basis;

Margin means the margin specified in, or determined in accordance with, the Pricing Supplement;

Maturity Date means the date so specified in, or determined in accordance with, the Pricing Supplement as the date on which the Note is to be redeemed (and adjusted, if necessary, in

accordance with the applicable “Business Day Convention” so specified in the Pricing Supplement);

Maurice Blackburn Note Trust means the trust constituted by the Note Trust Deed;

Meeting Provisions means the provisions relating to meetings of Noteholders set out in the Note Trust Deed;

Minimum Deposit Amount means has the meaning given to it in the Priority Deed;

Net Cash from Operations (NCO) means net cash from operating activities as presented in the statement of cash flows within the relevant Financial Statements and (to the extent included):

A = adding back (if less than zero) or after deducting (if greater than zero) the net amount of Litigation Funding during the period; and

B = adding back Dividends paid – share based payments; and

and for the following items presented in the statement of profit or loss or other comprehensive income during the period:

C = adding any litigation investment income; or

D = deducting any litigation investment expense;

Net Leverage Ratio means, on any date, the ratio of A:B where:

A = the aggregate amount of all drawn (secured and unsecured) Financial Indebtedness of the Group on that date less the Cash Balance held by all Obligors on that date; and

B = the EBITDA of the Group for the 12 month period ending on such date.

For the avoidance of doubt, this excludes any contingent liabilities relating to rental guarantees, rental bonds or letters of credit which have been issued by the Senior Debt Providers or other issuer of such contingent debt instruments, until such time as these same liabilities, if ever they should do so, convert to drawn or funded liabilities for any reason;

Note means a medium term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Note Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register. References to any particular type of “**Note**” or “**Notes**” should be read and construed accordingly. All references to Notes must, unless the context otherwise requires, be read and construed as references to the Notes of a particular series;

Note Trust Deed means the document entitled “Note Trust Deed” dated 29 August 2018 and executed by, amongst others, the Issuer and the Note Trustee;

Note Trustee means BNY Trust Company of Australia Limited (ABN 49 050 294 052) in its capacity as trustee of the Maurice Blackburn Note Trust or such other person appointed under the Note Trust Deed as trustee of the Maurice Blackburn Note Trust;

Noteholder means, in respect of a Note, the person whose name is entered in the Register as the holder of that Note;

NPAT means Net Profit After Tax (as determined in accordance with the Financial Statements) and:

(a) excluding revaluations and other non-cash adjustments;

- (b) excluding (to the extent included), proceeds from the disposal of any assets; and
- (c) including (to the extent excluded), any amortisation or impairment charges (including impairments to WIP and whether for assets in continuing or discontinued operations);

Obligor means the Issuer and each of the Guarantors from time to time;

Obligor Trust means each of the Colquhoun Trust, the Claims Funding Australia Discretionary Trust and the Zabulon Holdings Unit Trust;

Offshore Associate means an “**associate**” (within the meaning of section 128F(9) of the Australian Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia that, if it acquires the Notes or an interest in the Notes, would not acquire the Notes or an interest in the Notes in carrying on a business at or through a permanent establishment of the associate in Australia; or
- (b) a resident of Australia that, if it acquires the Notes or an interest in the Notes, would acquire the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country;

Operating Lease Expense means all outgoings by a member of the Group in relation to operating leases;

Optional Redemption Date means each Interest Payment Date commencing on (and including) the First Optional Redemption Date to (but excluding) the Second Optional Redemption Date and each Interest Payment Date commencing on (and including) the Second Optional Redemption Date to (but excluding) the Maturity Date;

Other Restricted Payment has the meaning given in Condition 5.6 (“Limit on making certain payments”);

Outstanding Principal Amount means, in respect of a Note on any date, the outstanding principal amount of the Note calculated as at such date;

Payment Date means, as applicable, the Maturity Date, an Interest Payment Date or other relevant date on which a payment in respect of a Note is due;

Permitted Acquisition means:

- (a) any acquisition or acquisitions where the aggregate purchase price of all acquisitions in the relevant Financial Year is less than A\$5,000,000 in any 12 month period or as otherwise agreed with the Noteholders (acting by way of Special Resolution of Noteholders); and
- (b) where such acquisition in respect of share capital in a corporate entity (or units in a unit trust) or a new subsidiary is created, any such entity becomes an Obligor on or before the date being one calendar month from the date of acquisition or creation of such entity,

and any other acquisition in connection with a Permitted Reorganisation;

Permitted Disposal has the meaning given in Condition 5.7 (“Limit on Disposals”);

Permitted Financial Indebtedness has the meaning given in Condition 5.3 (“Limit on incurring Financial Indebtedness”);

Permitted Lease means an operating lease for business purposes;

Permitted Payment has the meaning given in Condition 5.6 (“Limit on making certain payments”);

Permitted Reorganisation means

- (a) a re-organisation or restructuring (including the solvent wind-down and eventual winding up of any member of the Group other than the Issuer) involving the business or assets of, or shares of (or other interests in), any member of the Group other than the Issuer where all or substantially all of the business, assets and shares of (or other interests in) the relevant member of the Group continues to be owned directly or indirectly by the Issuer;
- (b) any re-organisation or restructuring of the Group which has been disclosed to Noteholders in the Information Memorandum on or before the Issue Date;
- (c) any re-organisation or restructuring which is necessary to comply with an undertaking in these Conditions that could not otherwise be complied with; or
- (d) any other re-organisation or restructuring involving one or more members of the Group approved by the Note Trustee (acting on a Special Resolution of Noteholders),

provided that:

- (i) the Note Trustee shall have received legal opinions in relation to any new guarantee and/or security in connection with such a re-organisation or restructuring, and such other documents as it reasonably requires; and
- (ii) the Noteholders will continue to have the same or substantially equivalent guarantees and Security Interests as before the re-organisation or restructuring (to the extent business assets, shares or other interests are not disposed of as permitted under, but subject always to, the terms of the Notes);

Permitted Security Interest means:

- (a) any Security Interest granted to secure the Notes or any other Security Interests granted under or in connection with a Transaction Document (as defined in the Security Trust Deed);
- (b) any Security Interest granted to secure Permitted Financial Indebtedness;
- (c) any Security Interest granted by an Obligor to another Obligor;
- (d) any Security Interests arising by operation of law (other than the PPSA) and in the ordinary course of trading;
- (e) netting and set-off arrangements arising in the ordinary course of the Group’s banking arrangements;
- (f) any retention of title, hire purchase or conditional sale arrangements in respect of goods supplied in the ordinary course of business;
- (g) chattel paper, commercial consignment and PPS leases;
- (h) any Security Interest comprising cash collateral for the issuance of a bank guarantee, letter of credit or other credit support instrument issued for the purposes described in Condition 5.3(f) (“Limit on incurring Financial Indebtedness”); and
- (i) other Security Interests permitted on a case-by-case basis by Special Resolution of Noteholders;

PPSA means the Personal Properties Securities Act 2009 of Australia;

Pricing Supplement means, in respect of a Tranche, the pricing supplement prepared and issued specifying the relevant issue details of such Notes and which has been confirmed by the Issuer;

Priority Deed means:

- (a) the priority deed to be entered into between, among others, the Senior Security Trustee, the Issuer, the Guarantors and the Security Trustee; and
- (b) any other priority deed or deed of priority entered into on substantially the same terms as the priority deed described in paragraph (a);

Priority Financial Indebtedness Ratio means, on any date, the ratio of A:B, where:

A = Priority Financial Indebtedness; and

B = the EBITDA of the Group for the 12 month period ending on that date.

Priority Financial Indebtedness means the aggregate Financial Indebtedness of the Group ranking in priority to the Notes on that date but excluding the aggregate Financial Indebtedness of the Group permitted under Conditions 5.3(f) and 5.3(g) ("Limit on incurring Financial Indebtedness") in respect of any Finance Leases, bank guarantees, letters of credit or other credit support instruments;

Record Date means the close of business in the place where the Register is maintained on the eighth day before the Payment Date;

Register means the register of holders of Notes established and maintained by or on behalf of the Issuer under an Agency Agreement;

Registrar means BTA Institutional Services Australia Limited (ABN 48 002 916 396) or such other person appointed by the Issuer under an Agency Agreement to perform registry functions and establish and maintain a Register on the Issuer's behalf from time to time;

Related Body means, regardless of any body's trustee or other capacity, a body corporate which would be related under section 50 of the Corporations Act;

Related Entity has the meaning given to it in the Corporations Act of Australia;

Rent Expense means all rental and outgoings in the nature of rent;

Second Optional Redemption Date means the date so specified in the Pricing Supplement;

Security has the meaning given to that term in the Security Trust Deed;

Security Interest means a security interest under the PPSA or security for the payment of money or performance of obligations including any mortgage, pledge, lien, charge, hypothecation, trust arrangement, title retention arrangement or other security interest, encumbrance or arrangement (including any set-off or "flawed-asset" arrangement) having the same or equivalent effect as a grant of security or any agreement to enter into such arrangement;

Security Trust Deed means the document entitled "Security Trust Deed – Maurice Blackburn Note Security Trust" dated 29 August 2018 and executed by, amongst others, the Issuer and the Security Trustee;

Security Trustee means Permanent Custodians Limited (ABN 55 001 426 384) or any person who becomes the “Security Trustee” under the Security Trust Deed;

Senior Debt means Financial Indebtedness provided to a member of the Group by a Senior Debt Provider pursuant to the Financial Accommodation referred to in the Senior Security Trust Deed;

Senior Debt Provider means:

- (a) each financier under a syndicated facility agreement to be entered into between, among others, the Senior Security Trustee and each Obligor;
- (b) any financier that:
 - (i) is regulated by the Australian Prudential Regulation Authority, and
 - (ii) enters into a Priority Deed; and
- (c) any other financier approved by the Note Trustee (acting on a Special Resolution of Noteholders);

Senior Security Trust Deed means the document entitled “Security Trust Deed” to be entered into by, amongst others, the Issuer, the Senior Security Trustee and the Senior Debt Provider;

Senior Security Trustee means Global Loan Agency Services Australia Nominees Pty Ltd (ACN 608 829 303) or any person who becomes the “Security Trustee” under the Senior Security Trust Deed;

Special Resolution has the meaning given in the Note Trust Deed;

Specified Office means, for a person, that person’s office specified in the Information Memorandum or Pricing Supplement or any other address notified to Noteholders from time to time;

Subsidiary of an entity (the parent entity) means another entity (the child entity) which is a subsidiary of the parent entity within the meaning of Division 6 of Part 1.2 of the Corporations Act, or is otherwise controlled by the parent entity within the meaning of section 50AA of the Corporations Act provided that for this purpose:

- (a) a trust may be either a parent entity or a child entity; and
- (b) a trust will only be a subsidiary of an entity if all of the beneficial interests in the trust are held by or on behalf of the entity;

Tangible Net Worth means, on any date, the Total Tangible Assets of the Group less the Total Liabilities of the Group (in each case, on a consolidated basis) on that date;

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes;

Taxes means taxes, withholdings, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any Tax Authority together with any related interest, penalties, fines and expenses in connection with them;

Total Assets means:

- (a) for the Group, the consolidated total at that time of all assets which in accordance with Accepted Accounting Practices would be included in the consolidated statement of financial position of the Group at that time; and/or
- (b) for an entity, the consolidated total at that time of all assets which in accordance with Accepted Accounting Practices would be included in the consolidated statement of financial position for that entity at that time;

Total Liabilities means the aggregate amount of all liabilities of the Group which in accordance with Accepted Accounting Practices would be included in the consolidated statement of financial position of the Group at that time;

Total Tangible Assets means Total Assets less Intangible Assets;

Tranche means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same terms;

Transactional Banking Facilities means:

- (a) the credit card facility provided to the Group by the Australia and New Zealand Bank Group Limited; and
- (b) the guarantee facility provided to the Group by Macquarie Bank Limited.

WIP means work in progress as determined under Accepted Accounting Practices for a professional service firm; and

Zabulon Holdings Unit Trust means the trust of that name, constituted under trust deed dated 3 March 2008.

1.3 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 (including these Conditions) 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) a “**law**” includes common law, principles of equity, any decree and any statute or other law made by a parliament (and a statute or other law made by parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) “**Australian dollars**”, “**\$**” or “**A\$**” is a reference to the lawful currency of Australia;
- (h) a time of day is a reference to Sydney time;

- (i) a “**person**” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (j) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (k) 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.

1.4 Number

The singular includes the plural and vice versa.

1.5 Headings

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

1.6 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 and references to a “day” are to a calendar day.

2 Introduction

2.1 Pricing Supplement

- (a) The Issuer will issue the Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and such Pricing Supplement, the Pricing Supplement prevails.
- (b) The Notes are issued in a single series. The series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the issue price and date of the first payment of interest). A Tranche is the subject of a Pricing Supplement which supplements, amends, modifies or replaces these Conditions.
- (c) Copies of the Pricing Supplement and Conditions applicable to any Tranche of Notes are available for inspection or on request by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the Issuer, the Note Trustee or the Registrar or are otherwise available on reasonable request from the Issuer or the Registrar.

2.2 Types of Notes

A Note is either:

- (a) a Fixed Rate Note; or
- (b) a Floating Rate Note,

as specified in the Pricing Supplement.

2.3 Currency and denomination

The Notes are issued in Australian dollars in a single denomination of A\$1,000.

2.4 Issue restrictions and tenor

The Notes may only be offered (directly or indirectly) for issue, or applications invited for the issue of Notes, if:

- (a) where the offer or invitation is made in, or into Australia:
 - (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the offeror or its associates to the offeree or its associates) or if the offer or invitation (including any resulting issue) otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
 - (ii) the offer or invitation (including any resulting issue) does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
 - (iii) such action does not require any document to be lodged with ASIC; and
- (b) at all times, the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

2.5 Clearing systems

Notes may, but need not, be held in the Austraclear System, in which case the rights of a person holding an interest in the Notes lodged in the Austraclear System are subject to the rules and regulations of the Austraclear System. Neither the Issuer nor any Guarantor is responsible for anything the Austraclear System does or omits to do.

3 Form

3.1 Constitution under the Note Trust Deed

- (a) The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Trust Deed.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Note Trust Deed, the Security Trust Deed, the Securities applicable to the Notes, the Priority Deed, these Conditions and the Pricing Supplement.

3.2 Form

The Notes are issued in registered form by entry in the Register.

3.3 No certificates

No certificates will be issued to Noteholders unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or directive.

3.4 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Note Trustee and the Noteholder to:
 - (i) pay principal, any interest and any other amount in accordance with these Conditions and the Note Trust Deed; and
 - (ii) comply with all other Conditions of the Note, the Note Trust Deed and the Transaction Documents (as defined in the Note Trust Deed); and
- (b) an entitlement to the other benefits given to the Noteholder in respect of the Note under these Conditions, the Note Trust Deed and the Security Trust Deed.

3.5 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

3.6 Non-recognition of interests

Except as ordered by a court of competent jurisdiction or required by law or directive, the Issuer, the Note Trustee, the Security Trustee and the Registrar must treat the person whose name is entered in the Register as the Noteholder of a Note as the absolute owner of that Note and are under no obligation to recognise any other person as having any right to or interest in that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

3.7 Joint Noteholders

Where two or more persons are entered in the Register as the joint holder of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

4 Status and Guarantee

4.1 Status of Notes

The Notes are direct, secured, unconditional and subordinated obligations of the Issuer.

4.2 Ranking of Notes

The Notes rank equally among themselves and at least equally with all other present and future direct, secured and subordinated obligations of the Issuer subject to any prior ranking Permitted Security Interest and other obligations mandatorily preferred by law.

4.3 Guarantee

The Notes are issued with the benefit of the Guarantee. Pursuant to the Guarantee, each Guarantor unconditionally and irrevocably guarantees on a joint and several basis to the Noteholders, among other things, the due and punctual performance by the Issuer of its obligations under the Notes. The obligations of a Guarantor under the Guarantee are direct, secured and subordinated obligations of that Guarantor. The Guarantee ranks at least equally with all other direct, secured and subordinated obligations of that Guarantor, subject to any prior ranking Permitted Security Interest and other obligations mandatorily preferred by law.

The obligations of each of Zabulon Pty Ltd (ABN 50 005 114 670), Claims Funding Australia Pty Ltd (ABN 66 158 551 967) and Zabulon Holdings Pty Ltd (ABN 66 128 858 113) under the Guarantee are incurred both in its personal capacity and in its capacity as trustee of each of the Colquhoun Trust (ABN 28 436 311 025), the Claims Funding Australia Discretionary Trust (ABN 26 319 419 953) and the Zabulon Holdings Unit Trust (ABN 70 684 632 109), respectively.

4.4 Security

Amounts due under the Notes, the Note Trust Deed and the Guarantee of the Guarantors are secured by each Security applicable to the Notes. The Security Trustee holds each Security applicable to the Notes on trust for the Beneficiaries (as defined in the Security Trust Deed, and which includes the Note Trustee, each Agent and the Noteholders).

4.5 Priority Deed

Whilst the Senior Debt remains outstanding:

- (a) the Notes will rank after, and be subordinated to, the Senior Debt, as set out in the Priority Deed; and
- (b) any payment of principal, interest or other amounts under the Notes and the ability of each holder to enforce its rights under the Notes, may only occur in accordance with the Priority Deed.

5 Negative pledge and financial and other undertakings

5.1 Negative pledge

The Issuer will not (and the Issuer will ensure that no Obligor will) create or permit to subsist any Security Interest upon the whole or any part of its (or those of any Obligors) present or future assets other than a Permitted Security Interest.

5.2 Financial undertakings

For so long as the Notes remain outstanding:

- (a) **(Fixed Charge Cover Ratio)** the Issuer will ensure that at each Calculation Date, the Fixed Charge Cover Ratio for the 12 month period ending on that Calculation Date is not less than 2.25;
- (b) **(Net Leverage Ratio)** the Issuer will ensure that at each Calculation Date, the Net Leverage Ratio for the 12 month period ending on that Calculation Date does not exceed 3.0;
- (c) **(Tangible Net Worth)** the Issuer will ensure that at each Calculation Date (or Debt Incurrence Event Date in the case of a calculation for the purposes of paragraph (f) below), the Tangible Net Worth on that Calculation Date is not less than A\$100,000,000;
- (d) **(Debt to Eligible Assets Ratio)** the Issuer will ensure that at each Calculation Date (or Debt Incurrence Event Date in the case of a calculation for the purposes of paragraph (f) below), the Debt to Eligible Assets Ratio on that Calculation Date will not be greater than 1.0:1.0;
- (e) **(Priority Financial Indebtedness)** the Issuer will ensure that at each Calculation Date (or each Debt Incurrence Event Date in the case of a calculation for the purposes of paragraph (f) below), the Priority Financial Indebtedness does not exceed the greater of:
 - (i) A\$40,000,000; and
 - (ii) 1.50 times the EBITDA of the Group for the 12 month period ending on the Calculation Date; and

- (f) **(Debt Incurrence Event)** the Issuer will ensure that on the date a Debt Incurrence Event ("**Debt Incurrence Event Date**") occurs, the financial undertakings in paragraph (c), (d) and (e) are satisfied and for these purposes calculated as if the Calculation Date was taken to be the Debt Incurrence Event Date.

The parties agree that each of the financial undertakings in paragraphs (a) to (f) above, and all definitions (whether such definitions are referenced in the context of financial covenants or otherwise), have been drafted with the intention that the Issuer complies with those covenants based on Australian Accounting Standard AASB 117 (as at 1 July 2018) and will be calculated on that basis. Unless otherwise agreed in writing between the Issuer and the Noteholders (acting by way of Special Resolution of Noteholders), any subsequent revision, amendment, restatement or replacement of Australian Accounting Standard AASB 117 which changes, or eliminates, the distinction between operating leases and finance leases does not apply to the Notes.

5.3 Limit on incurring Financial Indebtedness

No Obligor will incur or permit to subsist any Financial Indebtedness other than (each of the following, a "**Permitted Financial Indebtedness**"):

- (a) Financial Indebtedness (including a renewal, extension or refinance of any such Financial Indebtedness) to the extent the aggregate amount of all such Financial Indebtedness does not result in the Financial Undertakings being breached and provided that prior to the Financial Indebtedness being incurred, a certificate signed by two directors or a director and chief financial officer of the Obligors is given to the Note Trustee confirming that on the date the Obligor incurs any such Financial Indebtedness and immediately after giving pro-forma effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereto, the Obligor is in compliance with the Financial Undertakings;
- (b) any Financial Indebtedness relating to interest rate and foreign exchange hedging entered into in the ordinary course of business to mitigate against interest rate and foreign exchange fluctuations;
- (c) any Financial Indebtedness relating to any guarantee or indemnity under any class order guarantee given in accordance with the Corporations Act where the only members of the class order are Obligors;
- (d) any Financial Indebtedness incurred between Obligors;
- (e) any Financial Indebtedness whereby the rights and claims for payment of such Financial Indebtedness is fully subordinated to the rights and claims of the Note Trustee and the Noteholders under the Notes;
- (f) any Financial Indebtedness incurred under facilities (including Financial Indebtedness under the Transactional Banking Facilities) for the issue of bank guarantees, letters of credit or other credit support instruments:
- (i) in favour of a landlord to support the obligations of an Obligor under any lease of real property (or in favour of any provider of such bank guarantee, letter of credit or other credit support instrument), in an aggregate principal amount of up to A\$10,000,000 at any time, but without double counting; and
 - (ii) to support the Domestic Adverse Cost and International Adverse Cost obligations of any person, in an aggregate amount of A\$12,500,000 at any time;
- (g) any Financial Indebtedness incurred under Finance Leases of up to a maximum aggregate amount of A\$10,000,000 at any time;

- (h) any shareholder or partner funding that is fully subordinated to rights and claim of the Note Trustee and Noteholders under the Notes;
- (i) Financial Indebtedness owed to the Senior Debt Providers to the extent the aggregate amount of all such Financial Indebtedness does not result in the Financial Undertakings being breached and provided that prior to the Financial Indebtedness being incurred, a certificate signed by two directors or a director and chief financial officer of the Obligors is given to the Note Trustee confirming that on the date the Obligor incurs any such Financial Indebtedness and immediately after giving pro-forma effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereto, the Obligor is in compliance with the Financial Undertakings;
- (j) Financial Indebtedness (including Financial Indebtedness under the Transactional Banking Facilities) owed to any party other than the Noteholders and the Senior Debt Providers, up to an aggregate amount not exceeding A\$1,500,000 at any time; and
- (k) other Financial Indebtedness permitted on a case-by-case basis by Special Resolution of Noteholders.

5.4 Limit on providing Financial Accommodation

No Obligor will make available Financial Accommodation to or for the benefit of any person other than (each of the following, a **"Permitted Financial Accommodation"**):

- (a) any Financial Accommodation provided by an Obligor to another Obligor;
- (b) any Financial Accommodation provided to allow customers to acquire goods and services on extended terms up to a maximum of 90 days in the ordinary course of business;
- (c) any Financial Accommodation provided under ordinary deposits with banks or other financial institutions or other cash equivalent investments;
- (d) Financial Accommodation under Permitted Litigation Funding; and
- (e) other Financial Accommodation approved by a Special Resolution of Noteholders.

5.5 Limit on Litigation Funding

No Obligor will (and will ensure that no other member of the Group will) make available Litigation Funding to or for the benefit of any person other than (each of the following, a **"Permitted Litigation Funding"**):

- (a) Litigation Funding provided to Claims Funding Europe Ltd up to an aggregate amount of A\$25,000,000 at any time; and
- (b) in addition to paragraph (a) above, Litigation Funding provided to any other person provided that the aggregate amount of Litigation Funding provided:
 - (i) during the period commencing on and from 1 July 2018 until 30 June 2019, does not exceed the amount of A\$15,000,000;
 - (ii) during the period commencing on and from 1 July 2018 until 30 June 2020, does not exceed the amount of A\$25,000,000;
 - (iii) during the 3 year financial year periods ending on 30 June 2021, does not exceed the amount of A\$35,000,000; and
 - (iv) during the 3 year financial year periods ending on 30 June of each year thereafter, does not exceed the amount of A\$35,000,000,

and, in each case, calculated on a net basis by reference to the relevant Financial Statements by taking the aggregate payments from litigation funding during the period less any proceeds received from litigation funding. Litigation Funding for the purposes of paragraphs (a) and (b) above includes Litigation Funding provided by way of cash collateral or counter-indemnity obligation to the issuer of a bank guarantee, letter of credit or other credit support instrument issued in favour of a court to support the Domestic Adverse Cost and International Adverse Cost obligations of any person.

5.6 Limit on making certain payments

No Obligor will (and will ensure that no member of the Group will) declare or pay any Distribution, or reduce, return, purchase, repay, cancel or redeem any of its share capital or units (as applicable) or buy back any of its shares or units (as applicable) (“**Capital Reduction**”) in accordance with its relevant trust deed or under Chapter 2J of the Corporations Act (or an equivalent provision under any law or directive in another jurisdiction applicable to that member of the Group) or pay any interest or other amounts in respect of any debt security issued which ranks behind the Notes in priority for payment of interest (“**Other Restricted Payment**”) except (each of the following, a “**Permitted Payment**”):

- (a) where the recipient of the proceeds of such Distribution or Capital Reduction is an Obligor; or
- (b) in the case of the Distribution or Capital Reduction, the amount of the Distribution or Capital Reduction is only paid out of NPAT of the Obligors for the previous financial year, up to a maximum aggregate amount equal to 100% of NPAT, provided that at the time the Distribution, Capital Reduction or Other Restricted Payment is declared or paid:
 - (i) the Net Cash from Operations (NCO) during the last financial year, which has been signed off without qualification by the Issuer’s auditor, exceeds the aggregate sum of all Distributions (including the proposed Distribution) during the current financial year;
 - (ii) the Net Leverage Ratio does not exceed 2.85;
 - (iii) the audited Financial Statements of the Obligors for the previous financial year confirm a positive NPAT; and
 - (iv) no Event of Default is subsisting or would arise as a result of the Permitted Payment.

5.7 Limit on Disposals

No Obligor will sell, transfer, lease, licence or otherwise dispose of, or create or allow to exist an interest in its assets, undertaking or business (“**Disposal**”), other than (each of the following, a “**Permitted Disposal**”):

- (a) a Disposal arising as a result of the grant or the enforcement of a Permitted Security Interest;
- (b) Disposals from one Obligor to another Obligor;
- (c) Disposal from a member of the Group which is a non-Obligor to an Obligor;
- (d) Disposals:
 - (i) in the ordinary course of business at arm’s length and on arm’s length commercial terms provided no Event of Default has occurred and is subsisting;

- (ii) where the assets are waste, obsolete and are not required for the efficient operation of its business; or
 - (iii) in exchange for other assets comparable or superior as to type, value and quality,
- (e) Disposals where an amount equal to the net proceeds of a Disposal is used within 180 days after such Disposal to:
- (i) purchase, acquire, develop, redevelop or construct productive assets for use by an Obligor in its business;
 - (ii) prepay or repay any secured or secured and subordinated Financial Indebtedness of an Obligor; or
 - (iii) make a Distribution or Capital Reduction as permitted in Condition 5.6 (“Limit on making certain payments”);
- provided that no Event of Default has occurred and is subsisting; and
- (f) Disposals of a member of the Group provided that member of the Group is not also an Obligor at the time of the Disposal;
- (g) any Disposal of assets not described in paragraphs (a) to (f) above provided that:
- (i) each such Disposal is for cash consideration on arm’s length basis and at fair market value; and
 - (ii) the aggregate fair market values of assets disposed by the Obligors during any 12 month period does not exceed an aggregate amount of A\$5,000,000;
- (h) in connection with a Permitted Reorganisation; and
- (i) other Disposals permitted on a case-by-case basis by Special Resolution of Noteholders.

5.8 Limit on acquisitions

No Obligor will acquire or invest in any business or acquire any shares, securities or other equity investments other than a Permitted Acquisition or Permitted Reorganisation.

5.9 Guarantor Group

The Issuer undertakes:

- (a) that, at all times, the aggregate of the:
- (i) EBITDA generated by the Obligors is at least 95 per cent. of the total EBITDA of the Group (as a whole); and
 - (ii) Total Assets of the Obligors is at least 95 per cent. of the Total Assets of the Group (as a whole),
- in each case, on an unconsolidated basis and excluding intra-group items and based on the then latest Financial Statements; and
- (b) to cause such of its Subsidiaries to accede as a Guarantor pursuant to the Note Trust Deed to ensure that, at all times, the aggregate of the:

- (i) EBITDA generated by the Obligors is at least 95 per cent. of the total EBITDA of the Group (as a whole); and
- (ii) Total Assets of the Obligors is at least 95 per cent. of the Total Assets of the Group (as a whole),

in each case, on an unconsolidated basis and excluding intra-group items and based on the then latest Financial Statements, subject to, and provided that, in the case of an existing Subsidiary that is required to become a Guarantor under this clause, it becomes a Guarantor within 30 days of the latest Financial Statements and, in the case of a new Subsidiary which has become a member of the Group (as a whole), the completion of any financial assistance whitewash procedures required under Part 2J.3 of the Corporations Act (or equivalent laws in any other applicable jurisdictions) within 45 days of the first shareholders general meeting of the Issuer held after the relevant Subsidiary (which is required to become a Guarantor) becomes a member of the Group.

5.10 Other undertakings

- (a) **(Corporate existence)** Each Obligor will (and will procure that each member of the Group will) do everything necessary to maintain its corporate existence.
- (b) **(comply with laws)** Each Obligor will comply (and will procure that each member of the Group complies) with all laws (including any environmental laws) binding on it where a failure to comply would have a material adverse effect on the ability of an Obligor to comply with its obligations under the Notes or Guarantee.
- (c) **(Related party transactions):** Each Obligor will not (and will procure that each member of the Group will not) deal with any Related Entity except on arm's length commercial terms (or better).
- (d) **(No change to business)** No Obligor will substantially change the general nature of its business from that carried on at the Issue Date other than with the prior written consent of the Note Trustee.
- (e) **(Insurance)** Each Obligor will (and will procure that each member of the Group will) maintain insurance for amounts and against risks for which a person holding assets and carrying on a business similar to it would prudently take out insurance. Not do, or omit to do, or suffer or permit to be done anything which is likely to prejudice or impair the insurances or render them liable to be or become invalid, void or voidable.

5.11 Delivery of compliance certificates

With each set of Financial Statements and quarterly management accounts delivered pursuant the Note Trust Deed, the Issuer will provide a certificate ("**Compliance Certificate**") setting out (in reasonable detail):

- (a) computations as to compliance with the Financial Undertakings as at the date at which those Financial Statements or management accounts relate;
- (b) computations as to compliance with Condition 5.9 ("Guarantor Group") as at the date at which those Financial Statements or management accounts relate; and
- (c) details of the Permitted Payments made since the last Compliance Certificate was delivered together with computations as to compliance with Condition 5.6 ("Limit on making certain payments").

Each Compliance Certificate shall be:

- (d) signed by either two directors or a chief financial officer of the Issuer; and

- (e) include a statement that no Event of Default has occurred or is continuing.

6 Title and transfer of Notes

6.1 Title

Title to Notes passes when details of the transfer are entered in the Register.

6.2 Transfer

Notes may only be transferred in accordance with these Conditions and the Note Trust Deed.

6.3 Transfers in whole

Notes may only be transferred in whole and not in part.

6.4 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

6.5 Unincorporated associations

A transfer of a Note to an unincorporated association is not permitted.

6.6 Transfer of unidentified Notes

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of all the Notes registered as having been transferred equals the aggregate principal amount of all the Notes expressed to be transferred in the transfer.

6.7 Compliance with law

Notes may only be transferred if the offer or invitation for the sale or purchase of the Notes is received by a person:

- (a) in Australia, only if the minimum aggregate consideration payable at the time of the transfer is at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee) or the Notes are transferred in circumstances that do not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act and the transfer complies with all applicable laws and directives; and
- (b) if, in a jurisdiction outside Australia, the transfer complies with all other applicable laws and directives in the jurisdiction in which the transfer takes place.

6.8 Restrictions on transfer

- (a) Transfers of Notes which are not lodged in the Austraclear System cannot be made between a Record Date and the relevant following Payment Date if a redemption of such Note is to occur during, or at the end of, that period in accordance with these Conditions.

- (b) Transfers of Notes will not be registered later than the close of business in the place where the Register is maintained on the eighth day prior to the Maturity Date of the Notes.

7 Fixed Rate Notes

This Condition 7 applies to the Notes only if the Pricing Supplement states that it applies.

7.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date or, if redeemed earlier, the Optional Redemption Date, at the Interest Rate. Interest is payable in arrear on each Interest Payment Date or such other date on which a Note is redeemed.

7.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the "Fixed Coupon Amount" specified in the Pricing Supplement.

7.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period shall be calculated by the Calculation Agent by multiplying the Interest Rate, the Outstanding Principal Amount of the Fixed Rate Note and the applicable Day Count Fraction.

8 Floating Rate Notes

This Condition 8 applies to the Notes only if the Pricing Supplement states that it applies.

8.1 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

8.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

8.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 8.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

8.4 BBSW Rate Determination

The Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the BBSW Rate.

8.5 Interpolation

- (a) If the Pricing Supplement states that “Linear Interpolation” applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two BBSW Rates or other floating rates specified in the Pricing Supplement.
- (b) The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).
- (c) The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

9 General provisions applicable to interest

9.1 Calculation of Interest Rate and interest payable

- (a) The Calculation Agent must, in relation to each Interest Period for each Floating Rate Note:
 - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
 - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the Outstanding Principal Amount of that Note.
- (b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the Outstanding Principal Amount of the Note by the applicable Day Count Fraction.
- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

9.2 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

9.3 Notification of Interest Rate, interest payable and other items

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, the Note Trustee and each other Agent of each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after making its determination.
- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must promptly notify the Issuer, the Registrar, the Noteholders, the Note Trustee and each other Agent of any such amendment.

9.4 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of fraud or manifest error, final and binding on the Issuer, the Guarantors, the Registrar, each Noteholder, the Note Trustee, the Security Trustee and each other Agent.

9.5 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures resulting from the calculations must be rounded to five decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to one cent.

10 Redemption

10.1 Redemption on maturity

The Issuer agrees to redeem each Note on its Maturity Date at its Outstanding Principal Amount unless:

- (a) the Note has been previously redeemed; or
- (b) the Note has been purchased and cancelled.

10.2 Early redemption at the option of Noteholders (Noteholder put)

Upon the occurrence of a Change of Control, each Noteholder will have the right to require the Issuer to redeem some or all of the Notes held by such Noteholder at a redemption price equal to 101 per cent. of the Outstanding Principal Amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) (the "**Change of Control Redemption Price**"). Within 30 days after a Change of Control, the Issuer shall deliver a notice to the Registrar and the Note Trustee requesting that the Note Trustee promptly notifies Noteholders stating that:

- (a) a Change of Control has occurred and that such Noteholder has the right to require the Issuer to redeem such Notes at the Change of Control Redemption Price;
- (b) the redemption date (which shall be no earlier than 30 days nor later than 60 days from the date of such notice is delivered); and
- (c) the procedures determined by the Issuer, consistent with terms and conditions of the Notes, that a Noteholder must follow in order to have its Notes redeemed.

10.3 Early redemption at the option of the Issuer (Issuer call)

The Issuer may redeem all or some of the Notes before their Maturity Date as follows:

- (a) on each Interest Payment Date commencing on (and including) the First Optional Redemption Date to (but excluding) the Second Optional Redemption Date by

payment of 103 per cent. of the Outstanding Principal Amount of each Note being redeemed; and

- (b) on each Interest Payment Date commencing on (and including) the Second Optional Redemption Date to (but excluding) the Maturity Date by payment of 101.5 per cent. of the Outstanding Principal Amount of each Note being redeemed,

in each case, together with any accrued interest, if any, to the date of redemption.

However, the Issuer may only do so if the Issuer has given at least 30 days (and not more than 60 days) notice to the Registrar, the Note Trustee, the Noteholders and each other Agent.

10.4 Early redemption at the option of the Issuer (tax call)

- (a) The Issuer may redeem all (but not some) of the Notes at any time before their Maturity Date by payment of 100 per cent. of the Outstanding Principal Amount of each Note being redeemed together with any accrued interest, if any, to the date of redemption if, as a consequence of an amendment to or a change in, or announced amendment to or prospective change in:

- (i) a law or directive or binding judicial decision or ruling; or
- (ii) an administrative decision (with which the Issuer is required to comply) interpreting, applying or clarifying those laws, directives or judicial decisions,

occurring after the Issue Date, the Issuer is required to pay an Additional Amount in respect of the Notes under Condition 12.2 (“Withholding tax”).

- (b) However, the Issuer may only do so if the Issuer has given at least 30 days (and not more than 60 days) notice to the Registrar, the Note Trustee, the Noteholders and each other Agent and obtains and provides to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective) describing the facts and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it; and
- (ii) an opinion of independent legal advisers of recognised standing to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective);

- (c) in the case of Fixed Rate Notes, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay such Additional Amounts under Condition 12.2 (“Withholding tax”); and

- (d) in the case of Floating Rate Notes:

- (i) the proposed date of redemption is an Interest Payment Date; and
- (ii) the notice of redemption is given at least 30 days (and not more than 60 days) before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such Additional Amounts under Condition 12.2 (“Withholding tax”).

10.5 Partial redemptions

- (a) If only some of the Notes are to be redeemed under Condition 10.2 (“Early redemption at the option of Noteholders (Noteholder put)”) or Condition 10.3 (“Early redemption at

the option of the Issuer (Issuer call)), the Notes to be redeemed will be specified in the notice and selected:

- (i) if specified in the Pricing Supplement, in the manner set out in the Pricing Supplement, or otherwise pro-rata across all Noteholders or in a fair and reasonable manner; and
- (ii) in compliance with any applicable law or directive.

In the event that only some of the Notes are redeemed under Condition 10.2 (“Early redemption at the option of Noteholders (Noteholder put)”) or Condition 10.3 (“Early redemption at the option of the Issuer (Issuer call)”), the Calculation Agent will prepare a substitute repayment schedule in relation to the Notes to replace the existing repayment schedule by re-calculating the number of Interest Payment Dates remaining but reflecting the reduced number of Notes. Such substitute repayment schedule will then, subject to any manifest error, become the repayment schedule in relation to the Notes.

10.6 Effect of notice of redemption

Any notice of redemption given under this Condition 10 (“Redemption”) is irrevocable.

10.7 Late payment

If an amount payable is not paid under this Condition 10 (“Redemption”) when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

10.8 Purchase

The Issuer and any of its Related Entities may at any time purchase (including on issue) Notes in the open market or otherwise and at any price. Notes purchased under this Condition 10.8 may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or directive.

10.9 Priority Deed restrictions

Notwithstanding any provision of these Conditions, any right to redeem Notes under this Condition 10 (“Redemption”) shall be subject always to the terms and conditions of the Priority Deed, and any redemption of Notes shall only be given effect to the extent permitted in accordance with the Priority Deed.

11 Payments

11.1 Payments to Noteholders

Payments of principal or interest will be made to each person registered in the Register at close of business on the applicable Record Date as the holder of a Note.

11.2 Payments to accounts

Payments in respect of a Note will be made:

- (a) if the Note is held in the Austraclear System, by crediting on the Payment Date, the amount due to:

- (i) the account of Austraclear (as the Noteholder) previously notified to the Issuer and the Registrar; or
 - (ii) if requested by Austraclear, the accounts of the persons in Australia in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- (b) if the Notes are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each Note to an account in Australia previously notified by the Noteholder to the Issuer and the Registrar.

11.3 Payments by cheque

If a Noteholder has not notified the Registrar of an account to which payments to it must be made by close of business on the Record Date or it has notified the Registrar that it wishes to be paid by cheque, payments in respect of the Note will be made by cheque sent by prepaid post on the Payment Date, at the risk of the registered Noteholder, to the Noteholder (or if two or more persons are entered in the Register as joint Noteholders, to the first named joint Noteholder of the Note) at its address appearing in the Register at close of business on the Record Date. Cheques sent to the nominated address of a Noteholder will be taken to have been received by the Noteholder on the Payment Date and no further amount will be payable by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.

11.4 Payments subject to law

All payments are subject to applicable law but without prejudice to the provisions of Condition 12 ("Taxation").

11.5 Payments on Business Days

If a payment:

- (a) is due on a Note on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, a Noteholder is not entitled to any additional payment in respect of that delay.

11.6 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

- (a) decides that an amount is to be paid to a Noteholder by a method of direct credit and the Noteholder has not given a direction as to where amounts are to be paid by that method;
- (b) attempts to pay an amount to a Noteholder by direct credit, electronic transfer of funds, cheque or any other means and the transfer is unsuccessful;
- (c) has made reasonable efforts to locate a Noteholder but is unable to do so; or
- (d) has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque and if the Issuer has so cancelled,

then, in each case and subject to Condition 13 (“Time limit for claims”), the amount is to be held by the Issuer for the Noteholder in a non-interest bearing deposit with a bank selected by the Issuer until the Noteholder or any legal personal representative of the Noteholder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

11.7 Payment to joint Noteholders

A payment to any one of the joint Noteholders will discharge the Issuer’s liability in respect of the payment.

12 Taxation

12.1 No set-off, counterclaim or deductions

All payments in respect of the Notes must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless such withholding or deduction is required by law.

12.2 Withholding tax

If a law requires the Issuer (or an Agent) to withhold or deduct an amount in respect of Taxes from a payment in respect of a Note such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer (or an Agent) agrees to withhold or deduct the amount for the Taxes; and
- (b) subject to Condition 12.3 (“Gross-up exceptions”), an additional amount is payable by the Issuer so that, after making the withholding or deduction and further withholdings or deductions applicable to any additional amounts payable under this Condition, the Noteholder is entitled to receive (at the time the payment is due) total amounts equal to what it would have received if no withholdings or deductions had been required to be made from a payment in respect of a Note.

12.3 Gross-up exceptions

No Additional Amounts are payable under Condition 12.2 (“Withholding tax”) in respect of any Note:

- (a) in respect of any Taxes imposed on, or calculated having regard to, the net income or profits of the Noteholder;
- (b) to, or to a third party on behalf of, a Noteholder, if that person has not supplied an appropriate Australian tax file number (if applicable), or an Australian Business Number or details of an applicable exemption from these requirements;
- (c) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of having some connection with Australia other than the mere holding of the Note;
- (d) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of a Note by reason of the Noteholder being an Offshore Associate of the Issuer not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- (e) in respect of any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- (f) in circumstances where such a withholding or deduction would not be required if the Noteholder, or any person acting on the Noteholder’s behalf, had satisfied any

statutory requirements or obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to any Tax Authority upon the presentation or making of which the Noteholder would have been able to avoid or partially avoid (as the case may be) such withholding or deduction;

- (g) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law;
- (h) in such other circumstances as may be specified in the Pricing Supplement; or
- (i) in respect of any combination of any or all of paragraphs (a) to (h) above.

Notwithstanding any other provision of these Conditions, if the Issuer, any Agent, or any other person through whom payments on the Notes are made, is required to withhold or deduct amounts under or in connection with, or in order to ensure compliance with FATCA, the Issuer or that other person shall be permitted to make such withholding or deduction, and Noteholders and beneficial owners of Notes will not be entitled to receive any gross up, Additional Amount or other amount for such withholding or deduction.

13 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which that payment first became due.

14 Events of Default

14.1 Events of Default

Each of the following is an Event of Default in respect of the Notes:

- (a) **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Notes when due;
- (b) **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Notes of the relevant series when due and the failure to pay continues for a period of 2 Business Days after the due date;
- (c) **(breach of financial undertakings)** the Issuer fails to comply with the Financial Undertakings.
- (d) **(non-compliance with obligations)** an Obligor:
 - (i) fails to comply with any of its obligations in connection with a Note or Guarantee (other than, but subject to, in relation to the payment of money referred to in Condition 14.1(a) or Condition 14.1(b)); and
 - (ii) if the non-compliance is capable of remedy, it is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Note Trustee or any Noteholder;
- (e) **(cross default)** any Financial Indebtedness of any member of the Group for amounts totalling, in aggregate, more than A\$1,000,000 (or its equivalent in any other currency):
 - (i) is not satisfied on the later of their due date or the end of any applicable grace period; or

- (ii) 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 (howsoever described);
- (f) **(enforcement against assets)** any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any member of the Group in an amount in excess of A\$1,000,000;
- (g) **(insolvency)** an Insolvency Event occurs in relation to a member of the Group;
- (h) **(obligations unenforceable)** any Note, the Note Trust Deed (including, for the avoidance of doubt, the Guarantee), any Security applicable to the Notes is or becomes (or is claimed to be by an Obligor or anyone on their behalf) wholly or any part of a material provision of it void, voidable or unenforceable or any Note, the Note Trust Deed, the Guarantee, any Security applicable to the Notes ceases to wholly or in relation to any part of a material provision of it have full force and effect or the whole or any part of a material provision of it is declared by any court of competent jurisdiction to be void or unenforceable;
- (i) **(no material litigation)** a judgement or award in an amount exceeding A\$5,000,000 (or its equivalent in any other currency) is obtained against a member of the Group or any of its assets and is not set aside or satisfied within 30 days unless the member of the Group is diligently and in good faith pursuing an appeal;
- (j) **(cessation of business)** an Obligor or an Obligor Trust ceases to carry on all or a material part of its business generally and no other Obligor assumes the business of that person; and
- (k) **(Obligor Trusts):**
 - (i) a new or additional trustee of any Obligor Trust is appointed unless that new or additional trustee becomes bound by the Note Trust Deed;
 - (ii) the beneficiaries of any Obligor Trust resolve to wind up the Obligor Trust, or the trustee of the Obligor Trust is required to wind up the Obligor Trust under the relevant trust deed or applicable laws, or the winding up of the Obligor Trust commences except when the Obligor Trust is solvent and on terms previously approved by the Note Trustee acting on the instructions of Noteholders by Special Resolution;
 - (iii) any Obligor Trust is held or is conceded by its trustee not to have been constituted or to have been imperfectly constituted;
 - (iv) the trustee of an Obligor Trust or another Guarantor ceases to be authorised under the Obligor Trust to hold the property of the Obligor Trust in its name and to perform its obligations in respect of the Notes and under the Note Trust Deed; or
 - (v) the trustee of an Obligor Trust ceases to be entitled to be indemnified out of the assets of the Obligor Trust in respect of its obligations under the Notes, the Note Trust Deed or to have a lien over them.

14.2 Consequences of an Event of Default

- (a) The rights of the Note Trustee, the Security Trustee and each Noteholder to take action against the Issuer upon the occurrence of an Event of Default are subject to the restrictions set out in the Note Trust Deed, the Security Trust Deed and the Priority Deed.

- (b) If an Event of Default occurs and continues unremedied in relation to the Notes, then a Noteholder may, or the Note Trustee must (if requested in writing by Noteholders who hold in aggregate 25 per cent. or more of the Outstanding Principal Amount), declare by notice to the Issuer (with a copy to the Registrar and the Note Trustee (if notice is given by a Noteholder)) that each Note held by it is (or, if the Note Trustee has given the declaration, all 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.
- (c) If an Event of Default occurs, then interest continues to accrue on any unpaid amounts (both before and after any demand or judgment) at the sum of the Interest Rate plus a default rate of 3.00 per cent. per annum from the date of the relevant Event of Default until the earlier of the date on which payment is made to the Noteholder or the date on which the Event of Default is remedied or no longer subsists.

14.3 Notification

If an Event of Default occurs and is subsisting (or, in the case of Condition 14.1(c) (“Events of Default”), an event which, after notice and lapse of time, would become an Event of Default), the Issuer must promptly (and in any event within 5 days) after becoming aware of it notify the Note Trustee, the Security Trustee, the Registrar, each other Agent and the Noteholders of the occurrence of the Event of Default (specifying details of it).

14.4 Enforcement

- (a) Subject to Conditions 14.2(a) (“Consequences of an Event of Default”) and 14.4(c), at any time after the occurrence of an Event of Default and for so long as it is subsisting, the Note Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, institute such proceedings and/or take such other action as it may think fit against or in relation to the Issuer to enforce the Issuer’s obligations under the Notes. The Issuer shall, as a result of the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the Notes sooner than the same would otherwise have been payable by it.
- (b) Without prejudice to Condition 14.4(a) but subject to Condition 14.4(c), if an Obligor breaches any of its obligations under the Note Trust Deed, the Note Trustee may, either at its discretion or pursuant to a direction of Noteholders in accordance with paragraph (c)(i) below and, in either case, without further notice, bring such proceedings as it may think fit to enforce such obligations.
- (c) The Note Trustee shall not take any of the actions referred to in Conditions 14.4(a) or 14.4(b) to enforce the obligations of the Issuer in respect of the Notes or take any other enforcement action pursuant to or in connection with the Note Trust Deed or the Notes unless:
 - (i) it shall have been so requested in writing by Noteholders who hold in aggregate 25 per cent. or more of the Outstanding Principal Amount of all Notes then outstanding; and
 - (ii) unless it decides otherwise, it shall have been indemnified to its satisfaction in accordance with the terms of the Note Trust Deed.

If, prior to acting on a direction received pursuant to Condition 14.4(a), the Note Trustee receives further directions to take any action pursuant to paragraph (c)(i) above that are, in its reasonable opinion, materially inconsistent or conflicting in any material respect with the initial directions, the Note Trustee must call a meeting of Noteholders in accordance with the terms of these Conditions, the Note Trust Deed and the Meeting Provisions in order to resolve the inconsistency or conflict and shall

act in accordance with any resolutions passed at that meeting or in accordance with any direction by Noteholders who hold in aggregate 50 per cent. or more of the Outstanding Principal Amount of all Notes then outstanding.

- (d) No Noteholder is entitled to proceed directly against an Obligor to enforce any right or remedy under or in respect of any Note, the Guarantee or the Note Trust Deed unless expressly entitled to do so under these Conditions, the Guarantee or the Note Trust Deed or, the Note Trustee or the Security Trustee, having become bound to proceed, fails to do so within 10 Business Days from the date that the Note Trustee or the Security Trustee is notified by a Noteholder of the failure, and such failure is continuing.

15 Agents

15.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust with any Noteholder.

15.2 Appointment and replacement of Agents

Each initial Agent for the Notes is specified in the Pricing Supplement. Subject to Condition 15.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

15.3 Change of Agent

The Issuer (or the Agent on its behalf) must notify the Note Trustee and the Noteholders if there is any change in the identity of any Agent or any Agent's Specified Office.

15.4 Required Agents

The Issuer must at all times maintain a Registrar, an Issuing & Paying Agent and a Calculation Agent.

16 Meetings of Noteholders

The Meeting Provisions contain provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including any variation of these Conditions. Any resolution duly passed by the Noteholders pursuant to the Meeting Provisions shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

17 Variation

17.1 Variation with consent

Unless Condition 17.2 ("Variation without consent") applies, any Note may be varied by the Noteholders in accordance with the Meeting Provisions.

17.2 Variation without consent

Any Condition may be amended by the Issuer with the consent of the Note Trustee (not to be unreasonably withheld or delayed) but without the consent of the Noteholders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error; or

- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision,

provided that, in all cases, in the reasonable opinion of the Issuer and the Note Trustee, such amendment is not materially prejudicial to the interests of the Noteholders.

18 Further issues of Notes

The Issuer may from time to time, without the consent of the Noteholders, issue further Notes having the same conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them) so as to form a single series with the Notes.

19 Notices

19.1 Notices to Noteholders

All notices and other communications to Noteholders must be in writing. Any such notice or other communication may be given by any of the following means:

- (a) sent by prepaid post (airmail, if appropriate) to or left at the address of the Noteholder (as shown in the Register at close of business on the day which is 3 Business Days before the date of the notice or communication);
- (b) given by an advertisement published in *The Australian Financial Review* or *The Australian*; or
- (c) if such notice or other communication (including by email) is to, or from, Austraclear or a participant of the Austraclear System, in accordance with the Austraclear Regulations.

19.2 Notices to the Issuer, the Note Trustee, the Security Trustee and the Agents

All notices and other communications to the Issuer, the Note Trustee, the Security Trustee or an Agent must be in writing and may be sent by prepaid post (airmail, if appropriate) to or left at its respective Specified Office or by email.

19.3 Receipt – publication in newspaper

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

19.4 Deemed receipt – email

If sent by email:

- (a) when the sender receives an automated message confirming delivery;
- (b) when the sender receives any other proof that the email has been received; or
- (c) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

19.5 Deemed receipt – postal

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

19.6 Deemed receipt – general

Despite Conditions 19.4 (“Deemed receipt – email”) and 19.4 (“Deemed receipt – postal”), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

20 Governing law

20.1 Governing law

These Conditions are governed by the law in force in Victoria, Australia.

20.2 Jurisdiction

The Issuer irrevocably and unconditionally submits and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of Victoria and courts of appeal from them. The Issuer waives any right it has to object to any actions or proceedings (“**Proceedings**”) being brought in those courts including, without limitation, by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

20.3 Serving documents

Without preventing any other method of service, any document in any Proceedings (including, without limitation any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being delivered or left at the Specified Office of the Issuer or otherwise at the Issuer’s registered office or principal place of business.

Form of Pricing Supplement

The Pricing Supplement to be issued in respect of the Notes will be substantially in the form set out below.

Series No.: [1]

Tranche No.: [1]



Maurice Blackburn Pty Limited
(ABN 21 105 657 949)
("Issuer")

Issue of
A\$[●] [●]% [Fixed Rate] Secured Subordinated Notes due [●] August 2022
("Notes")

irrevocably and unconditionally guaranteed on a joint and several basis by,
amongst others, certain subsidiaries of the Issuer
(together, the "Initial Guarantors")

The date of this Pricing Supplement is [●] August 2018.

This Pricing Supplement (as referred to in the Information Memorandum dated [●] August 2018 ("Information Memorandum")) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with (i) the terms and conditions of the Notes ("Conditions") contained in the Information Memorandum (ii) the Note Trust Deed dated [●] August 2018 and made by the Issuer, the Initial Guarantors and the Note Trustee (iii) the Security Trust Deed dated [●] August 2018 between the Issuer and the Security Trustee, and (iv) the Priority Deed to be entered into between, among others, the Issuer and the Security Trustee.

Unless otherwise indicated, terms defined in the Conditions have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1 Issuer : Maurice Blackburn Pty Limited (ABN 21 105 657 949)

2	Initial Guarantors	:	<ul style="list-style-type: none"> (a) Zabulon Pty Ltd (ABN 50 005 114 670) in its personal capacity and as trustee of the Colquhoun Trust (ABN 28 436 311 025); (b) Claims Funding Australia Pty Ltd (ABN 66 158 551 967) in its own capacity and as trustee of the Claims Funding Australia Discretionary Trust (ABN 26 319 419 953); (c) Zabulon Holdings Pty Ltd (ABN 66 128 858 113) in its personal capacity and as trustee of the Zabulon Holdings Unit Trust (ABN 70 684 632 109); and (d) Claims Funding International PLC registered company number 455396 (Ireland).
3	Type of Notes	:	[Fixed Rate Notes]
4	Lead Manager and Initial Subscriber	:	FIIG Securities Limited (ABN 68 085 661 632)
5	Registrar	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
6	Issuing & Paying Agent	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
7	Calculation Agent	:	BTA Institutional Services Australia Limited (ABN 48 002 916 396)
8	Note Trustee	:	BNY Trust Company of Australia Limited (ABN 49 050 294 052)
9	Security Trustee	:	Permanent Custodians Limited (ABN 55 001 426 384)
10	Aggregate principal amount of Tranche	:	A\$[●]
11	Issue Date	:	[●] August 2018
12	Issue Price	:	100%
13	Denomination	:	A\$1,000 per Note on the Issue Date
14	Minimum parcel size on initial issue	:	A\$50,000
15	Maturity Date	:	[●] August 2022
16	Record Date	:	As per the Conditions
17	Condition 7 (Fixed Rate Notes) applies	:	[Yes]
	Fixed Coupon Amount	:	A\$[●] payable quarterly in arrear per A\$1,000 in principal amount
	Interest Rate	:	[●]% per annum
	Interest Commencement Date	:	Issue Date

	Interest Payment Dates	:	[●] February in each non-leap year (or [●] February in each leap year) and [●] May, [●] August and [●] November in each year, commencing on [●] November 2018 up to, and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date
	Business Day Convention	:	[Following Business Day Convention]
	Day Count Fraction	:	[RBA Bond Basis]
18	Condition 8 (Floating Rate Notes) applies		[No]
19	Noteholder put	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 10.2 (“Early redemption at the option of Noteholders (Noteholder put)”)
20	Issuer call	:	Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 10.3 (“Early redemption at the option of the Issuer (Issuer call)”) and: <ul style="list-style-type: none"> (a) on each Interest Payment Date commencing on (and including) the First Optional Redemption Date to (but excluding) the Second Optional Redemption Date by payment of 103 per cent. of the Outstanding Principal Amount of each Note being redeemed; and (b) on each Interest Payment Date commencing on (and including) the Second Optional Redemption Date to (but excluding) the Maturity Date by payment of 101.5 per cent. of the Outstanding Principal Amount of each Note being redeemed, <p>where:</p> <ul style="list-style-type: none"> (i) First Optional Redemption Date means [●] August 2020; and (ii) Second Optional Redemption Date means [●] May 2021.
21	Minimum / maximum notice period for early redemption for taxation purposes	:	[As per Condition 10.4 / specify]
22	Clearing system	:	Austraclear System. <p>Interests in the Notes may also be traded through Euroclear and Clearstream as set out on page [11] of the Information Memorandum.</p>
23	ISIN	:	[●]
24	Common Code	:	[●]
25	Austraclear I.D.	:	[●]

- 26 Australian interest withholding tax : It is the Issuer's intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the Australian Tax Act.
- 27 Listing : Not applicable

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: [●] August 2018

CONFIRMED

For and on behalf of the Issuer and each Guarantor
MAURICE BLACKBURN PTY LIMITED

By: By:
Name: Name:
Title: Title:

Selling Restrictions

*Under the Subscription Agreement dated 29 August 2018 between the Issuer, the Initial Guarantors and the Lead Manager and Initial Subscriber ("**Subscription Agreement**") and subject to the Conditions contained in the Information Memorandum, the Notes will be offered by the Issuer through the Lead Manager and Initial Subscriber. The Issuer will have the sole right to accept any offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part.*

None of the Issuer, the Initial Guarantors or the Lead Manager and Initial Subscriber has represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

Persons into whose hands this Information Memorandum comes are required by the Issuer, the Initial Guarantors, the Lead Manager and Initial Subscriber to comply with all applicable laws and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and none of the Issuer, the Initial Guarantors or the Lead Manager and Initial Subscriber has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

The following selling restrictions apply to the Notes.

Australia

The Lead Manager and Initial Subscriber has acknowledged that:

- (a) no "prospectus" or other "disclosure document" (each as defined in the Corporations Act) in relation to the Notes has been or will be lodged with ASIC or any other government agency or authority; and
- (b) no action has been taken, or will be taken, by it in any jurisdiction which would permit a public offering of the Notes, or possession or distribution of the Information Memorandum or any other offering material in relation to Notes, in any jurisdiction where action for that in connection with the primary distribution of the Notes.

The Lead Manager and Initial Subscriber has represented and agreed that it:

- (i) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, any Information Memorandum or other offering material or advertisement relating to any Notes in Australia,

unless:

- (A) the offer or invitation falls within the exemption for offers to sophisticated investors set out in section 708(8) of the Corporations Act or the offer or invitation does not otherwise require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act;
- (B) such action does not require any document to be lodged with ASIC or ASX Limited;

- (C) the offer or invitation is not made to a person who is a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (D) the offer or invitation and all conduct in connection with it complies with all applicable laws and directives.

In addition, the Lead Manager and Initial Subscriber has agreed, that, in connection with the primary distribution of the Notes, it will not offer or sell Notes to any person if, at the time of such sale, the officers and employees of the Lead Manager and Initial Subscriber aware of, or involved in, the sale, knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an associate of the Issuer for the purpose of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (“**Australian Tax Act**”) and associated regulations except as permitted by section 128F(5) of the Australian Tax Act.

Singapore

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“**Securities and Futures Act**”).

The Lead Manager and Initial Subscriber has represented and agreed that the Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been and will not be circulated or distributed by it nor have the Notes been, nor will the Notes be, offered or sold by it, or be subject to an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the Securities and Futures Act;
- (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor (under Section 274 of the Securities and Futures Act) or to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;
- (iii) where no consideration is, or will be, given for the transfer;

- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the Securities and Futures Act; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Australian Taxation

1. INTRODUCTION

The following is a summary of the Australian withholding tax treatment under the Australian Tax Act and the Taxation Administration Act 1953 of Australia, as at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) by the Issuer on the Notes and certain other Australian tax matters.

A term used below but not otherwise defined has the meaning given to it in the Conditions.

This summary applies to Noteholders that are:

- *residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment in Australia (“**Australian Holders**”); and*
- *non-residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment in Australia, and residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia (“**Non-Australian Holders**”).*

The summary is not exhaustive and should be treated with appropriate caution. In particular, it does not deal with the position of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). In addition, unless expressly stated, the summary does not consider the Australian withholding tax consequences for persons who hold interests in the Notes through Austraclear, Euroclear, Clearstream or another clearing system.

Prospective Noteholders should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. Information regarding taxes in respect of Notes may also be set out in the relevant Pricing Supplement.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular Noteholder. Each Noteholder should seek professional tax advice in relation to their particular circumstances.

2. AUSTRALIAN INTEREST WITHHOLDING TAX

The Issuer intends to issue Notes which should be characterised as “debt interests” (and returns paid in relation thereto are intended to constitute “interest”) for Australian tax purposes. On this basis:

Australian Holders

Payments of interest in respect of the Notes to Australian Holders should not be subject to Australian Interest Withholding Tax (“**IWT**”).

Non-Australian Holders

Australian IWT should be payable at a rate of 10% of the gross amount of interest paid by the Issuer to a Non-Australian Holder, unless an exemption is available.

(a) *Section 128F exemption from Australian IWT*

An exemption from Australian IWT imposed under Division 11A of Part III of the Australian Tax Act is available in respect of interest that is paid on the Notes issued by the Issuer under section 128F of the Australian Tax Act if, in broad terms, the following conditions are satisfied:

- (i) the Issuer is a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the Notes and when interest is paid;
- (ii) the Notes are issued in a manner which satisfies the “public offer” test in section 128F of the Australian Tax Act.

In relation to the Notes, there are five principal methods of satisfying the public offer test. In summary, the five methods are:

- offers to 10 or more unrelated persons that carry on the business of providing finance or investing or dealing in securities in the course of operating in financial markets;
 - offers to 100 or more investors of a certain type;
 - offers of listed Notes;
 - offers via publicly available information sources; or
 - offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods.
- (iii) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in the Notes) were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
 - (iv) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act (see below).

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes:

- (a) a person or entity which holds more than 50% of the voting shares of, or otherwise controls, the Issuer;
- (b) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer;
- (c) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and
- (d) a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under paragraph (a) above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraph (iii) and (iv) above), an “associate” of the Issuer does not include an “associate” of the Issuer who is:

- (A) an Australian Holder; or
- (B) a Non-Australian Holder that is acting in the capacity of:

- (I) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia); or
- (II) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia).

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

(b) Exemptions under certain double tax conventions

The Australian government has signed new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”). The New Treaties apply to interest derived by a resident of a Specified Country.

In broad terms, the New Treaties prevent Australian IWT being imposed on interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and / or
- a “financial institution” which is a resident of a Specified Country and which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back to back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public on the Federal Treasury’s Department website.

(c) Payments under the Guarantee

It is unclear whether or not any payment by a Guarantor incorporated in Australia or carrying on business in or through a permanent establishment in Australia under the Guarantee on account of interest owing by the Issuer in respect of the Notes would be subject to Australian IWT.

The Australian Taxation Office has published a Taxation Determination stating that payments by a guarantor in respect of debentures (such as the Notes) are entitled to the benefit of the exemption contained in section 128F if payments of interest in respect of those debentures by the Issuer are exempt from Australian IWT. However, there is some doubt as to whether the Taxation Determination applies in the content of the Guarantee and whether the reasoning adopted in the Taxation Determination is correct.

If such payments are characterised as “interest” for Australian withholding tax purposes, Australian IWT at a rate of 10% will be payable on payments of interest (as defined in section 128B(1AB) of the Australian Tax Act) by an Australian Guarantor to a Non-Australian Holder, unless an exemption is available.

(d) Payment of additional amounts

As set out in more detail in the Conditions for the Notes, if the Issuer is at any time required by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes, an additional amount (gross-

up payment) is payable by the Issuer to a Noteholder to ensure that the Noteholder is entitled to receive total amounts equal to what it would have received if no withholdings or deductions had been required (subject to certain exclusions).

3. OTHER TAX MATTERS

Under Australian laws as presently in effect:

- *death duties* – Notes should not be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes should be payable in Australia on the issue, transfer or redemption of any Notes;
- *TFN withholding* - withholding tax is imposed (see below in relation to the rate of withholding tax) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then such withholding should not apply to payments to a Non-Australian Holder that is a non-resident of Australia for Australian tax purposes.

The rate of withholding tax is currently 47%;

- *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;
- *garnishee directions by the Commissioner of Taxation* – the Commissioner may give a direction requiring the Issuer to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by the holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction;
- *supply withholding tax* - payments in respect of the Notes can be made free and clear of any “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1952 of Australia; and
- *goods and services tax (GST)* - neither the issue nor receipt of the Notes should give rise to a liability for GST in Australia on the basis that the supply of Notes should comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, should give rise to any GST liability in Australia.

Directory

Issuer

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Melbourne VIC 3000

Telephone: + 61 3 9605 2700

Facsimile: + 61 3 8258 9600

Attention: Chief Financial Officer and Finance Manager

Lead Manager and Initial Subscriber

FIG Securities Limited

(ABN 68 085 661 632 and AFSL No. 224659)

Level 31
Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Telephone: + 61 7 3231 6666

Facsimile: + 61 7 3231 6699

Attention: Legal and Compliance

Registrar, Issuing & Paying Agent and Calculation Agent

BTA Institutional Services Australia Limited

(ABN 48 002 916 396)

Level 2
1 Bligh Street
Sydney NSW 2000

Telephone: +61 2 9260 6000

Facsimile: +61 2 9260 6009

Attention: Global Client Services

Note Trustee

BNY Trust Company of Australia Limited

(ABN 49 050 294 052)

Level 2
1 Bligh Street
Sydney NSW 2000

Telephone: + 61 2 9260 6000

Facsimile: + 61 2 9260 6009

Attention: Global Client Services

Security Trustee

Permanent Custodians Limited

(ABN 55 001 426 384)

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Sydney NSW 2000

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Attention: Global Client Services