



Connective Commission Guide

	<p>COMMERCIAL LOANS</p> <p>CLAWBACK</p> <ul style="list-style-type: none">• There is no clawback on the broker because the lender charges the borrower a Deferred Establishment Fee. This fee is calculated at 1.50% of the contracted loan amount and is payable if the borrower pays out the loan within 48 Months of the settlement date. <p>UPFRONT AND TRAIL</p> <ul style="list-style-type: none">• Effective 17th January 2019, the upfront commission for new Adelaide Bank loans will be calculated based on the drawn amount less any offset balance as at the end of the month the loan settled, subject to a minimum payment of \$400. For credit increases to existing facilities commission payment will be a flat fee of \$250.• The change in Upfront Commission and Variation Commission does not apply to products or credit increases to existing products contracted on or after 17th January 2019.• Trail is not payable whilst an account remains in default for 60 days or more. Any Trail Fee not paid pursuant to this clause will not be payable to the broker after the account ceases to be in arrears.
 <p>PROTECTING HOME & PROPERTY BUYERS</p> <p>Australian Life Insurance</p>	<p>INSURANCE PRODUCTS</p> <p>Commissions effective 22nd June 2022</p> <p>Life Insurance</p> <ul style="list-style-type: none">• Loan Protection Plan <p>General Insurance</p> <ul style="list-style-type: none">• QBE Home Plus Policy• QBE Home Plus Prestige Policy <p>CONNECTIVE RETAINS 10% OF ALL CALCULATED COMMISSIONS</p> <p>COMMISSION – LIFE INSURANCE PRODUCTS</p> <p>Loan Protection Plan</p>

The Default commission structure applies from the schedule commencement date. The Alternative Commission Structure will apply from the date advised by ALI upon their acceptance of an application from an Authorised Representative requesting payment of applicable commission via the Alternative Commission Structure.

Default – initial, trail and service commission

Initial Commission: 55% of the annualised new business premium on Introduced Policies. No commission is payable for an increase in cover on an existing policy.

Trail Commission: 7.7% of premiums received on Introduced policies. Where there has been an increase in cover on an existing policy, trail commission will be paid on the increased premium amount.

Service Commission: 3.3% of premiums received on introduced policies. Where there has been an increase in cover on an existing policy, service commission will be paid on the increased premium amount.

Alternative – Level commission

Level Commission: 19.25 % of premiums received from commencement on Introduced Policies. Where there has been an increase in cover on an existing policy, level commission will be paid on the increased premium amount.

CLAWBACKS

Loan Protection Plan.

Default Commission Structure

Where the sum insured is reduced within 24 months of its commencement date, a proportion of the initial commission paid by ALI to a broker in respect of that Introduced Policy is repayable by the broker to ALI. The clawback will apply to the premium difference.

The amount to be repaid will be calculated as follows:

Cancellation, lapse, or reduction	Amount of commission repayable by broker to ALI Group
<ul style="list-style-type: none">In the first year of the policy	100% of initial commission
<ul style="list-style-type: none">In the second year of the policy	60% of initial commission

Any amount payable by the broker to ALI Group as a commission clawback:

- Is to be paid to ALI Group within 21 days of the end of the month in which cancellation of the Introduced Policy occurred
- May, at ALI Group discretion be offset by ALI Group against any commissions payable by ALI Group to the broker; and
- That is not paid by the due date, will attract interest from the due date. Interest will be calculated on the daily unpaid amount at the rate of the 90 day dealers bill rate quoted in the Australian Financial Review for the previous 1 July and will be compounded quarterly.

COMMISSION – GENERAL INSURANCE

QBE Home Plus Policy & QBE Home Plus Prestige Policy

Definition: Net

The following commission and fees are payable to a broker by ALI Group. "Net Premium" means the gross premium less any taxes, duties, GST or levies that are payable (including any type of government charge).

Initial Commission: 19.8% of net premiums received on Introduced Policies

Renewal Commission: 11% of net premiums received on Introduced Policies. Where there is an increase in the premium on an existing policy, commission will be paid on the increased premium amount.

- Payment of commission is dependent upon the Customer identifying the Authorised Representative at the time of policy application

CLAWBACK

When an introduced policy is varied or cancelled for any reason, a proportion of the commission paid by ALI Group to a broker in respect of that Introduced Policy may be repayable by a broker to ALI Group. The amount to be repaid will be calculated as follows:

- Commission will be repayable by a broker based on premium refunded to a customer as a result of a variation or cancellation of an introduced policy.

Any amount payable by a broker to ALI Group as a commission clawback:

- Is to be paid to ALI Group within 21 days of the end of the month in which cancellation of the introduced policy occurred
- May, at ALI Group discretion be offset by ALI Group against any commissions payable by ALI Group to the broker; and
- That is not paid by the due date, will attract interest from the due date. Interest will be calculated on the daily unpaid amount at the rate of the 90-day dealers bill rate quoted in the Australian Financial Review for the previous 1 July and will be compounded quarterly.



INSURANCE PRODUCTS

CLAWBACK

- Allianz is entitled to set-off all or any part of any remuneration due (or which becomes due) from Allianz to the broker against any debts owed to Allianz by the broker.
- On cancellation of any insurance business referred or arranged by the broker, the broker agrees to repay Allianz the rateable proportion of the Broker's remuneration for the unexpired period of the relevant contract.

UPFRONT AND TRAIL

For every insurance policy taken out as the result of a client referral, the Connective broker will receive up-front paid at inception of new policy then again on renewal. The commission is calculated on the base premium, which excludes stamp duty, fire services levy, GST and other Government taxes, charges or levies.

Commission Rates

Class of Insurance Business	Upfront paid at inception of new policy	Renewal
Home Insurance	10%	10%
Landlord Insurance	10%	10%
Prestige Motor Insurance	Not Available from 1/6/2016	8%
Classic Motor Insurance	Not Available from 1/6/2016	4%
Motor insurance	4%	4%
Caravan and Trailer Insurance	4%	4%



RESIDENTIAL LOANS

Definitions: DHOAS means Defence Home Ownership Assistance Scheme

CLAWBACKS

If a loan is repaid in full within 24 months of settlement of the loan for any reason other than the borrower switching to another Australian Military Bank loan product broker must repay an amount equal:

- 100% of the upfront commission in respect of the loan if the loan is repaid within 12 months;
- 50% of the upfront commission in respect of the loan if the loan is repaid in months 13-24.

Commission is payable on AMB home loan products subject to the following minimum loan amounts:

DHOAS Value	DHOAS Fixed Rate Home Loans/DHOAS Rate Saver	DHOAS Standard Variable	DHOAS Construction
\$250,000	\$150,000	\$50,000	\$50,000

Variable Offset	Value	Home Equity Overdraft	Construction	Fixed Rate Home Loans/Rate Saver Home Loans	Investment	DHA Investment Fixed Investment Rate Saver Investment
\$50,000	\$250,000	\$50,000	\$50,000	\$150,000	\$30,000	\$150,000

- Commission is only payable with respect to settled loans made for home loans, residential investment and residential construction. To be eligible for commission, the value of the settled loan must be equal to or greater than the respective amounts specified in the tables above.

UPFRONT

- Upfront commission will be calculated based on the drawn amount less any offset balance as at the 7th day of the following month.

- Upfront commission will be paid by the 15th of each month in respect of commission payable for the previous calendar month.
- Upfront is payable on loan variations or principal increases, but only with respect to additional funds advanced (new money).
- Upfront commission: Standard Commissions – 0.66% DHOAS Commissions: 0.45%

TRAIL

- Trail commission: Standard Commissions – 0.22% DHOAS Commissions: 0.20%
- Trail commission will be calculated based on the drawn amount less any offset balance as at the 7th day of the following month.
- Trail commission will be paid by the 15th of each month in respect of commission payable for the previous calendar month.
- No trail commission is paid where:
 - In respect of a loan during any period the loan is in default. Once the default is rectified, trail will commence but will not be paid for default period.
 - If a broker who is not a broker of Connective introduces a variation or principal increase to a loan, they may cease paying any future trail commission for that loan.
 - If AMB determine (acting reasonably) that broker engaged in fraud, misrepresentation, significant negligence or illegal activity with respect to any loan product, they may cease paying any future trail commission in respect of all products introduced by that person or some products introduced by that person.



RESIDENTIAL LOANS

Definitions:

- Conflicted Remuneration: has the meaning given in Division 4 part 7.7A of the corporation's act and includes grandfathered benefits under the traditional provisions of the act.
- Initial Commission: means the commission paid by AMP Bank in relation to settlement.
- Net Facility Amount equals the credit limit of the Facility – (any available redraw amount + linked offset account balances)
- Net Facility Increase: means the increase in the Net Facility Amount under a new or varied facility, less the amount (if any) by which the amount of credit provided under an existing loan with AMP Bank or any related body corporate is reduced as a result of the provision of the new varied facility.
- Reduction Event: means full repayment of and closure of a facility or the reduction of the contractual limit of a facility.
- T+4: means 4 business days after the day of settlement.
- T+180: means 180 calendar days after the day of settlement.
- Settlement: means the day on which AMP Bank successfully advances funds to the Customer pursuant to a new loan agreement or a variation to a loan agreement (not the customer exercising redraw under a loan agreement).and provides a confirmation that has occurred.
- Successful Application: means in the case of a loan or facility 4 business days after settlement of the loan or variation.

CLAWBACK

Where there is a reduction event upfront commission is reduced as follows:

For loans that settle from 1st July 2020:

If a Facility is discharged, AMP Bank may clawback the initial commission paid in relation to the facility as follows:

- 0 to <366 calendar days – 100% of the initial commission will be repaid to AMP Bank by the broker
- 366 to 548 calendar days – 50% of the initial commission will be repaid to the AMP Bank by the broker.
- 549 days or more – 0% of the initial commission will be repaid to the AMP Bank by the broker.
- Where a facility with a successful application before 1 January 2019 and on or after 1 January 2019 and more than 180 days after a successful application is partially discharged – more than 180 days but less than 366 days after a successful application, the upfront commission is reduced by 100% and more than 365 days but less than 549 days after a successful application – the upfront is reduced by 50% and more than 549 days the upfront commission is not reduced.

- For Subsequent Commission calculation, AMP will review the net balance position at 180 days after settlement period to assess if clawback is applicable. Post 180 days after settlement, the net balance position will be reviewed if a facility limit variation occurs. Net balance will be assessed to determine if clawback is applicable.

If a facility is not discharged, AMP Bank will not clawback initial commission paid to the broker in relation to the facility.

For loans settled before 1st July 2020:

- Where the Reduction Event occurs less than or equal to 365 days after the Successful Application of the Facility - the upfront commission is reduced by 100%
- Where the Reduction Event occurs more than 365 days but less than 549 days after the Successful Application of the Facility - the upfront commission is reduced by 50% and
- The commission paid by AMP Bank in relation to settlement Where the Reduction Event occurs 549 days or more after the Successful Application of the Facility - the upfront commission is not reduced.
- Where a facility with a successful application before 1 January 2019 or on or after 1 January 2019 and more than 180 days after a successful application is partially discharged – more than 180 days but less than 366 days after a successful application, the upfront commission is reduced by 100% and more than 365 days but less than 549 days after a successful application – the upfront is reduced by 50% and more than 549 days the upfront commission is not reduced.
- For Subsequent Commission calculation, AMP will review the net balance position at 180 days after settlement period to assess if clawback is applicable. Post 180 days after settlement, the net balance position will be reviewed if a facility limit variation occurs. Net balance will be assessed to determine if clawback is applicable.

UPFRONT

For loans that settle from 1st January 2021

AMP is changing the way they calculate commissions where the balance of all linked offset accounts is greater than the loan facility.

- **If the total linked offsets are greater than the facility balance outstanding, the excess offset will be applied against any other facilities within the loan. This will impact upfront and trail commissions.**
- **This rule will apply for the first 12 months after a loan has settled for loans settling on or after 1st January 2021.**
- **If a loan is made up of facilities which do not offer offset e.g., Line of credit, the excess offset in an eligible product will be used to reduce the amount of commission payable for those facilities which do not offer an offset.**
- **The excess rule applies from settlement date, However, the excess offset will be applied at the relevant commission payment dates i.e., settlement + 4 business days (upfront commission), 180 days for a utilisation review and end of month for trail payment.**
- **Construction loans do not have excess offset applied to the.**
- **The variation is done within the first year of a loan that is settled on or after 1st January 2021, the variation is included in this rule, but the excess offset timeline does not reset.**
- **This rule is only applicable for the 1st year (365 days) of the original loan settlement date.**
- **Although a line of credit cannot have a linked offset, the excess can be applied from another facility if within the same loan structure.**

For loans that settled from 1st July 2020:

AMP Bank will pay commission as follows:

Variable and Fixed Rate Loan Products	Initial Commission rate	Ongoing Commission Rate (pa)
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Table 1 Products	0.33%	0.165%
Table 2 Products	0.66%	0.187%
Table 3 Products	0.00%	0.00%
Deposit Products		
Table A Products	Nil	0.275%
Table B Products	Nil	0.22%
Table B Products	Nil	0.22%
Products in all other tables	Nil	0.11%

To find out which AMP loan products are in Table 1, 2 and 3 and which Deposit products are Tables A, B, C and others open this link:

https://www.amp.com.au/distributor/product_tables

- Initial Commission for loan products is calculated for a facility used for construction purposes based on the net facility increase at settlement, and for other facilities purposes, based on the net facility increase at T+4 and paid in the month after calculation.
- Any loan settlement occurring in the last 4 days of the month the upfront commission will be held over to the next month, the upfront commission is then calculated and paid on the day 5 adjusted balance and payment made the following month e.g. If the loan settles on the 27th June commission will be calculated on 1st July and be paid in August commission run.
- Ongoing Commission: is calculated at the at the end of each month and paid the following month.
- Initial commission is not paid on a Net Facility increase that relates to an application made direct to AMP Bank by a customer.
- Initial commission for a facility provided for construction, is calculated based on the net facility at settlement.
- For deposit products, is calculated on the daily account balance in the product, unless it is conflicted remuneration in which case it will be nil.
- For loan products, excludes arrears over 60 days overdue, and amounts held in offset account otherwise than where approved by AMP.
- AMP Bank may reduce the Net Facility Amount on which commission would be paid under a new loan or varied facility, by the amount (if any) by which the amount of credit provided under any existing facility or loan with AMP Bank or any Related Body Corporate is reduced as a result of the provision of the new or varied facility. This reduced amount is the Net Facility Increase.
- If AMP reasonably believe that the primary purpose of a transaction or a series of transactions have been structured in order to artificially increase the commission that would be payable (e.g., by moving funds between loans or facilities to generate additional commission) it reserves the right not to pay commission. and the benefits to the customer before making any decision not to pay commission. AMP will seek to engage with the broker who would receive that commission in order to understand the intent of those transactions and the benefits to the customer before making any decision not to pay commission.

Adjustment and Variation to AMP Bank Commissions.

Commission payable in the period from up to T+180 and after T+180

- Line of Credit Product (LOC) commission calculation rules will be brought in line with the commission rules applying to term mortgage loans. At 180 days after a loan limit increase, a review will be added for term loans and LOC.
- Construction loan – monthly commission payment. Initial commission is calculated at settlement and paid no later than the month after settlement occurs. For a facility used for construction purposes, on last day of each month after settlement, an adjustment will be made to reflect changes to the net facility amount. The adjustment is calculated as follows: End of Month Adjustment = (net facility amount at the end of month – net facility amounts at the end of the previous month) X Initial Commission Rate. A positive amount is paid by AMP Bank. The adjustment is calculated at the end of each month following settlement, and any related payment subsequently made, until fully drawn or the construction loan changes to another type of loan.
- Facilities other than Construction Loans – Initial commission is calculated at T+4 and paid in the following month. If there is a settlement in relation to a facility within T+180, there will be no adjustment at T+180 from the previous settlement and the date of the settlement constitutes a new T in relation to that settlement and the following calculation occurs at the new T+4: Facility Variation Adjustment = (net facility amount – net facility amounts at the previous

Successful Application) X Initial Commission rate. A positive amount is paid by AMP Bank. A negative amount may be offset against commission that would otherwise be paid by AMP Bank.

- If a Facility is varied after T+180, if the previous settlement of the Facility, was on or after 1st January 2019 the following will apply at T+4: Facility Variation adjustment = (net facility amount – net facility amounts at the later of T+180 or the previous Successful Application) X Initial Commission Rate. In each case, a positive amount will be paid by AMP Bank. A negative amount may be offset against commission that would otherwise be paid by AMP Bank.
- A Facility is part of a loan. When an adjustment is made to a loan Facility AMP Bank may calculate the commission on each facility that comprises the loan. The calculation for each Facility that comprises the loan is totalled and, a positive total amount will be paid by AMP Bank, and a negative amount results in no further payment being made by AMP bank but does not need to be repaid to AMP Bank.
- Adjustments to Initial Commission at T+180: This does not apply to a Facility for a construction purpose or an internal refinance of a facility. If there is no Successful Application in relation to a facility in the T+180 period, an adjustment will be made at T+180 to reflect changes to the Net Facility Amount over that period. T+180 adjustment = (net facility amount at T+180 – net facility at T+4) X Initial Commission Rate. A positive amount is paid by AMP Bank. A negative amount may be offset against commission that would be otherwise be paid by AMP Bank.
- For a Facility with a settlement before 1st January 2019. The following calculations will apply on the first variation in the contractual limit of a Facility, Facility variation adjustment = (net facility amount – previous facility limit) X Initial Commission Rate. On any subsequent variations made within 180 calendar days of the variation. Facility Variation Adjustment = (net facility amount – net facility limit at the last settlement before 1st January 2019) X Initial Commission Rate.
- For Internal refinances which settle on or after 1 October 2020, in addition to the existing commission payment 4 business days after settlement, a 180 day review of loan utilisation will be added. If the loan has increased additional commission may be paid (no commission will be clawed back as a result of the 180 day review).

For Loans that settle before 1st July 2020

- Effective from January 2019, for new loans settled will be calculated 4 business days after the settlement date, based on the net balance. Net balance accounts for the draw down amount, redraw balance, offset balance, fees, applied interest (not accrued) and transactions.
- Any loan settlement occurring in the last 4 days of the month the upfront commission will be held over to the next month, the upfront commission is then calculated and paid on the day 5 adjusted balance and payment made the following month e.g. If the loan settles on the 27th June commission will be calculated on 1st July and be paid in August commission run.
- Subsequent Commission Calculation (effective from January 2019): will be calculated based on the difference between two positions: 180 calendar days after settlement and the original 4 business days from settlement. Current net balance at 180 days after settlement, minus the previous net balance to date X commission % (see note above under Clawback)
- Construction Loans from January 2019, upfront will change to a monthly payment, payable on the end of month net balance (drawn balance including all fees and charges) and will continue until the loan is fully drawn.
- If a broker asks AMP to waive a fee for a facility, AMP Bank may reduce the upfront commission for that facility by the same amount.
- Where the reduction in a facility results from either the provision of a new facility relating to the same loan or the provision of an increase in an existing facility relating to the same loan, clawback will not apply.
- For Line of Credit facilities upfront will be paid at 75% of net facility amount for new facilities, and 75% of net facility increase for existing facilities.
- For existing customers who are increasing or restructuring their loans and those changes are processed as new loans (internally refinanced with AMP Bank) the commission on the internally refinanced loan will be based on the net difference of the new and outgoing loans and no longer on only the new loan limit.
- If the new internally refinanced loan's limit is less than the original loan being refinanced than no commission is payable on the new loan.
- Standard clawback rules and processes are unchanged and will continue to apply to the original loan being refinanced.

TRAIL

- From January 2019, trail commission for new loans or variations are based on the new calculation (Daily net balance averaged throughout the month X number of days in the month divide by the days in the year x commission %). Net balance accounts for draw down amount, redraw balance offset balance, fees, applied interest (not accrued) and transactions.
- Where trail commission relates to a Loan and repayments under one or more Facilities under that Loan are in arrears, as defined in the Loan Agreement, for two consecutive calendar months, no trail commission is payable for so long as those repayments continue in arrears.
- Where trail commission relates to a Facility no further trail commission is payable once the amount owed by the Customer under the Facility is repaid in full.

- Trail commission ceases to be payable in relation to a Loan where a subsequent Successful Application is made in relation to that Loan which was not arranged by a broker that is managed by the aggregator.
- Where a successful application is made and a one of the following (loss circumstances) arises: (a) Broker lodges a fraudulent application (b) Broker has given false or misleading information to AMP Bank (c) Broker is not a Licensee or Authorised Credit Representative or has acted in breach of an ACL or Authorised credit condition (d) Withheld information that may affect the outcome of a customer's application, the broker is not entitled to any upfront and trail and will be required to repay any upfront and trail already paid.

OTHER

Credit Product	Upfront Commission Rate Term Loans	Upfront Commission Rate Line of Credit	Trail Commission Rate
Affinity and Select Loans	For new Facilities, 0.33% of the Net Facility Amount	For new Facilities, 0.33% of 75% of the Net Facility Amount. For Variations of existing Facilities 0.33% of 75% of the Net Facility Increase	0.165% per annum, calculated daily on the balance of the loan less any amounts held by the Customer in an offset account over the term of the credit
For all other loans	For all new Facilities, 0.66% of the Net Facilities	For new Facilities, 0.66% of 75% of the Net Facility Amount. For Variations of existing Facilities 0.33% of 75% of the Net Facility Increase.	0.187% per annum, calculated daily on the balance of the loan less any amounts held by the Customer in an offset account over the term of the credit
AMP First Loan	Nil	Nil	No upfront or trail is paid on this facility.
<u>Deposit Product Tables</u> : Refer to the Deposit Product Tables in the AMP Distributor website: https://www.amp.com.au/distributor/product_tables which lists the specific AMP Deposit Products		Trail Commission Rate	
Table A		0.275% per annum, calculated daily on the balance of the relevant account	
Table B		0.22% per annum, calculated daily on the balance or the relevant account	
Table C		0.22% per annum, calculated daily on the balance of the relevant account	
Products in All Other Tables		0.11% per annum, calculated daily on the balance of the relevant account	



RESIDENTIAL LOANS

Definition:

- Base Commission: The ANZ Bank will pay the broker a Base Commission on a loan product.
- New Business means the loan products drawn down by a customer in a calendar month in respect of which the broker submitted the loan application to the bank.

- Draw Down Adjustment means in respect of a loan product which is an ANZ home loan (excluding a construction loan), the sum of (a) the amount drawn down under the loan product is disbursed into a linked offset account for that loan product and (b) the amount of the redraw balance in respect of that loan product (provided that amount exceeds \$1,000), each of these those amounts calculated as at the 10th day of the month immediately following the month during which that loan product was drawn down.
- Loan Amount means in the case of a loan product which is a new loan (a) the amount drawn down by customers where the loan product is an ANZ home loan, less the draw down adjustment or 75% of the approved limit where the loan product is an ANZ Line of Credit. In the case of a loan product that is a refinance of an existing ANZ loan that has previously introduced by a broker (b) the difference between existing loan amount and the new increased loan amount where the loan product is an ANZ home loan, less the draw down adjustment or 75% of the difference between approved limit and the new increased loan approved limit where the loan product is a line of credit.
- Loan Value Ratio: (a) in respect of a loan product which is an ANZ Home Loan, the amount of credit offered by the bank for that loan product or (b) in respect of a loan product which is an ANZ line of credit, the approved limit for that loan product, in each case divided by the value (as assessed by the ANZ Bank) of the property to which the loan product relates, with the result expressed as a percentage.
- Utilisation Commission: will be paid for each 12 months immediately following the month during which a loan product was drawn down.

CLAWBACK

Clawback is payable on all Residential Loans

Paid out Period	Percentage of Upfront Clawback
0 to 12 months	100%
Above 12 to 15 months	50%
Above 15 to 18 months	25%

- Where an offset account is linked to a loan product on a day which is after the 10th day of the month immediately following the month during which that loan product was drawn down, and before two months after the 10th day of the month immediately following the month which that loan product was drawn down, ANZ may recover a percentage of the upfront commission paid to the broker in respect of that loan product. The ANZ bank will determine the amount to be recovered by recalculating the upfront commission to include the loan proceeds disbursed to the offset account as if they were disbursed at draw down of the loan product.

UPFRONT

The following commission applies for loans that settle from 01 January 2019:

	Structure
Base Upfront Commission	0.6875%
Additional Commission - ANZ pay additional commission on a per loan basis calculated based on loan to value ratio (LVR) which must be 80% or less	0.0275
Maximum 'Total' Upfront Commission	Up to 0.715

The following commission structure applied for loans that settled from 01 August 2016 to 31 January 2018:

	Structure
Base Upfront Commission	0.6325%
Sales Volume Incentive	Connective receives the maximum Sales Volume Incentive of 0.055%
Upfront Commission including Base & Sales Volume Incentive	0.6875
Additional Commission – ANZ pay additional commission on a per loan basis for ANZ Home loans and ANZ Lines of Credit	0.0275% is added to base commission amount in respect of new business if it has a loan to value ratio of 80% or less
Maximum 'Total' Upfront Commission from 1 August 2016	Up to 0.715%

- From 1st January 2019, upfront will be calculated on the drawn amount of applicable loan, net of linked offset and/or redraw funds paid out of the principal and calculated of the 10th day of the month following settlement.
- From 1st January 2019, a monthly top up payment (Utilisation commission) will be paid on additional utilisation of those offset or redraw funds, based on the lowest offset and/or redraw balance for that month, for 12 months after settlement.
- Upfront will be paid on line of credit products including, ANZ Line of Credit and ANZ Portfolio Loan calculated based on 75% of the approved facility limit.
- In the case of a loan product that is a refinance of an existing ANZ loan that was previously introduced by a broker, upfront will be based on the difference between the existing loan amount and the new increased loan amount, where it is an ANZ Home Loan; or 75% of the difference between the existing approved limit and the new increased approved limit where the loan product is an ANZ Line of Credit.

TRAIL

- Base Trail commission is 0.165% from years 1 to 3. Year 4 on 0.22% for the life of the loan.
- Trail will not be paid on loans that are in arrears for thirty (30) days or more.
- Any amounts held in an offset account will be deducted from the loan balance each month, with trail calculated on the net loan balance.
- Trail for Easy Start Loan is calculated on the daily balance less the daily balance of each ANZ Easy Start home and residential investment loan (Easy Start Loan), during the first 12 months from the date the Easy Start Loan is drawn down.
- Trail will not be affected by a minor increase in lending under an existing loan product, regardless of whether the borrower applied for the increase through the bank direct or the broker who wrote the original loan. A minor increase in lending is where an increase is no greater than 33% of the original loan amount.
- Where a loan increase is greater than 33% of the original loan amount and the application was introduced by the broker who originally wrote that loan, the broker's entitlement to the trail fee will not be affected. If the request for the increase is made direct through the ANZ Bank, the broker will no longer be entitled to a trailer fee on the loan product.
- Any other variations to a customer's loan product (for example, product switches or principal reductions) will not affect the broker's entitlement to a trailer fee.

COMMERCIAL - BUSINESS LENDING PRODUCTS

The following commissions are payable where a broker is fully accredited to process ANZ commercial loans

CLAWBACK

Clawback is payable on all Business Lending Products

Paid out Period	Percentage of Upfront Clawback
0 - 12 months	100%
Above 12 - 18 months	50%

UPFRONT

An Eligible Business Lending Product includes:

- ANZ Business Loan
- ANZ Fully Drawn Advance
- ANZ Business Mortgage Loan
- ANZ Commercial Bill
- ANZ Business Overdraft
- ANZ Business Credit Facility
- ANZ Revolving Agri Line
- ANZ Agri Finance Loan
- ANZ Tailored Commercial Facility

and includes each Eligible Business Lending Product classified by ANZ and recorded on ANZ's systems as having been approved and recorded under an ANZ's Secured Lending Application and guidelines from time to time.

Upfront Commission Payable on Eligible Business Lending Products:

Facility Amount	Commission calculation rate
Up to \$50,000	Nil
\$50,000 - \$2,500,000	0.55% of the Eligible Business Lending Product facility amount for all Eligible Business Lending Products, unless otherwise agreed in writing.
Greater than \$2,500,000	50% of the Loan Approval Fee, unless otherwise agreed in writing between ANZ and the broker.

TRAIL

Trail Commission payable on Eligible Business Lending Products:

Trailer Commission

Facility Amount	Commission Rate
Up to \$50,000	Nil

\$50,000 - \$15,000,000	0.20%
Greater than \$15,000,000	Nil, unless otherwise agreed in writing between ANZ and the broker.

ANZ has a Premium Partner Commission Plan which they offer to brokers who reach volume requirements. To find out more about this commission plan contact your ANZ Commercial BDM.

- ANZ will not pay trail commission in relation to the following Business Lending Products: ANZ Business Overdraft and ANZ Business Credit Facility
- ANZ may stop paying trail in respect of the Business Lending Products drawn down by a particular customer as a result of applications submitted by the broker if, ANZ determines that the creditworthiness of the customer has deteriorated and transfers the customer to ANZ's reconstruction, insolvency or similar department
- ANZ will cease paying trail where the broker has committed or attempted to commit any act of fraud or misrepresentation in relation to a Business Lending Product drawn down by a particular customer.
- If the customer is in arrears for a period of more than 90 days in respect of any Business Lending Products.
- Once ANZ stop paying trail commission in respect of Business Lending Products drawn down, ANZ has no further obligation to pay (and the broker has no entitlement to receive) trail commission in respect of those Business Lending Products, even if circumstances giving rise to the payments being stopped are subsequently rectified.

An Eligible Business Transactional Deposit Products:

- Business Advantage
- Business Extra
- Negotiator
- Overdraft

An Eligible Business Cross Sell Product can include:

- Trade & FX
- Markets
- Asset Finance
- Commercial Cards
- Merchants
- Mortgages
- Financial Planning
- Private Bank

NOTE: Brokers must not provide any information whatsoever to prospective customers in relation to Eligible Business Transactional Products and Eligible Business Cross Sell Products

TRAIL

Facility Amount	Commission Rate
Up to \$999.99	Nil
Greater than \$1,000.00	0.20% per annum

- Trail commission will be calculated on average monthly balance in all new Eligible Transactional Accounts opened.

- Minimum monthly average balance must exceed \$1,000 on any one account for trail commission to apply
- Trail payments on each new account opened will apply for a maximum period of 3 years, unless at any time the account is closed within the first 3 years.

ELIGIBLE BONUS TRAIL COMMISSION

Eligible Bonus Trail commission will only be paid where customer purchases 5 products or more with ANZ consisting of:

- Eligible Business Lending Products (mandatory)
- Eligible Business Transactional Deposit Products (mandatory)
- Any three or more Eligible Business Cross sell products with ANZ.
- An additional 0.05% trail payable on the Eligible Business Debt Products when the customer purchases 5 or more products with ANZ
- Bonus trail will apply from the month after the borrower reaches the minimum 5 product threshold in the first 12 months from the date of original settlement. On 365th day after the date of settlement, assuming the customer has maintained the minimum 5 products, trail will be set at 0.35% on Eligible Business Debt Products for the life of the loan(s).
- If at any time the product count for a customer falls back below the minimum requirements of 5 products within the first 12 months from settlement, trail will immediately revert back to the standard trail arrangement.

COMMERCIAL REFERRAL COMMISSION

The following commissions are payable where a broker refers commercial loans to the ANZ.

CLAWBACK

Clawback is payable on all Business Lending Products through Referral Program

Paid out Period	Percentage of Upfront Clawback
0 - 12 months	100%
Above 12 - 18 months	50%

UPFRONT

Upfront Commission payable on Eligible Business Lending Products (excluding Asset Finance Products) through Referral Program

Facility Amount	Commission calculation rate
Up to \$50,000	Nil
Greater than \$50,000	0.60% of the Eligible Business Lending Product facility amount, capped at \$24,000 unless otherwise agreed in writing between ANZ and the broker

TRAIL

- No trail commission is payable in relation to any Referrals except in relation to any Eligible Business Lending recorded on ANZ's systems as having been approved and recorded under an ANZ Secured Lending and Guidelines from time to time.

PERSONAL LOAN

CLAWBACK UPFRONT AND TRAIL

- Upfront commission will be paid on ANZ Personal Loans calculated at 1.65% (incl. GST) of the loan amount.
- No ongoing monthly trail is paid on personal loans.
- No clawback.



UPFRONT

- For all 'unconditional Deposit Bonds, which includes 'pre-approval subject to valuations and minor housekeeping needs' the remuneration is \$100 + 27.5% of the Deposit Bond fee and for all other Deposit Bonds, \$100 + 24% of the Deposit Bond fee.

OTHER INFORMATION

- Formal accreditation with Aussie Bonds is not required as the agreement we have is a referral agreement and not one of an authorised representative of Aussie Bonds.

Under the agreement we have with Aussie Bonds brokers must not

- make any commitment that an applicant will automatically qualify for a Deposit Bond.
- publish statements or documents about Aussie Deposit Bonds which have not been supplied or approved in writing by Aussie Bonds.
- Discuss the terms and conditions on which Aussie Bonds will provide Deposit Bonds to a prospective client.
- Arrange Deposit Bond Contracts or hold out to a prospective client that you are authorised to arrange Deposit Bond Contracts on behalf of Aussie Bonds.



RESIDENTIAL LOANS

Definitions

- The Upfront Commission is referred to by Auswide Bank as the Initial Referral Fee.
- Settled Loan means a new loan or broker introduced further advance where a borrower referred to Auswide by a broker has been provided with funds from Auswide on a completed loan
- Settled loan balance means the total sum drawn down by the borrower from Auswide on settlement of a settled loan
- Broker Introduced Further Advance means a further advance (excluding redraw component) to an existing loan and where that application for further advance has been introduced by the broker.
- Other Further Advance means a further advance (excluding redraw component) where the application for that further advance is not introduced by the broker. For example, the Other Further Advance may be introduced to the lender by another broker or by the lender's own branch network.
- Unpaid Daily Balance means the difference between all amounts credited and all amounts debited to the specific Settled loan account at the end of the given day and includes any funds held in offset accounts.

CLAWBACK

- The Initial Referral Fee (Upfront) for a particular loan must be refunded to the lender in full if the loan is repaid in full or otherwise returned to zero balance within twelve (12) months from the date on which the loan became a settled loan and is paid within fourteen (14) working days after the end of the monthly period during which a loan has become a settled loan.
- Auswide Bank may offset against subsequent Initial Referral Fees or Commission Trails, in respect of other loans, the refund due.

UPFRONT

- **The Initial Referral Fee will be calculated based on the Settled loan balance of a new loan or broker introduced further advances.**
- Broker Introduced Further Advances will form part of the new book and will receive the Initial Referral Fee based on the net increase.
- Other Further Advances, in respect of loans, shall generate no initial Referral Fee in respect of that Other Further Advance.

TRAIL

- Trail commission will be paid within fourteen (14) days after the end of each calendar month and is calculated on the unpaid daily balance for each day of the monthly period.
- No trail shall be paid in respect of an existing loan or a new loan where a Further Advance is made in respect of that loan.
- Auswide Bank may, in its absolute discretion continue to pay trail commission to a broker where Auswide Bank has provided another further advance through its branch network but shall not be required to make such payments. Auswide Bank in using their discretion, may have regard to such circumstances with the terms of the agreement with Connective, including level of compliance by the broker and the number of borrowers successfully referred in the past to the lender by the broker.
- In the event that a loan is more than 30 days in arrears for any part of the month, or not in compliance with the terms and conditions of the loan for any part of a calendar month, the trail commission shall be suspended for the whole of that calendar month (even if that loan subsequently returns to full compliance later in that calendar month).
- If a loan is then brought back within compliance with its terms and is no more than thirty (30) days in arrears, commission trail shall again apply, but only from the next calendar month.



RESIDENTIAL

CLAWBACK

Definitions

- Residential property loan: includes those with an optional mortgage offset account facility, for amounts of not less than \$100,000 and not more than \$8 million which satisfy Bank of China credit policy.

Bank of China may clawback any commissions or fees paid as follows:

- If any applicant fully redeems or repays a residential property loan within 12 months of the settlement date, broker must repay to Bank of China 100% of the upfront commission received for the residential property loan.
- If any applicant fully redeems or repays a residential property loan between the period of the first day of the 13th calendar month and the last day of the 24th calendar month after the settlement date the broker must repay 50% of the upfront commission received for the residential property loan.

UPFRONT

- The amount of upfront commission payable is calculated on the draw down amount.

- If a new loan facility is being used to pay out an existing loan, then the loan amount for the purposes of calculating upfront commission will be the difference between the new loan amount and the amount of the payout (and no upfront commission is payable if the new loan amount is less than the amount of the payout).

TRAIL

- At trail is paid calculated on the amount of the loan which has not been repaid, and if the loan is a Home Loan with an Offset Facility, further deduct the Offset Balance at the relevant time.
- Trail commission is not paid on an overdue loan. Payment of trailer will recommence if the default is rectified however no trailer commission is payable for the period that the loan is in arrears.



RESIDENTIAL

Definitions

- Facility: means a credit facility, for which BOQ will consider applications introduced which are approved.

CLAWBACK

- Clawback is payable where:
- The facility falls 30 days or more in arrears within the first 90 days of credit being provided under the facility, then 100% of the upfront commission will be repaid by the broker.
- Within 12 months of credit being provided under the facility, BOQ obtains judgement in any court of law within Australia against the customer in respect of the amount owing under the facility, then 100% of the upfront commission will be repaid by the broker.
- The customer is in default (whether financial or otherwise) under their facility within 3 months, and default is not remedied within 3 months of the event default occurring, then 100% of the upfront commission will be repaid by the broker.
- The facility is repaid within the first 12 months of credit being provided under the facility, then 100% of the upfront commission will be repaid by the broker.
- The facility is not drawn down in full after 12 months of credit being made available under the facility, then 100% of the upfront commission will be repaid by the broker.
- The facility is repaid after 12 months but before 24 months of credit facility being provided under the facility, then 50% of the upfront commission will be repaid by the broker.
- At least 80% of the facility limit has not been drawn down between 6 months to 12 months of credit being made available, then 50% of the upfront commission will be repaid by the broker.

UPFRONT & TRAIL

- From 31st December 2018, Upfront will be calculated on the funds drawn down at settlement of the facility less any balance held in an offset account 5 days after the settlement and is calculated on day 6 adjusted balance. This calculation also applies to Line of Credit facilities.
- Any loan settlement occurring in the last 5 days of the month the upfront commission will be held over to the next month, the upfront commission is then calculated and paid on the day 6 adjusted balance and payment made the following month e.g. If the loan settles on the 26th June commission will be calculated on 1st July and be paid in August commission run.
- BOQ is not obliged to pay commissions in the following instances:
 - to a broker where customer enters into a further transaction with BOQ unless the further transaction is referred by the broker through Connective.
 - where a customer refinances a facility under Connective to another facility and refinance is not referred through Connective.
 - a borrower terminates the facility under a right arising from the NCCP act

- the borrower is in default where they fail to pay their repayment obligations under a facility – where the borrower is more than 60 days in arrears.

BUSINESS & COMMERCIAL LOANS

Definitions

- Referral Fee means the fee set out in this Commission Guide and paid for loans settled.
- Completion Day means
 - for all facilities under which credit is provided – when facility is first drawn down
 - for all other facilities – when product is issued
 - for deposit facilities – when account is first opened
 - for merchant facilities – when the facility is first installed
 - for facilities which are financial markets transactions including swaps, options and interest rate and foreign currency transactions – on issuance of a confirmation

CLAWBACK

- Where the loan is repaid within six (6) months of the completion date to the last day of the sixth (6th) month after the completion day, then 100% of Referral fee (Upfront) is to be repaid by the broker.
- Where the loan is repaid, from first day of the seventh (7th) month after completion day to the last day of the twelfth (12th) month after the completion day, then 50 % of the Referral Fee (Upfront) is to be repaid by the broker.

UPFRONT AND TRAIL

- For residential loans written as part of a commercial transaction, upfront commission will be calculated on the funds drawn down under the facility net of balances held in any applicable offset account on the day that is 5 days after draw down
- The broker is not entitled to payment of the Upfront (Referral Fee) where a future transaction between BOQ and an applicant unless the future transaction is referred by the broker.

Lending Facilities	Upfront (Referral Fee)	Trail	Condition
Commercial/Business – Amount of Aggregated Customer Facilities Advance < \$3 million	0.605% (incl. GST) of the facility limit	0.275% (incl. GST) of the outstanding loan balance	Minimum Loan term: 12 months
Commercial/Business – Amount of Aggregated Customer Facilities Advance > \$3million	66% (incl. GST) of the loan establishment fee	0.275% (Incl. GST) of the outstanding loan balance	Minimum loan term: 12 months

Property Development	Up to 66% (incl. GST) of the loan establishment fee	Nil	n/a
Retail Loans	Referral Fee: 0.715% (incl. GST) of the funds drawn down under the facility net of balances held in any applicable offset account on the day that is 5 days after draw down of the facility.	Years 1 to 3 – 0.165% (incl. GST) Year 4 – 0.22% (incl. GST) Year 5 onwards – 0.242% (incl. GST) of the outstanding balance net of balance in offset accounts.	Must form part of a commercial transaction which includes a Commercial Loan.
Foreign Exchange (FX)	20% of Bank Retail FX Margin Income		Where the Retail FX margin represents the difference between the price shown to a customer and the transfer price from the Financial Markets Pricing Desk.
Interest Rates (Applicable to Interest rates hedging between \$500,000 to a maximum of \$5 million)	20% of Bank Net Interest Margin Income. (Noting that Interest Rate Hedging must be part of loan settlement or within the agreed condition subsequent period post settlement)	n/a	Where the Net Interest Rate Margin represents the gross customer margin adjusted for a credit provision as determined by BOQ Market Risk
International Trade Finance (applicable to limits up to a maximum of \$5 million)	50% of the facility establishment fee changed and accepted by the customer, less than any admin or legal fees incurred to approve the transaction. Trail Commission: 0.275% (incl. GST) of the daily closed drawn trade finance loan balance, payable monthly in arrears.	n/a	n/a
Non-lending Product			

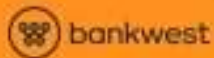
Merchant Facilities	\$250 per merchant facility	n/a	
Business Deposit Account (Minimum deposit of \$500)	\$75 per account opened	n/a	Minimum account balance: \$500
Spot Trade	Referral Fee: 0.22% (Incl. GST) up to a maximum \$8,250 (incl. GST) calculated on amount traded	n/a	Minimum amount per trade: \$100,000

SPECIALIST LOANS

UPFRONT & TRAIL

Lending Facilities	Upfront (Referral Fee)	Trail	Condition
Commercial/Business – Amount of Aggregated Customer Facilities Advance < \$3 million	0.605% (incl. GST) of the facility limit	0.275% (incl. GST) of the outstanding loan balance	Minimum Loan term: 12 months
Commercial/Business – Amount of Aggregated Customer Facilities Advance > \$3million	66% (incl. GST) of the loan establishment fee	0.275% (Incl. GST) of the outstanding loan balance	Minimum loan term: 12 months
Motor Vehicle Finance	The Referral fee will be calculated on the basis of the maximum of: (a) 4% of the invoice price of the car (excluding GST) where the Facility is a finance lease; and (b) 4.00% of the amount financed in the case of the facility that is a hire purchase agreement or chattel mortgage.	n/a	100% of the draw down amount.
Equipment Leases	The Referral Fee will be up to 4% of the invoice price of the Equipment (excluding	n/a	100% of the draw down amount.

	GST) where the facility is a finance lease.		
Equipment Chattel Mortgages	The Referral Fee will be up to 4.0% of the amount financed.	n/a	100% of the draw down amount.
Escrow/Fixtures and Fittings	The Referral Fee will be up to 4% on the amount converted to either a lease, hire purchase agreement or chattel mortgage.	n/a	100% of the conversion amount of the converted facility.
Retail Loans	Referral Fee: 0.715% (incl. GST) of the funds drawn down under the facility net of balances held in any applicable offset account on the day that is 5 days after draw down of the facility.	Years 1 to 3 – 0.165% (incl. GST) Year 4 – 0.22% (incl. GST) Year 5 onwards – 0.242% (incl. GST) of the outstanding balance net of balance in offset accounts.	100% of the drawn down amount
Non-lending Product			
Merchant Facilities	\$250 per merchant facility	n/a	
Business Deposit Account (minimum deposit of \$500)	\$75 per account opened	n/a	Minimum account balance: \$500
BOQ Specialist Credit Cards	Referral Fee: \$75 per opened account.	n/a	n/a
Spot Trade	Referral Fee: 0.22% (Incl. GST) up to a maximum \$8,250 (incl. GST) calculated on amount traded	n/a	Minimum amount per trade: \$100,000



RESIDENTIAL LOANS

Definitions:

Linked Offset Account – means a transaction account linked to the home loan which provides an interest off set facility against the home loan.

Construction Loan – means a retail loan where the purpose of that loan has been selected as Construction during the application process and the customer has provided a fixed price building contract.

Eligible Loan – is a Financial Service which is not a Construction Loan or a Consumer Bridging Loan where the amount settled and disbursed is less than or equal to \$3 million.

CLAWBACK

If the bank pays the broker any commission in relation to any Financial Service and the loan or facility in respect of which that commission was paid is repaid in full within 18 months of it having been drawn down, the broker must refund to the bank an amount equal to the commission paid to the broker less "X" where "X" is determined as follows:

X = months account has run divided by 18 multiplied by commission paid

- The bank may, at its discretion, pay to the broker a commission in respect of applications accepted by the bank for equity lines, based on the credit limit of an equity line even though no funds have been disbursed from the equity line or drawn down by the customer.
- If after 12 months of the bank making an Equity line or other similar facility available for draw down by a customer, the customer has not drawn down on that Equity line or has drawn less than 75% of the credit limit of that Equity line, then the bank is entitled to seek from the broker, within 60 days of expiration of that 12-month period, a refund of the commission paid by the bank in respect of the application for that Equity line.
- If an Equity line is refinanced before the expiration of the 12-month period and the customer does not draw down on that Equity line or has drawn less than 75% of the credit limit of that equity line following the refinancing, the broker must still refund the commission it has received from the bank during the 12-month period in respect of the application for that Equity line, notwithstanding that the Equity line has been refinanced
- The refund shall be calculated as follows: $R = C - (C \times D/L)$ Where
 - R = refund of commission the bank may seek
 - C = commission paid in respect of the Equity line application
 - D = maximum amount drawn down on the Equity line at any time during the 12-month period commencing on the date on which the bank made the Equity line available for draw down by the customer; and
 - L = credit limit for the Equity line
- For Loans that settled up to 31 December 2020 - Six Month Review: Where the loan amount disbursed is less than \$3 million, Bankwest will review each eligible home loan approximately 6 months after the date that any part of the amount of credit or maximum amount of credit has been advanced (settlement date). If, as at the date which is 6 months after the settlement date the highest average monthly balance of the relevant eligible home loan less the average daily balance of any linked offset account over this 6-month period has changed by \$100,000, the commission originally paid will be adjusted to an amount equal to 0.77% of the new highest average monthly balance of the home loan less new average balance of any linked offset account. Where the new highest average monthly balance less average daily balance of any linked offset account has decreased by \$100,000 or more, then broker must refund an amount equal to the difference between the original commission and the adjusted commission calculated. Where the new highest average monthly balance less the average daily balance of any linked offset account has increased by \$100,000 or more, Bankwest will pay the broker an amount equal to the difference between the original commission paid and the adjusted commission.

UPFRONT

- For loans that settled up to the 31 December 2020 - The Upfront commission will be paid in respect of each Financial Service (but not a consumer bridging or construction loan) a sum calculated and payable monthly in arrears equal to 0.77% of the amount utilised by the customer in relation to all home loans minus the balance in any linked offset account as at the close of business on the day of settlement subject in each case to the Bank's nominated application fee having been received by Bankwest.
- For loans that settle from 01 January 2021 – In respect of each Financial Services (but not a Construction Loan) Bankwest will pay upfront commission a sum calculated and payable 14 calendar days after settlement (Day 14) equal to 0.715% of the amount utilised by the borrower in relation to such Financial Services minus the balance in any Linked Offset Account as at close of business on Day 14.
- For Construction Loans that settled up to 31 December 2020 - In respect of each Construction loan Bankwest will pay an upfront commission, a sum calculated monthly in arrears equal to 0.77% of the approved limit, subject in each case to the bank's nominated application fee having been received by the bank.
- For Construction Loans that settle from 01 January 2021 – Bankwest will pay an upfront commission calculated and payable 14 calendar days after settlement (Day 14) equal to 0.715% of the approved limit of the loan subject to bank receiving the nominated application fee.
- For Loans that settled up to 31 December 2020 - Six Month Review: Where the loan amount disbursed is less than \$3 million, Bankwest will review each eligible home loan approximately 6 months after the date that any part of the amount of credit or maximum amount of credit has been advanced (settlement date). If, as at the date which is 6 months after the settlement date the highest average monthly balance of the relevant eligible home loan less the average daily balance of any linked offset account over this 6-month period has changed by \$100,000, the commission originally paid will be adjusted to an amount equal to 0.77% of the new highest average monthly balance of the home loan less new average balance of any linked offset account. Where the new highest average monthly balance less average daily balance of any linked offset account has decreased by \$100,000 or more, then broker must refund an amount equal to the difference between the original commission and the adjusted commission calculated. Where the new highest average monthly balance less the average daily balance of any linked offset account

has increased by \$100,000 or more, Bankwest will pay the broker an amount equal to the difference between the original commission paid and the adjusted commission.

- For Loans that settle from 01 January 2021 – Twelve Month Review – Where the loan amount disbursed is less than or equal to \$3 million, Bankwest will review each eligible home loan approximately 12 months after the date that any part of the amount of credit or maximum amount of credit has been advanced (settlement date). If as at the date which is 12 months after the settlement date the highest average monthly balance of the relevant Eligible Home Loan less the average daily balance of any Linked Offset Account over this 12 month period has increased by \$20,000 the commission payable will be adjusted to an amount equal to 0.715% of the new highest average monthly balance of the home loan less new average balance of any Linked Offset Account.
- Where the new highest average monthly balance less the average daily balance of any linked offset account has increased by \$20,000 or more, Bankwest will pay the broker an amount equal to the difference between the original commission paid and current commission.
- Where any individual Financial Service (but not a consumer bridging loan) exceeds \$3 million, the amount of upfront commission payable will be subject to prior negotiation between the bank and the broker and in the absence of agreement on the amount no commission is payable.

TRAIL

Commission will be calculated and payable monthly in arrears on the average balance of each Financial Service (but not a Consumer Bridging Loan) during the preceding month as follows:

For loans that settle from 1st July 2018

- Trail will be calculated and payable monthly in arrears on the average balance of each Financial Service minus the average balance in any linked offset facilities (But not a consumer Bridging Loan) during the preceding month as follows:

Commission	% Trail (incl. GST)
Trail	
Year 1	0.165%
Year 2	0.165%
Year 3	0.165%
Year 4	0.22%
Year 5+	0.22%

- Where any individual Financial Service (but not a consumer bridging loan) exceeds \$3 million, the amount of trail commission payable will be subject to prior negotiation between the bank and the broker and in the absence of agreement on the amount no commission is payable.

OTHER

Bankwest shall have no obligation to pay commission:

- No commission is payable in relation to any consumer Bridging loan.
- In respect of any Financial Service in respect of which the Bankwest customer has been in default of the terms and conditions of that Financial Service for 60 days or more.
- In respect of any Financial Service which is a deposit product or an overdraft product
- If the bank approves an application for Financial Services directly from any person the bank is not required to pay commission to the broker in relation to the Financial Service

For existing loans with Bankwest:

- Where a Financial Service (but not a Consumer Bridging Loan) is refinanced (but only where the limit is increased) the Bank will pay the broker an upfront commission calculated and payable monthly in arrears on the amount of the increase at a rate specified

- If the broker submits an application to refinance a financial service (but not a Consumer Bridging Loan) originated by a person other than the broker (outgoing broker), any trail commission being paid by the bank in relation to the relevant Financial Service will be transferred to the broker with effect on and from the first day of the month in which the refinancing occurs and will be paid on the full limit of the loan.
- If the bank directly refinances a Financial Service (but not a consumer Bridging Loan) the bank will continue to pay the broker trail commission on the portion of the loan introduced by the broker
- If the broker is an outgoing broker, the broker's entitlement to commission in respect of the Financial Service (but not a Consumer Bridging Loan) is terminated with effect on and from the first day of the month in which the Refinancing occurs.
- Should a new limit be established as a result of combining loans/limits or splitting loan/limits etc. the trailing commission on the restructured funds will continue on the existing trail as at the time of the previous loan closing This will only apply where the aggregator (broker) is the same on both the original loan and the new loan with restructured funds; and upfront commission will continue to be paid only on the new funds. For example, if an aggregator (broker) disburses a loan for \$120,000 in October 2014 and then the same aggregator (broker) combines those funds with a new loan of \$100,000 in January 2016 resulting in a total loan size of \$220,000, the \$120,000 will retain the trailing commission rate in place at closure of the account and the new funds of \$100,000 will attract upfront and receive nil trail for the first year, in line with the commission structure that

Suspension of Commission: The bank may stop paying commission in respect of all applications submitted by a broker if the bank has reasonable grounds to believe that the broker has:

- Acted fraudulently or unconscionably.
- Made misleading or deceptive statements.
- Withheld material information from the bank or client.
- Failed to disclose any commissions payable in connection with the Financial Services to the client, or
- Ceased to hold any authorisation.

COMMERCIAL LOANS – BUSINESS FINANCIAL SERVICES

CLAWBACK

When Business loan facilities are refinanced or repaid for any reason, up fronts are repayable based on the following:

Period	Percentage of Upfront Amount to be repaid
0 months up to and including 12 months	100%
12 months up to and including 18 months	50%

UPFRONT & TRAIL

Commercial/Business Lending

For loans effective from 5 August 2016

Facility Limits Total	Upfront Amount (inclusive of GST)	Trail Commission (inclusive of GST)
Less than \$25,000	Nil	Nil
\$25,000 to \$150,000	A fixed payment of \$500 (plus GST) per lending deal between \$25,000 and \$150,000	Nil
\$150,000 to \$3 million	0.55% of approved facility limit	0.275% per annum

Greater than \$3 million	50% of establishment fee received by the bank with a minimum of \$16,500. For 50% of the establishment fee to equal \$16,500 Bankwest needs to collect \$30,000 (1% of the loan amount (+GST)). This is often not the case in which instance Bankwest will pay 50% of the establishment fee collected	Negotiable to a maximum limit of 0.275% per annum
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Asset Finance

Upfront Amount (inclusive of GST)	Trail Commission (inclusive of GST)	
Not greater than 4.40% of amount financed	Nil	

- No upfront or trail commission will be paid on the provision of Bank Guarantee and Documentary Letter of Credit facilities
- Commission will not be paid on any facilities:
 - Which are in arrears or otherwise in default in accordance with the facility terms. Once the facility is brought into order prior to the end of the respective commission month, payment of the commission will recommence at the next commission payment date. There will be no back dating of commission covering the period that commission was not received.
 - In excess of its approved limit. Once the facility is brought into order prior to the end of the respective commission month, payment of the commission will recommence at the next commission payment date. There will be no back dating of commission covering the period that commission was not received.
 - That is provided wholly or partly for bridging finance
 - That is refinanced as a result of a client-initiated request or consequent upon any default or not subsisting
- Where Bankwest consider, in their absolute discretion that the broker seeking to refinance Facilities at a rate or in a manner which may constitute churning or engaging in conduct where the major reason for seeking to refinance facilities is the generation of remuneration rather than servicing of clients' needs and a Facility is repaid in full or the facility terminated or cancelled within 18 months of the settlement date of the Facility, then the broker must refund to Bankwest an amount equal to the total amount of the Upfront amount paid to the broker in respect of that facility.
- Where Bankwest consider (in their absolute discretion) that they approved a Facility as a result of a Facility application that contained fraudulent documentation and/or materially false information then the broker will
 - Refund to Bankwest total amount of commission and Upfront Amounts as well as any other amounts paid to the broker in respect of that facility.
 - The broker will not be entitled to any further payments in respect of that Facility, regardless of whether or not the broker was aware that any document was fraudulent, or any information was false.
 - Will cease to pay Commissions and Upfront amounts on any facility whatsoever introduced by the broker concerned.
- Bankwest may cease to pay in relation to Facilities introduced by a broker if that broker acted dishonestly or fraudulently.
- Bankwest will not pay an Upfront Amount or Trail Commission for an extension or in respect of any increase of the limit or amount of an existing Facility provided to a client unless the broker is the effective cause for the provision of that extended or increased limit or amount and the extension or increase is not less than \$50,000.
- In the case of a Facility approaching maturity the broker will not receive any Upfront Amount or trail Commission unless the broker has initiated and are the effective cause of the establishment of a replacement facility.

OTHER

- If the broker charges or may charge a customer a fee for submitting a Facility application to Bankwest (whether a brokerage fee or application fee or any other type of fee) broker must obtain written acknowledgement signed by each client acknowledging that such fee will or may be payable by the client.



RESIDENTIAL LOANS

PLEASE NOTE: Better Choice Home Loans was previously known as Iden Group having changed their name on 17 October 2016.

CLAWBACK

Product Suite	First 12 Months	13 to 18 Months	Greater Than 18 Months
Classic	100%	50%	0%
Gold	100%	50%	0%
Options	100%	50%	0%
Platinum	100%	50%	0%
Assist	100%	50%	0%
Reset	100%	50%	0%
Silver	100%	50%	0%
Alternate	100%	50%	0%

Note: Effective 1 August 2020, for Classic Loan Product Only any variation commission payment will form part of any commission clawback that becomes payable should the loan close within the clawback period.

UPFRONT AND TRAIL

Better Choice has changed the way upfront is calculated across their loan product range as follows:

Classic Loan Products – Effective for settlements on or after 17/01/2019, upfront will be based on the draw down amount at the end of the month that the loan settled (minimum of \$400). Any loan increase (same account number) will trigger a flat commission of \$250 x Introducer Upfront Rate.

Effective 1 August 2020, Better Choice will be introducing a monthly net loan balance review for the first 12 months of the loan. This means when the net balance of a facility has increased by at least \$20,000 between monthly reviews, they will pay any further upfront commission if the loan balance has increased above the net loan balance, they have previously paid upfront commission on. Upfront commission on credit increases will move to a percentage-based payment (same as upfront commission) on the net increase to the loan.

Note: There will be no changes to the upfront commission calculation methods on Construction or Bridging Loans. Any variation commission payment will form part of any part of any commission clawback that becomes payable should the loan close within the Clawback period

Assist Loan Products – Effective for settlements on or after 01/01/2019, upfront will be based on draw down amount, net of offset and redraw, on the day of settlement.

Advance Loan Products – Effective for settlements on or after 12/11/2018, upfront will be based on draw down amount five (5) days after settlement date. Subsequent upfront commission paid up to 12 months, for amounts greater than \$20,000 up to maximum loan limit.

Platinum Loan Products – Effective from date to be confirmed, upfront commission to be paid on funds utilised (loan amount less offset and redraw).

Gold Loan Products – Effective for settlements from 01/02/2019, upfront commission will be based on draw down amount at the end of the month that the loan settled.

Products	Upfront Commission %	Trail Commission p.a.
Classic- Variable & Fixed Rate	0.66	0.11
Gold	0.66	0.165
Options	0.66	0.165
Platinum	0.77	0.165
Assist	0.77	0.165
Reset	0.77	0.165
Alternate	0.77	0.165

COMMERCIAL LOANS

CLAWBACK

Product Suite	First 12 Months	13 to 18 Months	Greater Than 18 Months
Reset	0%	0%	0%
Silver	0%	0%	0%
Alternate	0%	0%	0%
Classic	0%	0%	0%

UPFRONT AND TRAIL

Products	Upfront Commission %	Trail Commission p.a.
Reset	0.66	0.275
Classic	0.55	0.165
Alternate	0.66	0.275



RESIDENTIAL and COMMERCIAL LOANS

UPFRONT TRAIL & CLAWBACKS

BMM Loan products available from 24th August 2022.

UPFRONT TRAIL & CLAWBACKS

Products	Upfront Commission %	Trail Commission % (per annum)	Clawback of Upfront Commission
New Loans			
Optimal Suite	0.66%	0.165%	100% of upfront payment in first year after settlement.
Aspire Suite	0.66%	0.165%	100% of upfront payment in first 12 months after settlement, 50% 13-18 months.
Edge Suite except below	0.66%	0.165%	50% of upfront payment in first year after settlement.
Edge Retained Stock	0.66%	NIL	50% of upfront payment in first year after settlement.
Edge Highest & Best Use			
Bold Suite except below	0.66%	0.165%	100% of upfront payment in first 12 months after settlement, 50% 13-18 months.
Bold Expat	0.66%	NIL	100% of upfront payment in first 12 months after settlement, 50% 13-18 months.
Vivid Suite	0.66%	0.11%	100% of upfront payment in first 12 months after settlement, 50% 13-18 months.
Premium Suite except below	0.66%	0.11%	100% of upfront payment in first year after settlement, 50% 13-24 months.
Premium Expat, NGS and 85% no LMI	0.55%	0.11%	100% of upfront payment in first year after settlement, 50% 13-24 months.
True Blue Suite	0.66%	0.165%	100% upfront payment within 12 months, 75% 13-<18 months, 50% 19-<24 months
True Blue Commercial	0.55%	0.165%	50% of upfront payment in first year after settlement.
Leo Suite	0.55%	0.22%	50% of upfront payment in first year after settlement.
Other, Non Standard & One Off applications	Negotiated	Negotiated	100% of upfront payment in first 12 months after

settlement, 50% 13-18 months.

- The broker is not entitled to any payment in respect of a loan or product if BMM has not received corresponding commission in respect of that loan or product.
- For a variation of an existing loan, if a mortgage broker who is not the original broker introduces a variation or principal increase to a loan, all trail commission will cease to be paid to the broker who originally introduced the loan.
- No trail commission will accrue in respect of loans during any period the loan is in default including any loan or other payments remains in arrears for a period of 15 days or more after the due date. Once any default is rectified trail will commence again but will still not be paid for the default period.
- If the broker is aware a loan will have a short duration, the broker can nominate (by advising BMM at the time of application) to receive Nil upfront commission with continued commission payment.
- Commission agreements vary on "Lines of Credit" (LOC) facilities between their funders. Where standard commissions are paid on LOC full upfront will be paid to the broker.
- In the case of land or construction loans, the loan is considered drawn down when the final instalment is drawn down. For these types of loans if their funders pay BMM earlier, BMM will in turn pay commission earlier.



RESIDENTIAL LOANS

CLAWBACK

- 100% of the upfront commission is clawed back if the loan is repaid within 12 months of the settlement

UPFRONT

- Will be paid by the 15th day of each month following settlement date of the loan.
- Upfront commission will be paid on top up loans but only where the top up amount is \$50,000 or more.

TRAIL

- Will be paid by the 15th day of each month in respect of the daily balance of the outstanding loan amounts in the previous calendar month.
- If Bluebay receives a variation or principal increase to a loan from one of your borrowers and that variation or principal increase was submitted by another mortgage broker, all trail commission for that loan will cease to be paid to you.
- For a top up loan (submitted by the broker who originally submitted the application to Bluebay trail commission will continue to be paid on the outstanding loan balance irrespective of any top up amount.

PERSONAL LOANS

- \$400 for each loan settled.



RESIDENTIAL LOANS

CLAWBACK

- If the approved loan is fully or partially discharged within 12 months of its settlement date, the broker must refund 100% of any upfront commission paid after the approved loan settled on the amount discharged, plus any GST adjustment, broker may be eligible to receive in relation to that refund;
- If an approved loan is fully or partially discharged after 12 months but within 18 months of its settlement date, the broker must refund 50% of any upfront commission paid after the approved loan settled on the amount discharged, plus any GST adjustment, broker may be eligible to receive in relation to the refund.

UPFRONT

- Upfront commission is calculated and paid on the drawn down approved loan amount net of offset savings account determined seven (7) days after the settlement at the upfront commission rate and will be paid monthly in arrears,
- Top Up commission is the amount, if any, by which (i) an amount calculated on the drawn down approved loan amount net of offset saving account determined 180 days after settlement at the upfront commission rate exceeds (ii) the upfront commission calculated seven (7) days after the settlement at the upfront commission rate and will be paid monthly in arrears,

TRAIL

- Trail commission is calculated on the principal balance of the approved loan net of offset savings account balance on the last day of each calendar month and will be paid monthly in arrears after the month in respect of which the trailing commission was accrued.
- Where a customer has an offset account as part of their mortgage product, for the purpose of calculating trailing commission payable, the principal balance will be reduced by the amount of the funds that are contained in the offset account on the day that the principal balance is determined.
- Where trailing commission is payable during the month in which the mortgage product was settled, trail will be paid pro-rata on the number of days after settlement remaining in the month.

OTHER

- Will not pay any commission for a bridging loan that a broker may refer to Citibank
- Variation – if an approved loan is varied following an application for variation made by the customer which was referred and submitted by the broker then they will receive (i) upfront commission calculated on the amount by which the drawn down amount has increased, net of the offset savings account balance seven (7) days after the settlement of the variation and (ii) Trailing commission on the approved loan (net of loan offset savings account balance) for any remaining trail period for that approved loan.
- If the Variation is referred by another broker, the broker who originally submitted the loan will not receive the upfront commission on the variation nor any trailing commission on the approved loan for any remaining trail period for the approved loan.
- Will cease paying commission:
 - (i) If the customer is 30 days or more days overdue in making payment of any amount, payment of trailing commission to the broker will cease and may only be reinstated when the customer's account has no payments or charges outstanding and is brought up-to-date and remains up-to-date for 30 days.
 - (ii) If the customer is 30 or more days overdue in making payment of any amount twice within a 6-month period, payment of trailing commission to the broker in relation to the approved loan ceases entirely.
 - (iii) If a broker's accreditation is cancelled.



RESIDENTIAL LOANS

Definitions:

- **Total Commissions:** means the aggregate of Upfront Commission, Trail Commission and Referral Services Commission.
- **Total Upfront Commission:** means the aggregate of Upfront Commission and, where applicable any commission allowances.
- **Referral Services Commission:** means commission payable in relation to the establishment of products under the CONNECT Referral Program.
- **New Money:** Means the difference between (a) The total loan amount or credit limit proposed to be borrowed by a client; and (b) The amount of any existing debt owing on any current CBA residential mortgage home loan or other loan product secured by a mortgage over residential property and which is intended to be repaid by the proposed Home Loan or Line of credit product. Where the existing product being repaid is a line of credit, the amount of existing debt is taken to be the higher of the amount owing and the credit limit.
- **Top Up:** Means, in relation to a product, an increase in the loan amount or credit limit of existing loan or facility by way of any New Money.
- **Upfront Commission –** From 24th November 2018, will be calculated based on the drawn down loan balance net of any linked offset account and redraw facility, not on the total New Money.
- **10th July 2019 –** Announced additional upfront commission will be paid on the twelve-month anniversary of the loan for subsequent utilisation of funds from a linked offset facility (Everyday Offset (EFO), MISA or Redraw). See additional information below under UPFRONT & TRAIL

CBA pay commission on the following Commonwealth Bank or CommSec Branded products:

1. Standard Variable Rate Home Loan (including No Fee Variable Rate Home Loan, 1 Year Guaranteed Rate, 12 month Discounted Variable Rate and under Mortgage Advantage (MAV) conditions.
2. Standard Variable Rate Investment Home Loan (including No Fee Variable Rate Investment Home Loan, 1 year Guaranteed, 12 month Discounted Variable Rate and under Mortgage Advantage (MAV) conditions.
3. Extra Home Loan Owner Occupied and Investment Loans.
4. Extra Home Loan (introductory Rate) Owner Occupied and Investment Loans.
5. No fee Variable Home Loan Owner Occupied and Investment Loans.
6. Rate Saver Home Loan (including 3 Year Special Rate Saver) Owner Occupied and Investment Loans.
7. Fixed Rate Home Loan (including Mortgage Advantage (MAV) conditions Owner Occupied and Investment Loans.
8. Viridan Line of Credit – Residential Equity Rate (including Mortgage Advantage (MAV) conditions.

CLAWBACK

When loans are externally refinanced or repaid for any reason, commission clawbacks will be made in accordance with the Schedule Below.

Period	Percentage of Total Upfront Amount to be clawed back
0 months up to and including 12 months from the date the loan was first disbursed	100%
12 months up to and including 18 months from the date the loan was first disbursed	50%
Greater than 18 months from the date the loan was disbursed	0%

When a loan is refinanced by another CBA Business Unit or the customer directly requests to refinance or transfer to another CBA Business Unit, CBA at their absolute discretion (provided that CBA used their best endeavours to refer the customer back to the broker) CBA may apply the following clawback provisions:

Period	Percentage of Total Upfront Amount to be clawed back
0 months up to and including 6 months	100%
Greater than 6 months up to and including 12 months	50%
Greater than 12 months up to and including 18 months	0%

- Clawback will not apply where the customer experiences hardship, and assistance is provided under the Repayment Alert Program and this leads CBA to refinance or restructure the loan.

Clawback on Partial Repayments

If, CBA pay Total Upfront Commission in relation to any Banking Product which is secured by a mortgage over residential property/ies; and within 12 months of the first disbursement, the loan or line of credit, in respect of which commission was paid, is partially reduced due to the proceeds from a property sale, broker must refund a proportion of the commission paid to the broker, being the same proportion that the repayment amount relates to the loan amount/credit limit on which CBA paid commission (subject to any deduction for amounts refinanced and amounts they did not pay commission on).

Clawback on Subsequent Utilisation of Funds

Clawback will not be applicable for any funds deposited back into linked offset accounts

UPFRONT & TRAIL

Upfront Commission: New Home Loans from 8th May 2018

Commission	Plan A
Home Loans Upfront	0.715%
Lines of Credit Upfront	0.53625%
Trail	
Year 1	0.165%
Year 2	0.165%
Year 3	0.165%
Year 4	0.22%
Year 5+	0.22%

- From 8th May 2018, Plan A applies to all brokers, unless prior to the 8th May 2018, where applicable a broker selected Plan B, in which case Plan B will continue to be paid to a broker.
- Where a broker selected Plan B prior to 8th May 2018, they may select a change to Plan A, in which case the change will come into effect as follows: Where CBA process the change request on or prior to the 20th of a month, Plan A applies to new funding's from the 1st of the next calendar month. Where CBA process it after the 20th of a month, Plan A applies to new funding's from the 1st of the second following calendar month.
- Once a change has been made to broker's Commission Plan, no further changes are permitted.

Upfront Commission: New Home Loans paid from 1st January 2015 to 7th May 2018

From the 1st January 2015, CBA introduced a new commission structure for New Home Loans and Viridan Lines of Credit which enabled brokers to choose between two commission plans. If you operate under a Partner Group, you should contact the principal of your group to ascertain appropriate commission plan to select.

Commission	Plan A	Plan B
Home Loans Base Upfront	0.55%	0.495%
Lines of Credit Base upfront	0.4125%	0.37125%
Quality Metrics	0.165%	0.165%
Home Loans Total Upfront Rate *	0.715%	0.66%
Lines of Credit Total Upfront Rate *	0.5775%	0.53625%
Trail		
Year 1	0.165%	0.11%
Year 2	0.165%	0.165%
Year 3	0.165%	0.22%
Year 4	0.22%	0.275%
Year 5+	0.22%	0.275%

Subsequent Utilisation of Funds: Announced on 10th July 2019, they will pay commission on subsequent utilisation of funds of \$20,000 or more.

- Additional upfront commission will be paid on the twelve-month anniversary of the loan for subsequent utilisation of funds from a linked offset facility (Everyday Offset (EDO), MISA or Redraw).
- Additional upfront commission for subsequent utilisation of funds is applicable to all eligible loans funded under the net of offset model from 24/11/2018. This commission will be paid on the commission cycle following twelve-month settlement anniversary of the loan. In real terms, the first eligible additional upfront payment would be in January 2020 as loans funded between 24 November 2018 and 31 December 2018 were fully adjusted via an exception process and already paid in full up to a maximum approved amount.
- Additional upfront commission on subsequent utilisation of funds is calculated as the difference between linked offset facility balances on day 14 (closing balance) and the average linked offset balances (daily) from day 15 to the twelve-month settlement anniversary of the loan.
- Construction and Viridian Line of Credit (VLOC) loans are not eligible as they are not included in the net of offset model and are paid the full approved amount upfront.

General Terms Applicable to Commissions

- From 24th November 2018, CBA will pay upfront commission based on the drawn down loan balance net of any linked offset account and redraw facility (not on the total approved loan amount) 14 calendar days after the date of drawdown.
- For loans up to and including 23rd November 2018, CBA paid upfront Commission on New Money that a broker submitted through the Third-Party Banking Channel.
- For Construction loans that settle from 24/11/2018, upfront commission will be calculated on the total approved amount. Construction loans will be excluded from the net offset balance calculation.
- CBA may reduce the Total Upfront Commission rate where the New Money equals or exceeds \$3,000,000.00
- For the purpose of calculating Trail Commission, the Balance Outstanding is: (a) the net balance of the home loan account (including any additional advances made under a Top Up or Product switch) as at the end of the month (b) less the credit balance as at the end of that month of any Mortgage Interest Savings Account (MISA) and/or Everyday Offset Facility which is linked to the home loan on which trail is being paid.
- Trail Commission will not be paid to a broker when:

- A loan is in arrears 60 days or greater. Should those loan accounts that did not receive trail due to this clause be in order, prior to the end of the respective trailer month, trail commission will recommence at the next date for the payment of commission. There will be no back dating of trail commission covering the period that trail was not received, for those loans.
 - Loans or facilities in excess of their limit. Should those loan accounts that did not receive trail due to this clause be in order, prior to the end of the respective trailer month, trail commission will recommence at the next date for the payment of commission. There will be no back dating of trail commission covering the period that trail was not received, for those loans.
 - Loans that are refinanced under or transferred to another Commonwealth Bank Business Unit as a result of a customer-initiated request
 - Loans that are refinanced or switched to a different product type by another aggregator group or the broker of another aggregator group
 - Loans that are repaid
 - Loan that are refinanced by an external lender or party
- The first trail commission payments on new loans or new money will commence from date of settlement.
 - If a broker does not hold an Approved NCCP position CBA may suspend payment of commission.
 - Commission will not be paid where a broker submits an application for a loan or Top Up through a channel other than the Third-Party Banking Channel or the application is approved by an area other than the Third-Party Banking Channel.

CONNECT Referral Program

- Brokers will automatically be registered to participate in the CONNECT Referral Program once accredited with CBA.

Product	Referral Fees
Loan Protection	\$110.00
General Insurance (Home, Contents and Car)	\$38.50
Risk Insurance	Up to 17.5% of the first year's premium for Personal Risk Products
Personal Loans	\$32.00
Business Transaction Account	Up to \$100.00
Business Online Saver	Up to \$100.00
Term Deposit	Minimum Term - 3 months \$50,000 to \$249,999 = \$50.00 \$250,000 to \$999,999 = \$100.00 \$1,000,000+ = \$200.00

The broker is only entitled to any benefits in relation to this Program when:

- The correct "broker identifying" number is provided.
- The person the broker referred to CBA accepts the products (CONNECT Referral Program Table) set out in the above table and those products are established.
- A broker will not be entitled to any commission, if the referral for a particular customer, was made first by any other area of the Bank.

Commercial Connect Products

- Eligible Products and Referral Fee Schedule effective from 1st June 2022

Product	CONNECT Referral Fees
Commercial Loans: Marker Rate Loan, Better Business Loan, Business Overdraft, Documentary Letter of Credit and Bank Guarantees	Referral Fee of 0.55% of approved facility limit upon funding of initial drawdown. Maximum Referral Fee, per client, for eligible Commercial Loan Products is \$27,500. Minimum loan size is \$50,000. Excludes any loans less than 12 months.
Vehicle and Equipment Finance provided packaged together with a Commercial Loan. Equipment Loans, Hire Purchase, Finance Lease, Novated Lease and Operating Leases.	1.1% of net amount financed. Maximum Referral Fee, per client, for eligible Vehicle and Equipment Finance products is \$5,500. Minimum transaction size \$20,000. Must be submitted at the same time as an eligible Commercial Loan.

ENTITLEMENT TO COMMISSION ON TOP UPS

- From 24th November 2018, upfront commission for home top up loans drawn down will be calculated based on the new money net debt increase on the 14th calendar day after the top-up amount is drawdown, net of any linked offset account and redraw facility on the 14th calendar day after the top-up is drawn down. This excludes any offset balances held prior to funding of the top-up.

Original Loan was introduced by the broker and the Top Up loan is also introduced by the same broker

- A broker introduces a CBA branded loan or line of credit and later the same broker introduces an increase in the amount of credit or credit limit then (a) Upfront Commission will be paid on the Top Up amount (New money) in accordance with current commissions at the time of Top Up. (b) trail commission on the increase will be paid (c) any Upfront and Trail commission paid to the broker must reflect the broker code of the broker who introduced the increase in the amount of credit or credit limit.

Original Loan was introduced by another broker/aggregator or directly by the CBA Bank however the Top Up is now introduced via a Connective broker

- CBA have a CBA branded loans or lines of credit with a customer (either originated by a another broker/aggregator or directly by the CBA bank) and later a Connective broker introduces an increase in the amount of credit or credit limit of a loan (a) Upfront will be paid on Top Up amount (New Money) in accordance with current commission at the time of Top Up, aligned to the broker who introduced the Top Up (b) trail commission will apply and (c) the Upfront and Trail commission paid to the broker must reflect the broker code of the broker who introduced the increase in the amount of credit or credit limit.

Original Loan was introduced by a Connective broker however the Top Up was introduced directly by the CBA bank

- A Connective broker originally introduces a CBA branded loan or line of credit and the customer later applies for an increase in the amount of credit or credit limit of credit directly with the CBA bank (a) CBA will not pay any Upfront commission for the increase in the amount of credit or credit limit (b) Trail commission will apply (c) any trail commission paid to the Connective broker will reflect their broker code who introduced the original loan or credit limit.

Original Loan was introduced by a Connective broker however the Top Up is now introduced by a broker of another aggregator group.

- A Connective broker originally introduces a CBA branded loan or line of credit and later another broker introduces an increase in the amount of credit or credit limit of that loan (a) CBA will not pay any Upfront commission for the increase in the amount of credit or credit limit (b) CBA will not pay any trail commission.

When a Top Up Occurs, if trail is payable, it is payable at the same trail commission rate that applied to that existing CBA banking product immediately before the Top Up.

ENTITLEMENT TO COMMISSION ON PRODUCT SWITCHES

Product switches introduced by Connective broker on loans also initially introduced by the same Connective broker

- A Connective broker introduces a CBA branded loan or line of credit and later the same Connective broker introduces a Product Switch in relation to that CBA banking product (a) CBA will not pay any Upfront commission for the new CBA banking product unless New Money is also introduced. (b) CBA will cease paying trail commission in relation to the former banking product. (c) Trail commission will apply to the new banking product from the date of product switch. (d) any trail paid to Connective broker will reflect the broker code for the Connective broker who introduced the new banking product.

Product switches introduced by another broker/aggregator on loans initially introduced by a Connective broker

- A Connective broker introduces a CBA branded loan or line of credit and later another broker introduces a product switch in relation to that banking product, CBA will cease paying trail commission to the Connective broker in relation to the former banking product.

Product Switches introduced by a Connective broker on loans that were initially introduced by another broker

- Where CBA has a loan or line of credit with a customer (either originated by another broker or directly by the CBA bank) and later a Connective broker introduces a product switch in relation to that CBA banking product (a) CBA will not pay any Upfront Commission for the new banking product unless New Money is introduced (b) CBA will cease paying trail commission in relation to the former banking product. Trail commission will apply to the new banking product from the date of the product switch. (c) any trail paid to Connective broker will reflect the broker code for the Connective broker who introduced the new banking product.

Product Switches introduced by CBA on loans initially introduced by Connective broker

- A Connective broker introduces a CBA branded loan or line of credit and later the customer applies for a product switch in relation to that banking product directly with the bank (a) CBA will not pay any Upfront Commission for the new banking product unless New Money is introduced. (b) CBA will cease paying trail commission in relation to the former banking product (c) Trail commission will apply to the new banking product from the date of the product switch (d) any trail paid to Connective broker will reflect the broker code for the Connective broker who introduced the new banking product.

When a Product switch occurs, if Trail Commission is payable, it is the payable at the same rate Trail commission rate (and is subject to any reming Trail Qualifying Period) that applied to that existing Banking Product immediately before the Product Switch.

OTHER GENERAL INFORMATION ABOUT COMMISSIONS AND OTHER CBA EXPECTATIONS OF A BROKER

- CBA require broker to complete face to face interviews
- All applications must be submitted by brokers, either New loans or Top Ups must be submitted through Third-Party Channel

- Brokers must maintain an appropriate level of policy skills and product knowledge and must satisfy any criteria for ongoing accreditation as specified by CBA from time to time.
- Where CBA has approved a loan as a result of a loan application or established a product as a result of a referral from you or any other party, that contained fraudulent documentation and/or materially false information, then the broker will refund the commission and/or benefits paid to the broker and that broker will not be entitled to any further commission in respect of that loan and /or product, regardless of whether the broker was aware that any document was fraudulent or any information false.
- CBA may suspend, pending completion of their investigations, payment of trailing commissions on (a) all loans introduced by a broker if they reasonably suspect that the broker has acted dishonestly or fraudulently in relation to any matter or in relation to loans CBA identify which contain fraudulent or misleading information.
- At the conclusion of their investigations CBA will either immediately terminate the broker or if entitled to do so lift the suspension. If they lift the suspension, CBA is not liable for any losses or claims the broker may have incurred nor are they liable to compensate them for any loss of potential commission earnings.
- If at any time the broker is not appointed as a credit representative or licensed CBA may suspend payment of commission.
- If there is a complaint against a broker and the broker fails to satisfactorily resolve the complaint, CBA will not pay any commission, including trail commission and bonus payments and the broker will refund any commission paid in respect of, or calculated by reference to, that customer's loan in the following circumstances (a) claim is made by the customer against CBA, including claims made through court proceedings, CBA internal complaint handling scheme and any approved external dispute resolution scheme (b) claim arises from misconduct of , or breach of these terms/conditions by the broker (c) CBA is required, or agree (acting reasonably) to pay the customer, or to release the customer from liability to the CBA, as a result of such claim.
- Broker will not receive commission (a) where the broker submits the application for the Top Up through a channel other than Third Party Channel or the application is approved by an area of the CBA bank other than Third Party Banking Channel.
- If any part of the initial sales process or referral services was undertaken or performed by any other areas of the CBA bank.
- For Top Ups if the broker was not the cause of the provision of additional money.
- Broker agrees to maintain continuous client relationship including client maintenance and service customer retention, addressing general product enquiries on those products offered by us.
- Manage the ongoing relationship with any customers to whom the broker sells MAV which includes keeping in regular contact with these customers to ensure the minimum portfolio balance requirements are maintained.
- When requested by CBA contact the loan customer whose fixed rate period are about to expire to ascertain customers intentions
- Broker must act honestly in their dealings with customers and represent fairly and accurately the terms and conditions of CBA product.

COMMERCIAL LOANS

Definition: Facility means a loan or other facility of CBA as updated by notice in writing by CBA to the broker from time to time, and which the broker is authorised to market.

CLAWBACK

Brokers will repay Upfront Amounts when Facilities are refinanced or repaid for any reason, other than in accordance with the terms and conditions of the relevant Facility, regardless of whether broker was involved with the refinance or repayment or not:

- 0 month up to and including 12 months - 100%
- 12 months up to and including 18 months - 50%
- A review of this provision may be conducted, in CBA's absolute discretion and by way of exception, in the following circumstances: when facilities are refinanced by CBA at the Client's request or when Facilities are repaid where they are satisfied there has been a bona fide repayment (excluding refinancing with another financial institution) by the client.
- Where CBA consider in their absolute discretion that the broker is seeking to refinance Facilities at a rate or in a manner which may constitute churning or engaging in conduct where the major reason for seeking to refinance facilities is the generation of remuneration rather than servicing od client's needs, and Facility is repaid in full or the Facility terminated or cancelled within 18 months of the settlement date of the Facility, then broker must refund to CBA an amount equal to the total amount of the upfront amount paid to the broker in respect of that Facility.

- Where CBA consider (in their absolute discretion) that they approved a Facility as a result of a Facility application that contained fraudulent documentation and/or materially false information, Broker will refund to CBA total commission and any upfront paid to the broker.

UPFRONT & TRAIL

Facility Limits Total	Upfront Amount (incl GST)	Commission (Incl GST)
Less than \$150,000	Nil	Nil
\$150,000 to \$3 million	0.55% of approved Facility limit payable on initial drawdown	0.275% per annum calculated on the daily outstanding balance (not limit) and payable monthly in arrears.
Greater than \$3 million to \$10 million	55% of establishment fee received by the Bank payable on initial drawdown with a minimum of \$16,500 unless otherwise agreed	Negotiable to a maximum limit of 0.275% per annum calculated on the daily outstanding balance (not limit) and payable monthly in arrears
Greater than \$10 million	Not greater than 55% of establishment fee received by the Bank payable on initial drawdown	Negotiable to a maximum limit of 0.275% per annum calculated on the daily outstanding balance (not limit) and payable monthly in arrears

- No commission will be paid on provision of Bank Guarantees and Documentary letters of Credit Facilities.
- In determining the applicable Facility balances:
 - Undrawn limits on Facilities will not be included
 - Where a Facility is used in whole or in part to repay an existing borrowing from CBA, in calculating the loan balance of that facility, they deduct the amount required to repay the existing borrowing from the Facility balance outstanding at the end of each month; and
 - The face value of bills are taken to be the Facility balance.
- CBA will not pay commission on any facility:
 - In arrears or otherwise in default in accordance with Facility terms
 - In excess of its approved limit
 - That is provided wholly or partly for bridging finance
 - That is refinanced as a result of a client initiated or consequent upon any default whether or not subsisting
 - That is repaid
 - That is refinanced by an external lender or party
 - May not in CBA's absolute discretion pay commission or upfronts in relation to applications for Facilities where you are the client, or you are a relative or related body corporate of the client.
- Commission will be calculated on the daily outstanding Facility balances for the approved term of each Facility and paid monthly in arrears. The upfront amount will be paid by the end of the month following the month of settlement.
- CBA will not pay any commission on Facilities where any part of the Services relevant to a Facility for a client has been undertaken or performed by other areas of their network, other than for clarifying or advising on how those Services should be performed by broker, or for sales completion, or Facility settlement purposes.
- A broker will not receive any upfront or commission for an extension or increase of the limit or amount of an existing Facility provided to a client unless the broker is the effective cause for the provision of that extended or increased limit or amount and the extension or increase is not less than \$50,000
- In the case of a Facility approaching maturity the broker will not receive any upfront amount or commission unless the broker initiated and are the effective cause of the establishment of a replacement Facility.

All percentages and \$amounts are inclusive of GST



CLAWBACKS

- No clawbacks apply to Connective Advance by Thinktank loans, with the following exceptions.

- In the event that Connective Advance by Thinktank, within six (6) months of the initial settlement of a loan becomes (in its reasonable opinion) obliged to refund the Establishment Fee/Application Fee to the borrower with respect to a loan the broker shall after receipt in writing refund the Upfront payment received from Connective Advance by Thinktank with respect to the loan,

UPFRONT

- Brokers may, at their discretion, elect to take up to 1% of the approved loan amount in an upfront payment. This will be incorporated into the Establishment Fee described in the confirmation of formal finance approval and subsequent letter of offer and paid to the broker post settlement.
- Upfront will be payable on or before the last day of the month following the drawdown of the loan.

INTRODUCER FEES

- Brokers may, at their discretion., elect to take up to 0.50% of the approved loan amount in introducer fees. This will be incorporated into the borrower interest margin described in the letter of offer and paid to the Connective on a monthly basis post settlement.
- Introducer fees will be paid for the life of the loan only while the loan is not in arrears or default. Where a loan falls into arrears by the equivalent of one full payment or more, introducer fees will be suspended, and will accrue, while the loan remains in arrears. Should the loan be brought fully up to date, any accrued and unpaid introducer fees will be paid to Connective.
- Introducer fees will only be paid whilst the brokers Professional Indemnity Insurance remains up to date and Thinktank has been provided with a satisfactory certificate of currency.
- The introducer fee will be calculated on the 8th day of each month for the previous month and is payable monthly in arrears.



CLAWBACKS

If a loan is terminated or repaid in full for any reason:

- Within 12 months of the first draw down, the broker must repay 100% of the initial and additional upfront commission paid on the loan; or
- After 12 months but within 24 months of the first draw down of the loan, the broker must pay 50% of the initial and additional upfront commission paid on that loan.

UPFRONT

- The initial upfront commission will be calculated based on the Net Loan Balance on the Initial calculation date. The initial upfront commission will be paid in the month following the initial calculation date.
- Additional Upfront Commission Review: In respect of a loan, at 90 days and on the 1 year anniversary from the date of the first draw down of that loan, the net loan balance on that date (excluding any variation increases) is greater than the net loan balance of the initial calculation date (less any contractual repayments) by an amount greater than or equal to \$50,00, then an additional amount of commission will be paid to the broker (90 day and 1 year test)

TRAIL

- Will be calculated on the monthly loan balance



RESIDENTIAL LOANS

CLAWBACKS

Where any New Loan or Variation by Further Advance is fully repaid by borrower within 12 months of the settlement date, the broker will refund to Bluestone the upfront commission paid on the New Loan or Variation (whichever is applicable) as follows:

- Where any new loan or Variation by Further Advance is fully repaid within first 6 months from settlement date broker will be required to refund 100% of the Upfront Commission
- Where any new loan or Variation by Further Advance is fully repaid within months 7 to 12 from settlement date broker will be required to refund 50% of the Upfront Commission
- Bluestone may deduct any refund from any commissions due to the broker by Bluestone. To the extent not deducted, the refund will be payable within 10 business days of the end of the calendar month in which the New product or Variation by Further Advance is repaid.

UPFRONT and TRAIL

For Loans submitted from 1st November 2021 which subsequently settle, commission will be paid as follows:

Product	Verification	Upfront Commission	Trail Commission
Prime	Full	0.715%	0.165%
Prime	Alt	0.715%	0.165%
Near Prime	Full	0.715%	0.165%
Near Prime	Alt	0.715%	0.165%
Specialist	Full	0.715%	0.165%
Specialist	Alt	0.715%	0.165%
Specialist Plus	Full	0.715%	0.165%
Specialist Plus	Alt	0.715%	0.165%

- Upfront Commission for each loan is based on the initial principal sum of the loan net of any funds held in offset accounts or available via redraw and calculated at the end of the month in which the loan settles using the Upfront Commission in the table above.
- Upfront commission payments are paid by the 15th of the month following the month in which the loan is settled. Twelve (12) months after the date of settlement, a subsequent check is undertaken, If the utilised loan amount increased by \$50,000 or more a further upfront commission on the difference will be paid.
- Trail commission is payable on a monthly basis by the 15th day of each calendar month for the previous month's activity.
- Trail commission is calculated by multiplying the Trail Commission rate for the loan product in the table above by the balance of the principal outstanding as at the last business day of the month.

Further Advances

- Where Bluestone provides a further advance to a borrower on an existing settled loan, the upfront commission based on the loan product in the table above is payable on the net increase amount, not the new approved credit limit. Trail commission will be calculated on the new outstanding loan balance as outlined above.
- Upfront will be paid at 0.715% on further advances.

For Loans submitted from 1st November 2020 to 31st October 2021 which subsequently settle, commission was paid as follows:

Product	Verification	Upfront Commission	Trail Commission
Prime	Full	0.715%	0.165%
Prime	Alt	0.715%	0.165%

Near Prime	Full	0.77%	0.165%
Near Prime	Alt	0.77%	0.165%
Specialist	Full	0.77%	0.275%
Specialist	Alt	0.77%	0.275%
Specialist Plus	Full	0.77%	0.275%
Specialist Plus	Alt	0.77%	0.275%

For Prime loans submitted up to and including the 31st October 2020, that subsequently settle, Upfront commission was paid at 0.66%.

The amount of commission payable to a broker for further advances is dependent on whether or not the same broker originated the loan.

- Will pay upfront on subsequent drawdowns of \$20,000 or more (in a single transaction) which occurs within 12 months of the initial drawdown date up to the original approved amount.
- Where Bluestone provides a further advance to a borrower and the broker that introduced the further advance also introduced the original loan, the upfront commission (based on the Product above) is payable on the net increase amount, not the new approved credit limit. Trail commission will be calculated on the new outstanding balance based on loan product (see table above) and will be paid to the same broker.
- Where Bluestone provides a further advance to a borrower and the broker that introduced the further advance did not introduce the original loan, the upfront commission (based on Product above) is payable only on the net increase amount, not the new approved credit limit. The trail commission will be calculated on the new outstanding balance and is payable to the broker that introduced the original loan, not the broker that introduced the further advance, unless otherwise agreed in writing.
- No trail commission will accrue in respect of loans during any period the loan is in default. Once any default has been rectified, trail commission will commence again but will not be paid for the default period.



Connective Home Loan Essentials by Advantedge

RESIDENTIAL LOANS

CLAWBACK

For new loans and variations approved and instructed up to and including Sunday 11th November 2018

- If the loan is refinanced or repaid in full within 18 months after the date on which Advantedge makes the first advance on the loan, the broker must immediately repay 50% of all upfront commission paid in relation to the loan.

For new loans and variations approved and instructed from Monday 12th November 2018

If the loan is refinanced or repaid in full up to and including the first 12 months after the date on which Advantedge makes the first advance on the loan, the broker must immediately repay 100% of all upfront commission paid in relation to the loan.

- If the loan is refinanced or repaid in full, from 13 months up to and including 24 months after the date on which Advantedge makes the first advance on the loan, the broker must immediately repay 50% of all upfront commission paid in relation to the loan.
- After 24 months: 0%

UPFRONT

Effective for Loans that settled from 1st January 2021, Subsequent Drawdown Commission will be calculated based on the following business rules:

- NAB has removed the flat \$350 loan variation fee.
- The period of Subsequent Upfront Commission is 365 days (even including leap years).
- For a loan variation Subsequent Upfront Commission is paid on any variation at the end of the period (365 days) based on the net debit balance (net of offset) provided the increase is by \$20,000 or more.
- For new residential loans. Paying Subsequent Upfront Commission at the end of the (365 days) based on the net debit balance (net of offset) difference between the initial upfront commission calculation and the end of period (being greater than or equal to \$20,000)
- For varied residential loans (limit increase). The variation of Subsequent Upfront Commission will look at the difference in net debit balance (net of offset) on day 365 from the most recent variation drawdown day 5 net debit balance (being greater than or equal to \$20,000).

For new loans approved and instructed from Monday 12th November 2018

NOTE: CHL Essentials have put current Subsequent Drawdowns on hold due to the conflicted Remuneration Rules applicable from 1st January 2021

- For new loans effective 12/11/2018, Upfront Commission will be calculated based on the drawn net loan balance on the 5th Calendar Day after each drawdown. Net balance includes the drawdown amount, prepayments, fees, applied interest (not accrued) and transactions.
- Construction loans will continue to be calculated based on settled limit.
- If a customer retains funds to be used at a later date, they will pay upfront commission on the subsequent drawdown amount (i.e. on loan funds used after the initial drawdown) provided the initial settlement occurs after 12/11/2018 and the subsequent drawdown occurs on or after the 6th calendar day from initial draw date and occurs within 12 months of the initial drawdown date and is for an amount equal to, or greater than \$20,000 up to the maximum loan split limit.
- The maximum commission payable for a subsequent drawdown must not exceed the commission payable if the loan account was fully drawn as at 5 calendar days after the initial settlement.
- Do not pay upfront on subsequent drawdowns on construction loans, variations or if the purpose of the subsequent drawdown is not disclosed in the loan application.
- Construction loans will continue to be paid based on the approved split limit.

For variations approved and instructed from Monday 12th November 2018

- For variations involving increases approved and instructed from 12/11/2018 will be calculated based on net debt increase on the 5th calendar after the loan is drawn down. The net debt increase is established by calculating the difference between a) Loan balance on the day before the date of drawdown and b) loan account balance on the 5th calendar day following the date of drawdown.

TRAIL

- Trail commission is payable at a percentage (refer Commission Schedule for % amount) of the outstanding loan balance of a loan as at the last business day of each calendar month.
- Where the lender makes the first advance on a loan during a calendar month, trail commission in relation to the loan for that calendar month will be calculated on a daily basis for the period from the date of first advance until the last business day of the calendar month and
- Where a loan is repaid in full during a calendar month, the trail commission in relation to that loan for that calendar month will be calculated on a daily basis for the period from the first business day of that calendar month to the calendar day immediately prior to the date that the loan is fully repaid
- Trail will not be paid on any loan which is in arrears for at least 60 days or if legal proceedings have commenced in relation to that loan.
- Trail will recommence on any loan that was in arrears once all arrears are paid in full in respect of that loan, but they will not pay commission for any period in which that loan was at least 60 days in arrears or during which legal proceedings were undertaken in relation to that loan.
- Trail will cease on a loan if the credit on the loan is increased other than due to an application submitted by an accredited representative.

- Trail will cease if the broker acted fraudulently, dishonestly, unconscionably or negligently with respect to any application



Connective Home Loan Select by
Bendigo & Adelaide Bank

RESIDENTIAL LOANS

Definitions

Participating Loan: is a CHL Select by Bendigo and Adelaide Bank loan introduced by a broker.

For loans contracted on or after 1st August 2020, the following Clawback, Upfront and trail applies:

CLAWBACK

In the event that the account is repaid in full Adelaide Bank will:

- Clawback 100% of the upfront if the loan is paid out in the first 12 months.
- Any variation commission shall be included in the commissions which the bank is entitled to clawback if the loan is paid out in the first 12 months.

UPFRONT

- The upfront commission will be paid within three business days after the last day of the calendar month in which the product was settled or in the case of construction loans, within three business days of the last day of the calendar month in which the first draw down occurs and is calculated on the principal value of the participating loan less the offset balance as at the end of the month in which the participating loan is advanced.
- For each Product contracted on or after 1 August 2020, the broker will in respect of each calendar month during the period of 12 months after such Product was contracted, be entitled to a commission (Variation Commission) on any (positive) increase as at the last day of such calendar month from the first day of such calendar month, in the closing balance of the relevant Product less the balance of any linked offset account (not taking into account any credit increases or interest capitalisation in such calendar month), provided that such increase in any such calendar month is equal to or exceeds \$20,000.
- Upfront Commission on construction loans will be calculated on the approved amount.
- An upfront commission will be payable in respect of advanced credit increases equal to or greater than \$10,000 in any calendar month at the rate of the upfront commission applicable as at the date of the advance of the relevant credit increase.
- For internal refinances upfront commission will only be paid on the (positive) difference between the balance of the loan product being refinanced and the balance of the new loan product taking into account the balance of any linked offset account.
- The upfront commission on Go Between loans will be calculated on the loan contract end debt amount.
- The aggregate of all upfront commission and variation commission payable to a broker in respect of a loan product will not exceed the amount of the upfront commission payable on the original loan amount of such product. (Disregarding any linked offset account balance).
- No upfront commission will be payable if (1) the balance of the linked account exceeds the loan balance (2) in respect of a loan product conversion.

TRAIL

- Trail is calculated daily, paid monthly and is calculated based on the principal outstanding of the participating loan less any offset balance.
- Trail will no longer be paid for accounts in default or greater than sixty (60) days in arrears in which case payment of the ongoing trail will immediately resume once the default or sixty (60) day arrears level is rectified but will not be paid for the period of default or sixty (60) day arrears.
- Trail will no longer be paid where in relation to a loan Adelaide Bank suspects on reasonable grounds that a broker is involved in any act of deceit, dishonesty, fraud, or illegal activity either directly or as an accessory. Adelaide Bank will provide evidence of those reasonable grounds on request.



Effective 1st February 2019, Macquarie Bank withdrew their white label products. Connective HL Smart Options was funded by Macquarie, so access to these loan products is no longer available.

RESIDENTIAL LOANS

Definition:

- Initial Fee (Upfront) in respect of all products is calculated as a percentage of the amount of each loan advanced (drawn down) during the month.
- Loan – means a product that is offered for sale as a Connective Smart Options Home loans (Macquarie)
- Variation Fee – means the fee paid for an existing loan that has an increase to the principal loan amount
- Settlement date – means the date on which a loan settles for all products (excluding construction loans). For construction loans, the settlement date is the date on which the loan is fully drawn (all funds advanced).

CLAWBACK

For loans that settle from 1 December 2018

Where a New Product Loan is fully repaid within 18 months of the settlement date, the broker will refund to Macquarie the Initial Fee, the Variation Fee or Product Change Fee (whichever) in accordance with the below:

- Where a New Product Loan is fully repaid between 0 to 365 days from the settlement date – 100% clawback
- Where a New Product Loan is fully repaid between 366 to 548 days from settlement date – 50% clawback

For loans settled from 1st April 2018

Where a loan is fully repaid within 548 days of the settlement date, the broker will refund to Macquarie the Initial Fee, the Variation Fee (whichever) is applicable as follows:

- Where a loan is fully repaid between 0 to 365 days from settlement date – 100% clawback.
- Where a loan is fully repaid between 366 to 548 days from settlement date – 50% clawback.
- In addition, if in respect of a loan, on the last day of the 6th calendar month after settlement date, the loan balance is less than the amount drawn down at settlement by an amount greater than or equal to \$50,000 (Partial Repayment), excluding any contractual repayments, then the broker must refund to Macquarie a proportion of the Initial Fee paid to the broker. The refundable amount is equal to the Initial Fee percentage multiplied by the total amount of the partial repayment. For avoidance of doubt, the loan balance is reduced by any amounts that are in an offset or redraw account or by partial discharge. The partial repayment may be a lump sum payment or cumulative payments over the 6-month period.

For loans that settled to and including 31st March 2018

Where a loan is fully repaid within 1095 days of the settlement date, the broker will refund to Macquarie the Initial Fee, the Variation Fee (whichever) is applicable as follows:

- Where a loan is fully repaid between 0 to 365 days from the settlement date – 100% clawback
- Where a loan is fully repaid between 366 to 548 days from settlement date – 70% clawback
- Where a loan is fully repaid between 549 to 730 days from settlement date – 50% clawback
- Where a loan is fully repaid between 731 to 1095 days from settlement – 25% clawback

UPFRONT

- For loans that settle on or after 1 December 2018 upfront will be calculated on loan account balance (net of any offset balances) rather than full loan limit.
- Upfront for a Construction Loan is calculated on the approved credit limit.
- After 12 months, Macquarie will look at each loan account balance and pay an additional commission on the difference between the current loan account balance (net of any offset balances) and the loan account balance used in the initial upfront calculation (net of any offset balances) as long as the amount is greater than or equal to \$50,000.
- For loans that settle from 1st October 2018, Upfront payable is 0.66%.
- For loans that settled from 1st April 2018 to 30th September 2018 Upfront payable was 0.715%
- For loans that settle from 1st October 2017 to 31st March 2018, Upfront payable was 0.66%.
- For loans that settled to and including 30th September 2017, Upfront payable was 0.77%.
- A Variation Fee is calculated for each completed referred variation which increases the principal loan amount as follows.
 - For a principal increase of less than or equal to \$40,000 – a fixed fee of \$220 (incl. GST) will be paid.
 - If there has been a principal increase, for each loan, upfront will be calculated based on current upfront commission rate, on the amount of increase

TRAIL

- For loans that settled from 1st April 2018, trail payable is 0.165%
- For loans that settled to and including 31st March 2018, trail payable was 0.1925%
- Trail for each loan, for each calendar month, is calculated on the average daily balance from the settlement date
- Trail is no longer payable when the principal amount of the loan is below \$10,000
- Trail on a loan will cease during any period the loan is in default (whether payment default or otherwise) for a consecutive period of two (2) months) or more, or during any period the loan is subject to a financial hardship arrangement with Macquarie. For avoidance of doubt, there will be no reimbursement of any trail fee during the period it is ceased.
- Trail will cease when Macquarie suspects on reasonable grounds that the broker has contributed or is found guilty of any act of deceit, dishonesty, fraud or illegal activity, either directly or as an accessory. For avoidance of doubt, there will be no reimbursement of any trail fee during the period it is ceased.

OTHER

- Application for a variation to a loan submitted by a Broker, the payment of the Variation Fee and the entire associated Trail Fee will be made to the Broker who submitted the referred variation.



RESIDENTIAL LOANS

CLAWBACK

Definition: Initial Fee is defined as Upfront commission paid to a broker.

For Prime Home Loan Product Applications received before the 23rd May 2022

- If the principal amount outstanding under a loan is repaid in full within the first 12 months of the term of the loan (whether as a result of voluntary early repayment or otherwise) then 100% of the Initial Fee must be refunded by the broker to CHL Solutions by Pepper
- If the principal amount outstanding under the loan is repaid in full during months 13 – 18 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial Fee must be refunded by the broker to Pepper.

For the Non-Conforming Loan Product Applications received before 23rd May 2022.

- If the principal amount outstanding under a Loan is repaid in full within the first 6 months of the term of the loan (whether as a result of voluntary early repayment or otherwise), then 100% of the Initial Fee must be refunded by the broker to Pepper.

- If the principal amount outstanding under a loan is repaid during months 7-12 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial fee must be refunded by the broker to Pepper.

For Prime and Non-Conforming Loan Product applications received from and including 23rd May 2022:

- If the principal amount outstanding under a loan is repaid in full within the first 12 months of the term of the loan (whether as a result of voluntary early repayment or otherwise) then 100% of the Initial Fee must be refunded by the broker to CHL Solutions by Pepper
- If the principal amount outstanding under the loan is repaid in full during months 13 – 18 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial Fee must be refunded by the broker to Pepper.

If the principal amount outstanding under the loan is repaid in full during months 13 – 18 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial Fee must be refunded by the broker to Pepper

UPFRONT

CHL Solutions Loan Products	Up Front	Trail Commission Rate
For Prime Loan applications received before 23 rd May 2022	0.77% of the loan amount net of offset sub-account or redraw balance for each settled loan.	0.165% per annum, of the outstanding balance of each loan settled as at the last day of each calendar month
For Non- Conforming Loan applications received before 23 rd May 2022.	0.66% of the loan amount net of offset sub-account or redraw balance for each settled loan.	0.22% per annum, of the outstanding balance of each loan settled as at the last day of each calendar month
For Prime Loan and Non-Conforming Loan applications received on and from 23 rd May 2023	0.715% of the loan amount net of offset sub-account or redraw balance for each settled loan.	0.165 % per annum, of the outstanding balance of each loan settled as at the last day of each calendar month in years 1 & 2. 0.198% per annum, of the outstanding balance of each loan settled as at the last day of each calendar month from year 3 on.

- Will calculate up front commission payments at the time of settlement, net of offset and redraw, for each settled loan calculated at the date of commission payment.
- No upfront in respect of a loan is payable until 75% of the total loan amount is drawn down.

TRAIL

- Will be calculated on the outstanding balance of each settled loan as at the last business day of each calendar month and payable on the 15th day of the following calendar month (or the next business day after the 15th of the month if the 15th is not a business day in Sydney).
- No trail will be paid if any security in respect of the loan is enforced
- Trail fee in respect of a loan will be suspended if the loan is sixty (60) days or more in arrears at any time. Once any arrears are rectified, the trail will commence again but will still not be paid for the arrears period.
- If a broker, who is not the original broker who referred the loan to CHL Solutions by Pepper, introduces a variation or principal increase to a loan, all trail fees for that loan will cease to be paid to the original broker.

- If a broker is terminated due to fraud, forgery or misrepresentation, the broker's entitlement to all trailer fees ceases.

COMMERCIAL LOANS

Definition - The CHL Solutions Commercial Real Estate product suite includes all commercial real estate loans. CHL Solutions Commercial may designate additional products it offers from time to time. Initial Fee is the upfront fee on settlement date.

CLAWBACKS

If the principal amount outstanding under a CHL Solutions Commercial Real Estate product loan is repaid in full within the first 18 months of the loan being settled (whether as a result of the borrower being in default under, or discharge of the loan agreement or otherwise), then the broker must pay CHL Solutions Commercial a sum equal to the proportion of the initial fee applicable for the loan as follows:

- **Repayment Period – Month 0-12 100% of the initial upfront fee.**
- **Repayment Period – Month 13-18 50% of the initial upfront fee.**

UPFRONT

- **An initial fee will be calculated on the loan amount net of offset sub account or redraw balance for each settled loan. Calculated on or shortly after settlement date.**
- **Initial fee for additional amounts drawn down during the first year after settlement, as follows:**
 - **CHL Solutions Commercial will, after the first anniversary of each borrower's settlement date (anniversary date) calculate the maximum drawn down amount net of offset sub-account and redraw balance for each borrower's loan. Shortly after the anniversary date of each borrower's loan CHL Solutions Commercial will either (i) pay the broker an additional initial fee at the applicable upfront rate for funds drawn down from any relevant borrowers offset sub-account or redraw balance within 12 months of the settlement date, or (ii) where the amount of the initial fee paid by CHL Solutions Commercial to the broker is greater than the amount payable by CHL Solution Commercial in respect of the maximum drawdown net of offset and redraw balance for any relevant borrowers' loan, require the broker to refund the difference to CHL Solutions Commercial within 3 months of the anniversary date. Alternatively, CHL Solutions Commercial may, in its absolute discretion, set-off or deduct this amount from any payable amount by CHL Solutions Commercial to the broker.**

TRAIL



- **Trail is calculated based on the outstanding balance of each loan settled as at the last day of each calendar month and payable by the 15th of the following calendar month (or next business day after the 15th month if the 15th is not a business day in Sydney).**



DEPOSIT ASSURE BONDS

Definitions

- EDB means an Express Deposit Bond issued by Deposit Assure for a term of not greater than six (6) months.
- SDB means a Standard Deposit Bond issued by Deposit Assure that satisfies any one of the following conditions:
 - the Deposit bond has a term greater than six (6) months; and/or
 - the Deposit Bond is for the use in relation to a property where the purchaser is a company, trust or superannuation fund; and/or
 - the Deposit Bond is for use in relation to a property where there is not, at the time of purchase, sufficient funds or financing to complete the purchase, and the application is assessed based on factors including the property equity, the income of the applicant and the income of any guarantor.

	<p>UPFRONT</p> <ul style="list-style-type: none"> The commission will be 25% of the SDB deposit bond premium received by Deposit Assure for each SDB arranged by a broker. For the avoidance of doubt, Deposit Assure will only pay a commission in respect of SDB Fees after Deposit Assure has received those SDB Fees. The commission will be 25% of the EDB deposit bond premium received by Deposit Assure for each EDB arranged by a broker. For the avoidance of doubt, Deposit Assure will only pay a commission in respect of EDB Fees after Deposit Assure has received those EDB Fees. <p>CLAWBACKS</p> <ul style="list-style-type: none"> If an applicant cancels a Deposit Bond or returns a Deposit Bond and Deposit Assure refunds any part of the SDB Fees or EDB Fees Deposit Assure will be entitled to receive a full refund of the commission paid to the broker with respect to that Deposit Bond.
	<p>DEPOSIT POWER BONDS</p> <p>Definitions</p> <ul style="list-style-type: none"> LTDPG means a Long-Term Deposit Power Guarantee issued for a term greater than 6 months but not greater than 48 months. STDPG means a Short-Term Deposit Power Guarantee issued for a term of no greater than 6 months. <p>UPFRONT</p> <ul style="list-style-type: none"> The commission will be 25% of the STDPG Fees received by Deposit Power for each STDPG arranged by the broker. For avoidance of doubt, Deposit Power will only pay a commission in respect of STDPG Fees after it has received those STDPG Fees. The commission will be 20% of the LTDPG Fees received by Deposit Power for each LTDPG arranged by the broker. For avoidance of doubt, Deposit Power will only pay a commission in respect of LTDPG Fees after it has received those LTDPG Fees. <p>CLAWBACKS</p> <ul style="list-style-type: none"> If the Deposit Bond applicant cancels a DPG application or returns a DPG and Deposit Power refunds any part of the DPG Fee, Deposit Power will be entitled to receive a refund of the commission paid to the broker.
	<p>PLEASE NOTE: emoney was previously known as Australian First Mortgage having changed their name on 08 October 2019. <u>emoney is no longer a lender on the Connective Panel.</u></p> <p>CLAWBACK</p> <p>NEW AFM LOAN PRODUCTS – from 1st April 2021</p> <p>For all applications received from this date.</p> <p>Wellness (Well Nigh) Loan Products</p> <ul style="list-style-type: none"> - 0 up to and including 12 months: 100% <p>All other residential loan products</p>

- 0-12 months 100%
- 13 – 18 months 50%

NEW AFM LOAN PRODUCT – from 1st January 2019

All residential loan products

- 0 to up to and including 12 months: 100%
- 13 months up to and including 18 months: 50%

NEW AFM LOANS PRODUCTS – from 1st July 2017 For loans funded whilst Australian First Mortgage

NEW LOANS	0 - 12 Months	12 Mths + 1 day to - 18 Mths		
Enhance (Adelaide Bank)	100%	50%		
Advance (Advantedge Financial Services)	100%	50%		
Value Option (Firstmac Limited)	100%	50%		
Premium Option (Origin)	100%	50%		
	0 - 12 Months	13 – 18 months	19 – 24 months	25 – 36 months
Breakthrough (Resimac) All Prime, NGS & NRAS	100%	75%	50%	25%
	0 – 12 months	12 Mths + 1 day to - 24 Mths	24 Mths + 1 day to - 36 Mths	36 Mths + 1 day to - 48 Mths
Breakthrough (Resimac) Specialist Lending	50%	0%	0%	0%
	0 – 6 Months	7-12 Months	13-18 Months	
Refresh Prime	100%	100%	50%	
Refresh Near Prime & Specialist	100%	50%		
INCREASES/VARIATIONS				
	0 - 12 Months	12 Mths + 1 day to - 18 Mths		
Enhance (Adelaide Bank)	100%	50%		
Advance (Advantedge Financial Services)	100%	50%		
Value Option (Firstmac Limited)	100%	50%		
Premium Option (Origin)	100%	50%		
	0 - 12 Months	13 – 18 months	19 – 24 months	25 – 36 months
Breakthrough (Resimac) All Prime, Quickstart & NRAS	100%	75%	50%	25%

	0 – 12 months	12 Mths + 1 day to - 24 Mths	24 Mths + 1 day to - 36 Mths	36 Mths + 1 day to - 48 Mths
Breakthrough (Resimac) Specialist Lending	50%	0%	0%	0%
	0 - 12 Months	7-12 Months	13-18 Months	
Refresh (Pepper Prime)	100%	50%		
Refresh (Pepper Near Prime & Specialist)	100%	50%		

UPFRONT & TRAIL

Commission payable for New and Variations from 1st April 2021. All residential and commercial Standard products

Upfront: 0.715%

Trail: 0.165%

Commission payable for New and Variations from 1st January 2019.

Upfront: 0.715%

Trail: 0.165%

- The amount of upfront commission will be calculated based on net balance (Drawn Amount less any offset/amount retained in redraw) as at the end of the month the loan settled.
- Increases/Variations: the upfront commission will be paid on the net debt increase at the original upfront commission percentage or 65% plus GST of the flat fee emoney receive based on the loan product.
- Construction loans: The upfront commission will be paid based on the approved limit.
- Adelaide Bank Increase Only – Minimum increase of \$20,000 for commission payment to be payable. Well Nigh Increase. – Flat fee of \$150.00 for all increase/variations.
- Subsequent Drawdowns – Upfront commission will be subject to review on the 12th month anniversary of the loan settlement subject to the introducer making a claim to review the net loan increase.
- Resimac Increase Only – Minimum drawdown of \$50,000 for commission payment to be payable.
- Commissions on all **Residential Promotional** products
Upfront – will vary from 0.44% to 0.715% as advised at the time of promotion. Trail - will vary from 0.00% to 0.165% and will be advised at the time of promotion.




RESIDENTIAL LOANS

CLAWBACK

- 100% if loan is repaid in first 12 months

50% if loan is repaid over 12 months but within 18 months

	<p>UPFRONT</p> <ul style="list-style-type: none"> • For loans that settle in January 2019, with commission paid in February 2019, upfront commission will be calculated based on the amount drawn down by the borrower within five (5) calendar days from the date of settlement, net of any funds held in offset accounts. • From January 2019, a further upfront commission payment will be calculated on subsequent drawings after the first 12 months, where the net loan balance is greater than at time of settlement, and the minimum amount payable is greater or equal to \$100. This further upfront payment will be made in month 13 and cannot exceed as if the loan was fully drawn at settlement. • There are no changes to commission for construction loans.
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	<p>RESIDENTIAL LOANS</p> <p>CLAWBACK</p> <ul style="list-style-type: none"> • 100% of upfront if loan is repaid on or before 91 days from funding date • 50% of upfront if loan is repaid after 91 days from funding date and on or before 730 days from funding date • Additional advances to an existing loan, will vary the commencement date for the clawback period to the date of the most recent advance <p>UPFRONT</p> <ul style="list-style-type: none"> • Effective 1st February 2019, the initial upfront commission will be based on the utilization of funds calculated by taking the drawn down amount, net of any funds in redraw, in advance or an offset account. The calculation will occur on the last day of the calendar month when the loan settles. • Subsequent Upfront Commission - Effective 1st February 2019, on the 12-month anniversary from initial upfront commission a subsequent upfront commission will be paid on the difference in the amount of unutilised funds between the initial and the subsequent calculation, but only if the difference is greater than \$20,000. • For loans settled on or prior to the 31 August 2015 Upfront of 0.66% was paid on the following loans: <ul style="list-style-type: none"> - Low Rate Plus Package Variable/Fixed loan - Premium Package Variable/Fixed loan - Standard Variable/Fixed loan - Construction Variable loan - Land Loan Variable/Fixed loan - EquiSmart line of credit was paid an upfront of 0.495% calculated on the credit facility limit. - Low Rate Essential Variable loan was paid an Upfront of 0.605% • For Construction loans, upfront will be payable in two instalments <ul style="list-style-type: none"> - Instalment 1, calculated as a percentage of the initial principal amount advanced during the preceding calendar month e.g. initial drawing to facilitate purchase of land - Instalment 2, calculated as a percentage of the balance of the total contracted loan amount after deduction of the initial principal amount advanced, and payable should the second loan drawing i.e. under an approved fixed price building contract, be completed in the preceding calendar month • Where a loan contract providing Progressive advance arrangements (excluding Construction Loans) has been agreed by Gateway, Upfront will be calculated as a percentage of the principal amounts advanced on each occasion until the sum of amounts advanced equals the contracted loan amount or as otherwise determined by Gateway at its sole discretion. <p>TRAIL</p> <ul style="list-style-type: none"> • For Loans settled on or prior to the 31 August 2015 trail was paid on the following loans: <ul style="list-style-type: none"> - 0.22% in year 1 (the first year) and beyond on Standard Variable/Fixed loan, Construction Variable loan, Land Variable/Fixed loan & EquiSmart Line of Credit. - 0.165% in year 1 (the first year) and beyond on Low Rate Plus Package Fixed loan & Premium Variable/Fixed loan
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- 0.11% in Year 1, 0.165% in year 2 & 0.22% in year 3 and beyond on the Low Rate Essential Variable loan and Low Rate Plus Package Variable loan
- Trail commission is calculated on average daily outstanding principal balance of the loan during the preceding month.
- Trail Commission will be suspended with respect to any loan that is in default commencing 60 days after the date on which it became in default until the date when the loan ceases be in default.
- If loan is in default by more than 60 days on 3 or more occasions, no further trail commission will be payable in respect of the loan, even if the loan ceases to be in default.
- Trail Commission is not subject to clawback
- Where 100% loan offset arrangements apply, trail will be calculated on the net average outstanding principal balance of the loan during the preceding month i.e., loan balance minus offset account balance

COMMERCIAL LOANS

CLAWBACKS

Refund in full of any loan within the Clawback Period will trigger a partial refund of the Upfront Commission payment:

- Repayment on or before 91 days from the funding date – 100% of Upfront Commission to be repaid by the broker.
- Repayment after 91 days from funding date and on or before 730 days from funding date – 50% of Upfront Commission to be repaid by the broker.
- Additional advances to an existing loan will vary the commencement date for the Clawback Period to the date of the most recent advance.

UPFRONT

- Generally, Upfront Commission is calculated as a percentage of the principal amount advanced under a loan.

TRAIL

- **Trail** commission is calculated on the average daily outstanding principal balance of the loan during the preceding month.





RESIDENTIAL LOANS

Definition: Expired Loan means an approved loan:

- That has been terminated, cancelled, withdrawn, not accepted, rejected or lapsed without Heritage providing any credit to the Customer
 - Under which Heritage has not provided credit to the Customer within what heritage considers a reasonable time after approval; or
 - That has been paid out, discharged or has otherwise terminated or ended.
- : Retail Loan – means an Approved Loan that will not be applied wholly or predominantly (a) personal, domestic or household purposes; or (b) to purchase, renovate or improve property for investment purposes.
- : Business Loan – means an Approved Loan that will **not** be applied wholly or predominantly (a) for personal, domestic or household purposes; or (b) to purchase, renovate or improve residential property for investment purposes.

CLAWBACK

	<p>Clawback applies if an approved Loan becomes an Expired Loan during this period after Heritage first provides credit:</p> <ul style="list-style-type: none"> • 100% clawback if loan repaid within first 12 months • 50% clawback if loan repaid after 12 months but within 18 months • 0% clawback if loan repaid after 18 months <p>UPFRONT</p> <ul style="list-style-type: none"> • From 1st March 2019, Heritage will pay upfront commission on full funded loan amount, minus the balance outstanding to the customer's credit under an offset arrangement on the 5th calendar day after settlement of the relevant loan approved, of all approved loans funded and settled during a calendar month. The upfront commission is payable by the 10th calendar day in the month following the month in which the relevant approved loan settles. • No upfront commission is paid on their Bridging Loan <p>TRAIL</p> <ul style="list-style-type: none"> • From 1st March 2019, Heritage Trail commission which is a percentage of the Portfolio balance at the end of each month, minus the balance standing to the customer's credit under an offset arrangement will be calculated on the last day of the respective calendar month. Trail commission is payable by the 20th calendar month following the month in which the trail commission accrued.
	<p>RESIDENTIAL LOANS</p> <p>CLAWBACK</p> <ul style="list-style-type: none"> • 100% if loan is discharged between 0 months and less than 12 months • 50% if loan is discharged between 12 months and less than 24 months <p>UPFRONT</p> <ul style="list-style-type: none"> • For all loans the minimum commission payable for any settled loan shall be \$440 (incl. GST) • Where a borrower has an existing loan with HomeStart and a broker restructures that loan into a new HomeStart loan, the origination commission shall only be payable to the broker where an establishment fee is payable by the existing borrower to HomeStart in respect of that borrowers new HomeStart loan.
	<p>COMMERCIAL LOANS</p> <ul style="list-style-type: none"> • payable on settlements between (\$10,000 - \$1,000,000) • 50% of the commission will be clawed back if the <ul style="list-style-type: none"> • Facility is terminated within 12 months. • Permanently stop paying trailer if facility is in arrears for a consecutive period of 2 months. <ul style="list-style-type: none"> • Upfront Commission is paid on the full amount of the LOC • Trail on LOC is only payable on the drawn down amount



RESIDENTIAL LOANS

Definitions

- First Review Date: in respect of a loan means the day that is 5 days after settlement of s settled loan (where settlement is day1)
- Loan means a retail loan
- LVR in respect of a loan, means the loan to value ratio of the loan
- Net Loan Amount means the amount of a loan less: (i) any funds held in a mortgage offset deposit product linked to the loan; and (ii) any funds available in redraw under the loan.
- Second Review Date: in respect of a loan, means the day that is 185 days after settlement of settled loan (where settlement is day 1).
- Settled Loan is a loan introduced by a broker which has been advanced to a borrower.

CLAWBACK

With respect to any loan,

- (a) The entire (100%) Upfront Fee attributable to that loan must be repaid to ING in full if that loan is repaid on or before the first anniversary of that loan's settlement date; and
- (b) Fifty percent (50%) of the Upfront Fee attributable to that loan must be repaid to ING in full if that loan is repaid in full within the period greater than the first anniversary up to the date which is 18 calendar months from the loan's settlement date
- If, the loan account is in arrears by 60 days or more within the six month period starting from the settlement of the loan, ING may claw back, and the broker must therefore repay, the entire (100%), Upfront fee paid to the broker in respect of the loan.
- If, in respect of any loan, if there are any principal reductions, or partially discharged residential loan, of \$50,000 or more within 18 month period starting on the settlement of the loan, ING may claw back, and the broker must therefore repay, an amount equal to a percentage of the Upfront fee proportionate to the discharged amount.

UPFRONTS

Upfront commission on all retail loans (with new security property) settling on and from 1 January 2019 will be calculated as follows:

The Base Fee is calculated, based on the net loan amount (up to a maximum of \$2 million) of the settled loan as at the First Review Date:

Loan to Value Ratio (LVR)	LVR greater than 80%	LVR less than or equal to 80% and greater than 60%	LVR less than or equal to 60%
Upfront Fee (Base Fee)	0.5775%	0.6875%	0.7975%

The Additional Fee is calculated, based on the net loan amount (up to a maximum of \$2 million) as at the Second Review Date **less** net loan amount (up to a maximum of \$2 million) of the settled loan as at the First Review Date. An Additional Fee is only payable where the net loan amount increases by at least \$10,000 between the First Review Date and the Second Review Date.

Loan to Value Ratio (LVR)	LVR greater than 80%	LVR less than or equal to 80% and greater than 60%	LVR less than or equal to 60%
Upfront Fee (Additional Fee)	0.5775%	0.6875%	0.7975%

Upfront commission on all retail loans (with new security property) settling from 1 January 2016 up to 31st December 2018 were calculated as follows:

Loan to Value Ratio (LVR)	LVR greater than 80%	LVR less than or equal to 80% and greater than 60%	LVR less than or equal to 60%
Upfront Fee	0.55%	0.66%	0.77%
Bonus Fee: Owner Occupied + Orange Advantage	0.055% (see note below)		

For all new retail loans (with new security property) settling on and from 1 January 2016 to 30 June 2016, the **Bonus Fee** for Owner Occupied purpose + Orange Advantage loans was calculated at 0.11%. For loans settling from 1 July 2016, Bonus Fee will be calculated at 0.055%. The Bonus Fee ceased on 31/12/2018.

For all variations to existing Retail Loans (without new security property) settling on and from 1 January 2016 the Upfront Fee will be calculated at 0.715%

- From 1st January 2019, ING will calculate upfront commission on the residential loan balance net of any offset balance (to a maximum of \$2 million) 5 calendar days following settlement.
- Any loan settlement occurring in the last 5 days of the month the upfront commission will be held over to the next month, the upfront commission is then calculated and paid on the day 6 adjusted balance and payment made the following month e.g. If the loan settles on the 26th June commission will be calculated on 1st July and be paid in August commission run.
- From 1st January 2019, the **Base Fee** is payable in arrears by the 5th business day of: (i) the month after settlement, where settlement occurs at least 6 days prior to the end of the month; or (ii) the second month after settlement, where settlement occurs in the last 5 days of the month.
- From 1st January 2019, the **Additional Fee** is payable in arrears by the 5th business day of: (i) the month after the second review date, where the second review date occurs at least 6 days prior to the end of the month; or (ii) the second month after the second review date, where the second review date occurs in the last 5 days of the month.
- No upfront is payable in respect of the Orange One Credit Card or Mortgage Offset Deposit Account.
- ING will pay an upfront for each settled loan, in respect of a customer introduced to ING provided that the broker is an NCCP authorised person at the time that ING entered into the relevant loan agreement with the relevant customer.
- With respect to additional or increased limits on existing loans, an Upfront Fee will be payable only on the amount increased above the original approved limit. Trail will continue to be paid on balance outstanding. In the event the existing loan originated through a non-intermediary (non Broker) channel, an Upfront Fee will be payable only on the amount increased above the original approved limit, but no ongoing trail will be paid on the loan. Additional Upfront Fees will not be paid on increases of less than \$10,000 on Residential Loans.
- If the loan the broker introduces to ING is a refinance of an existing ING loan, then the upfront payable on that loan will be calculated on the difference between the balance of the outgoing ING loan, and the amount of the new loan the broker introduced to ING.
- If the loan the broker introduces to ING is a substitution of security only and there is no additional borrowing or funding involved, the broker will continue to receive trail but no upfront fee.
- Upfront and trail will not be paid on any loan that is an ING branded workplace or staff loan.

TRAIL

- For loans that settled from 1 October 2008, trail is calculated as follows: Years 1 to Year 3 - 0.165%. Year 4 on 0.22%.
- No trail is payable in respect of the Orange One Credit Card or Mortgage Offset Deposit Account.
- Trail is calculated on the daily balance (less any amount held in offset) of the principal amount outstanding in respect of each loan introduced by a broker.
- Trail for a settled loan is payable monthly in arrears on or before the 5th Business Day of the following month.
- Trail is not payable on a loan while it is in default over 60 days; or
- Trail is not payable on a Line of Credit facility, where the loan balance exceeds the customer's credit limit by 2.0% or more
- ING will pay the broker a trail for continuing to have a relationship with the customer the broker introduced to ING and for managing the key customer transaction. If in ING's reasonable opinion the relationship is not maintained and/or the customer approaches ING for a variation directly the ongoing trail on the customer's settled loans will cease to be paid to the broker. If the customer approaches ING through another broker's aggregator for a variation, ING will move the customer to the new broker and the ongoing trail on the customer's settled loan will be transferred to the new aggregator.
- Trail will cease on a customer's settled loan where: (i) in ING's reasonable opinion the relationship with the customer is not maintained by the broker (ii) It is determined by ING, acting reasonably that the broker was involved in any identity fraud, documentary fraud, forgery, dishonesty or misrepresentation in respect of the customer's settled loan; or (iii) ING has determined that the customer is no longer assigned to the broker/aggregator.

- Trail is not payable by ING to a broker in respect of an ING loan product issued to a customer if the customer was introduced prior to the broker being authorised to introduce customers to ING.

COMMERCIAL LOANS

CLAWBACK

With respect to any loan,

- (a) The entire (100%) Upfront Fee attributable to that loan must be repaid to ING in full if that loan is repaid in full within 12 calendar months of that loan's settlement date; and
- (b) Fifty percent (50%) of the Upfront Fee attributable to that loan must be repaid to ING in full if that loan is repaid in full within the period from 13 calendar months to 18 calendar months from that loan's settlement date
- ING reserves the right to claw back the Upfront Fee paid to the broker on a loan account if that loan account is in arrears by 60 days or more within six months of the settlement date of the loan account.
- Clauses a) and b) above also apply to Principal Reductions and partially discharged commercial loan of \$50,000 or more; where a percentage of the Upfront Fee proportionate to the discharged amount will be repaid to ING.

UPFRONTS

Upfront commission on all commercial loans (with new security property) settling on and from 1 March 2018 will be calculated as follows:

Facility Amount	Commission calculation rate
<\$3,000,000	0.605%
Greater than or equal to \$3,000,000	An amount of up to 50% of the Establishment Fee (paid to ING by the debtor under the loan), which is determined by ING in respect of each loan (in discussion with the broker) prior to ING's formal approval of the loan)

For all new commercial loans and variations to existing commercial loans that settled from 1 January 2016 to the 28 February 2018 the Upfront Fee was calculated at 0.715%

Variations

- ING will pay an upfront for each settled loan, in respect of a customer introduced to ING provided that the broker is an NCCP authorised person at the time that ING entered into the relevant loan agreement with the relevant customer.
- With respect to additional or increased limits on existing loans, an Upfront Fee will be payable only on the amount increased above the original approved limit. Trail will continue to be paid on balance outstanding. In the event the existing loan originated through a non-intermediary channel, an Upfront Fee will be payable only on the amount increased above the original approved limit, but no ongoing trail will be paid on the loan. Additional Upfront Fees will not be paid on increases of less than \$30,000 on Commercial Loans.
- If the loan the broker introduces to ING is a refinance of an existing ING loan, then the Upfront Fee payable on that loan will only be with respect to the difference between the outgoing ING loan and the new loan the broker introduced to ING.

- If the loan the Broker introduces to ING is a substitution of Security only and there is no additional borrowing or funding involved, the broker will continue to receive Trail but no Upfront Fee. Where this also involves an increase of funds, an Upfront Fee will be paid on the increased portion only.
- Upfront and trail are not payable on a loan if that loan is an ING Direct branded workplace or staff loan.

TRAIL

For new commercial loans that settled from 1 January 2016 to 28 February 2018 trail commission was paid as follows: 0.165% years 1 to 3. Years 4 above 0.22%.

For new loans that settle from 1 March 2018 trail is payable as follows: Year 1 for the life of the loan paid at 0.22%.

- Trail is calculated on the daily balance of the principal amount outstanding in respect of each loan introduced by a broker.
- Trail is not payable on a loan while it is in default over 60 days; or
- Trail is not payable on a Line of Credit facility, where the loan balance exceeds the customer's credit limit by 2.0% or more
- ING will pay the broker a trail for continuing to have a relationship with the customer the broker introduced to ING and for managing the key customer transaction. If in ING's reasonable opinion the relationship is not maintained and/or the customer approaches ING for a variation directly the ongoing trail on the customer's settled loans will cease to be paid to the broker. If the customer approaches ING through another Introducer's Intermediary for a variation, ING will move the customer to the new introducer and the ongoing trail on the customer's settled loans will be transferred to the new intermediary.



COMMERCIAL LOANS

Definitions

Foundation Broker Partner: means any person who is accredited with Judo to complete applications and introduce applications on behalf of customers to Judo Bank.

Foundation Referrer Partner: means any person who is accredited to introduce customers to Judo Bank.

CLAWBACK

- No Clawbacks (unless a fraud is committed).

UPFRONT

- Upfront commissions are payable on the 2nd business day of the new week from the previous weeks settled transactions.
- The upfront commissions below are applicable to transactions at or below \$5 million. Any transactions over \$5 million are subject to negotiation. The Standard Commission Variation Request form must be used for all negotiated commissions for transaction less than \$5 million.
- Payable to mortgage brokers who are fully accredited with Judo for each loan product.
- No commission is payable on any Bank Guarantee product.
- Referrer Commission only of 0.60% will apply to new accredited brokers.

TRAIL

- Trail commissions are payable monthly in arrears on or around the 10th day of each month, based on the average monthly loan balance of the previous month (not on limit)
- Trail Commission will not accrue or be paid for loans in arrears for 30 days plus.

- Trail commission is not paid on loans introduced on a referral basis.

Broker Partner introduced loans

Product	Upfront	Trail
Commercial Commissions	0.60%	0.30%
Residential Loan	0.715%	0.165%

Referral Partner introduced loans

Product	Upfront	Trail
Commercial /Home Loan Commissions	0.60%	Nil
Residential Loan	N/A	N/A



RESIDENTIAL LOANS

CLAWBACK

For loans that settle from 1st January 2019, a broker must refund upfront commission (plus any GST) where:

- A Keystart loan is discharged within twelve (12) months of the settlement date or in the case of a Keystart Loan for construction of a house, within twelve (12) months of the first draw down being made.
- Where Keystart has taken position of the mortgaged property (mortgagee-in-possession) within twelve (12) months of the settlement date or in case of a Keystart loan for a construction of a house, within twelve (12) months of the first draw down.
- Which is in arrears for three (3) consecutive months or more during the first twelve (12) months of the settlement date, or in the case of a Keystart loan for a construction of a house, within twelve (12) months of the first draw down.
- Where Keystart enters into a variation through its Hardship Scheme within 12 months of the settlement date or in the case of a Keystart loan for construction of a house, within twelve (12) months of first drawn down.



For loans that settled up to and including 31st December 2018:

- 100% for any loan discharged within 12 months of the Settlement Date
- 50% for any loan discharged within 24 months of the Settlement Date

For Construction Loans

- 100% if the loan is discharged within 12 months of the first progress payment being made
- 50% if the loan is discharged within 24 months of the first progress payment being made
- If a Keystart loan is in arrears for 3 months or more during the first 12 months, Keystart will clawback 100% of the upfront commission paid to the broker.
- Where Keystart enters into a variation through its Safetynet Scheme to ensure the continuation of that loan, Keystart will clawback 100% of the upfront commission paid to the broker.

UPFRONT

	<ul style="list-style-type: none"> Upfront is calculated on the total loan amount. <p>TRAIL</p> <ul style="list-style-type: none"> Keystart will cease paying trail commission on any loan application received from 1 July 2021, if the loan is still active 60 months or more from either the settlement date or first drawdown for a construction loan. Brokers won't see the effects of this change until at least financial year 2027. Any existing loans with trail will not be impacted by this change. For loans submitted to Keystart from 1st January 2019, will pay trail on the outstanding loan balance in respect of each Keystart loan or part thereof originated by the broker at the end of the month and paid monthly after the settlement date or in the case of a Keystart loan for construction, after the date of the first draw down. <p>Keystart will permanently stop paying the Trailer fee when the following occurs:</p> <ul style="list-style-type: none"> If the loan is in arrears for a consecutive period of 3 months Keystart enters into a variation through its Hardship Scheme to ensure continuation of that loan The date the loan is discharged Keystart becomes the mortgagee in possession of the property
	<p>CLAWBACK</p> <ul style="list-style-type: none"> No Clawback Policies Apply <p>UPFRONT</p> <ul style="list-style-type: none"> Lite Doc Facilities paid at 0.55% For P2C Loan product where Latrobe has the 1st Mortgage for both loans – 0.55% Upfront. Where the loan is a 2nd Mortgage behind Latrobe – 0% Upfront. Where the 2nd Mortgage is behind another lender – 0% Upfront. <p>TRAIL</p> <ul style="list-style-type: none"> Trail payments will be suspended if a loan facility falls into arrears. You can add trailer to a maximum of 0.40% p.a. For P2C loan product, trail is paid where Latrobe has the 1st mortgage, or where the loan is a 2nd mortgage behind Latrobe and where the 2nd mortgage is behind another lender.
	<p>UPFRONT</p> <ul style="list-style-type: none"> Lifebroker will pay Connective a commission Referral Fee based upon a completed application. Lifebroker receive 66% commission from the insurer which is inclusive of GST. From this Lifebroker deducts and retains a \$150 admin fee, any policy fee and any other government charges. 55% is paid to Connective who retain 10% with the balance paid to the broker. <p>CLAWBACK</p>

Definition: Initial Responsibility Period means the period the relevant issuer of the Financial product may request a refund of any commission or other financial incentive given for the sale of a financial product

- A client who has been provided a service from Lifebroker, cancels their financial product, lapses their financial product or otherwise ceases paying for their financial product during the initial responsibility period for that financial product.
- Lifebroker is required to repay all or part of the relevant commission to the issuer of the cancelled, lapsed or otherwise unpaid financial product (Claw Back amount)
- The Referral Fee Claw back amount will be commensurate with the percentage of the commission amount claimed by the relevant insurer for the reversal of commission. For example, if the relevant insurer claims 50% of the relevant commission to be reversed then 50% of the Referral Fee will be claimed by Lifebroker as the Referral Claw back amount.



RESIDENTIAL LOANS

CLAWBACK UPFRONT TRAIL

Current loan products available through Loanave are Flexi Products

FLEXI PRODUCT RANGE	Prime Home Loans		Specialist Home Loans	
	Upfront %	Trail %	Upfront %	Trail %
All Loans – For loans effective up to 31/12/2020	0.66	0.165	0.66	0.165
All Loans – For loans effective from 01/01/2021	0.715	0.165	0.715	0.165
Clawback of Upfront Commission – For loans that settled on or before 31/12/2020	100% < or equal 12 mths, 75% > 12 mths but < equal to 18 mths, 50% > 18 mths but < or equal to 24 mths, 25% > 24 mths but < or equal to 36 mths		50% < equal to 12 mths	
Clawback of Upfront Commission – For loans effective from 01/01/2021	100% < or equal to 12 mths, 50% > than 12 mths but < or equal to 24 mths		100% < or equal to 12 mths, 50% > than 12 mths but < or equal to 24 mths	

- Upfront Commission on Flexi Product Range will be based on the approved loan amount net of any redraw and offset, calculated at the end of the month in which the loan settles.

The Premium Products were withdrawn from their product offerings, effective 10/03/2021 and are no longer available for sale.

PREMIUM PRODUCT RANGE	Upfront %	Trail %
Premium Home Loans Includes Special Offer lodged from 25/3/19 to 31/7/19)	0.66	0.165
Clawback of Upfront Commission	100% < or equal to 12 months	

Line of Credit – Upfront payable on drawn down amount or 75% of the limit whichever is greater.

The Platinum Products were withdrawn from their product offerings, effective 29/2/2018 and are no longer available for sale.

PLATINUM PRODUCT RANGE		
	Upfront %	Trail %
All Loans	0.55	0.165
Clawback of Upfront Commission	100% < or equal to 12 months, 70% > 12 months but < or equal to 24 months	

Loanave ceased offering the Ultra loan products on 7th May2020 and Advantage loan products on 9th April 2020 and are no longer available for sale.

ULTRA PRODUCT RANGE				
	Prime Product Range		Near Prime & Specialist Product Range	
	Upfront %	Trail %	Upfront %	Trail %
All Loans	0.66	0.165	0.66	0.165
Clawback of Upfront Commission	100% < or equal to 12 mths; 50% > 12 mths but < or equal to 18 mths		100% < or equal to 6 mths, 75% > 6 mths but < or equal to 12 mths. 50% > 13 mths but < or equal to 18 mths	

ADVANTAGE PRODUCT RANGE		
	Upfront %	Trail %
All Loans	0.66	0.165
Clawback of Upfront Commission	100% < or equal to 12 months, 70% > 12 months but < or equal to 18 months, 50% > 19 months but < or equal to 24 months, 25% year 3.	

- Upfront on Premium Product range calculated based on the drawn amount less any offset balance as at the end of the month the loan settled.
- Trail paid from day one
- Trail is not paid when the loan is greater than 30 days in arrears.



RESIDENTIAL LOAN

Definition:

- Existing product – means a product that was offered under a prior agreement which settled on or before 31 August 2012.
- New Product – means a product that was offered on or after 31 August 2012.
- Settlement date – means the date on which a loan settles for all products (excluding construction loans). For construction loans, the settlement date is the date on which the loan is fully drawn (all funds advanced).

CLAWBACK

For loans that settle on or after 1 December 2018

Where a New Product Loan is fully repaid within 18 months of the settlement date, the broker will refund to Macquarie the Initial Fee, the Variation Fee or Product Change Fee (whichever) in accordance with the below:

- Where a New Product Loan is fully repaid between 0 to 365 days from the settlement date – 100% clawback
- Where a New Product Loan is fully repaid between 366 to 548 days from settlement date – 50% clawback

For loans that settled on or after the 16th October 2017

Where a New Product Loan is fully repaid within 18 months of the settlement date, the broker will refund to Macquarie the Initial Fee, the Variation Fee or Product Change Fee (whichever) in accordance with the below:

- Where a New Product Loan is fully repaid between 0 to 365 days from the settlement date – 100% clawback
- Where a New Product Loan is fully repaid between 366 to 548 days from settlement date – 50% clawback
- If in respect of a loan, on the last day of the 6th calendar month after settlement date, the loan balance is less than the amount drawn down at settlement by an amount greater than or equal to \$50,000 (Partial Repayment), excluding any contractual repayments, then the broker must refund to Macquarie a proportion of the Initial Fee paid to the broker. The refundable amount is equal to the Initial Fee percentage multiplied by the total amount of the partial repayment. For avoidance of doubt, the loan balance is reduced by any amounts that are in an offset or redraw account or by partial discharge. The partial repayment may be a lump sum payment or cumulative payments over the 6-month period. This does not apply to Line of Credit facilities, SMSF, Reverse Mortgage or Aged Care loans

For loans that settled before 16th October 2017

Where a New Product Loan is fully repaid within 24 months of the settlement date, the broker will refund to Macquarie the Initial Fee, the Variation Fee or Product Change Fee (whichever) in accordance with the below:

- Where a New Product Loan is fully repaid between 0 to 183 days from the settlement date – 100% clawback
- Where a New Product Loan is fully repaid between 184 to 365 days from settlement date – 75% clawback
- Where a New Product Loan is fully repaid between 366 to 548 days from settlement date – 50% clawback
- Where a New Product Loan is fully repaid between 549 to 730 days from settlement – 25% clawback
- If in respect of a loan, on the last day of the 6th calendar month after settlement date, the loan balance is less than the amount drawn down at settlement by an amount greater than or equal to \$50,000 (Partial Repayment), excluding any contractual repayments, then the broker must refund to Macquarie a proportion of the Initial Fee paid to the broker. The refundable amount is equal to the Initial Fee percentage multiplied by the total amount of the partial repayment. For avoidance of doubt, the loan balance is reduced by any amounts that are in an offset or redraw account or by partial discharge. The partial repayment may be a lump sum payment or cumulative payments over the 6-month period. This does not apply to Line of Credit facilities, SMSF, Reverse Mortgage or Aged Care loans

UPFRONT

- For loans that settle on or after 1 December 2018 upfront will be calculated on loan account balance (net of any offset balances) rather than full loan limit.
- For loans that settle from 1 December 2019, upfront commission will be calculated using the loan balance (net of offset account balances) as at the ninth calendar day post-settlement (tenth day of the loan).
- Upfront for a Construction Loan is calculated on the approved credit limit.
- After 12 months, Macquarie will look at each loan account balance and pay an additional commission on the difference between the current loan account balance (net of any offset balances) and the loan account balance used in the initial upfront calculation (net of any offset balances) as long as the amount is greater than or equal to \$50,000.
- A Variation Fee is calculated for each completed referred variation which increases the principal loan amount as follows.
 - For a principal increase of less than or equal to \$40,000 – a fixed fee of \$220 (incl. GST) will be paid.
 - If there has been a principal increase, for each loan, upfront will be calculated based on current upfront commission rate, on the amount of increase

TRAIL

- For loans that settle on or after 16th October 2017, trail payable is 0.165%
- For loans that settled before 16th October 2017, trail for years 1 to 3 is 0.165%, and 0.22% for year 4 on for life of loan.
- Trail is no longer payable when the principal amount of the New Product Loan is below \$10,000
- Trail for each loan, for each calendar month, is calculated on the average daily balance from the settlement date
- Trail on a loan will cease during any period the loan is in default (whether payment default or otherwise) for a consecutive period of two (2) months) or more, or during any period the loan is subject to a financial hardship arrangement with Macquarie. For avoidance of doubt, there will be no reimbursement of any trail fee during the periods outlined in this paragraph.
- Trail will cease when Macquarie suspects on reasonable grounds that the broker has contributed or is found guilty of any act of deceit, dishonesty, fraud or illegal activity. For avoidance of doubt, there will be no reimbursement of any trail fee during the periods outlined in this paragraph.

OTHER

- Application for a variation to a loan submitted by a Macquarie Broker, the payment of the Variation Fee and the entire associated Trail Fee will be made to the Macquarie Broker who submitted the referred variation.
- For home loans that settle on and from 1 March 2021, Macquarie will pay a commission of \$350 (ex GST) for all principal increase that settle on or before the first anniversary of a home loan. For any principal increases that settle after the first anniversary of a home loan, Macquarie will continue to pay a commission equal to 0.715% of the total principal increase amount.
- From 01 March 2021, Macquarie will no longer pay a minimum commission of \$200 for principal increase that are less than \$40,000.

BUSINESS BANKING PRODUCTS**CLAWBACK**

Where a New Product loan is fully repaid within 24 months of the loan settlement date for any reason other than in accordance with the terms and conditions of the relevant loan facility, the broker will refund to Macquarie the Upfront (Initial Fee), the Variation Fee or the Product Change Upfront (Initial Fee) (whichever is applicable) in accordance with the following:

- Where a New Product loan is fully repaid between 0 to 183 days from settlement date – 100% clawback.
- Where a New Product Loan is fully repaid between 184 to 365 days from settlement date – 75% clawback.
- Where a New Product Loan is fully repaid between 366 to 548 days from settlement date – 50% clawback.

Macquarie may deduct any refund from any fees due to the broker by Macquarie. To the extent not deducted, the refund will be payable within 10 business days of the end of the calendar month in which the New Product loan is repaid.

Clawback on the Upfront (Initial Fees) in respect of all Existing products introduced under a Prior Agreement (and in the absence of any product change to a New product as contemplated above) will continue to be refunded (Clawback) in accordance with the prior agreement.

UPFRONT & TRAIL

The following New Products will receive Upfront (Initial Fee) and Trail payments as outlined in the table below:

- Commercial Loan

Loan Limit	Upfront (Initial Fee) including GST	Trail Fee including GST
Less than \$500,000	Nil	Nil

\$500,000 to \$3 million	Negotiate on each Loan to a maximum of 0.55% of the approved credit limit of the referred loan at the time of settlement of the referred loan	Negotiate on each loan to a maximum of 0.33% per annum of the average daily balance of the loan, calculated monthly and payable in arrears. Trail is no longer payable when the principal amount of the loan is below \$10,000
Greater than \$3 million	The Upfront (Initial Fee) is negotiated on each loan subject to a minimum of \$15,000.	Negotiable on each loan to a maximum of 0.33% per annum of the average daily balance of the loan, calculated monthly and payable in arrears.

- For Revolving Line of Credit and Overdraft products an Upfront (Initial Fee) is not payable.
- For the Upfront (Initial Fee) to be paid, the minimum drawdown must be equal to, or greater than 50% of the approved credit limit of the referred loan at the time of settlement.
- For Bank Guarantees a trailer fee is not payable.
- The Trail Fee is no longer payable when the principal amount of the New Product Loan is below AUD\$10,000
- Macquarie will also pay to the broker a fee (the Variation Fee) for each loan where there has been a principal increase in respect of a commercial loan: an amount equal to the Initial Fee that would have been payable if the Referred Variation had been a newly referred loan.
- Where a Consumer Loan (home Loan) product is part of a Commercial transaction upfronts and trail are payable on that portion of the loan in accordance with Upfront and Trail detailed above under Residential Home Loans.

OTHER

A Variation fee is calculated for each completed referred variation which increase the loan principal amount as follows:

- If the referred variation increases the New Product amount by less than or equal to \$100,000, amount paid to the broker is AUD\$220 (incl. GST)
- If the referred variation increases the New Product amount by greater than \$100,000, the amount paid to the broker will be an amount equal to the Upfront (Initial Fee) that would have been payable in accordance with the above if the referred variation had been a New Product loan equal to the increase in the loan amount.

Fees for a Product Change from an Existing Product to a New Product

- The Product Change Upfront (Initial Fee) in respect of all Business Banking New Products is the Upfront (Initial Fee) percentage in tables above of the difference between the amount advanced (drawn down) during the month on the New Product, and the original limit of the Existing Product Loan introduced under a prior agreement.
- The Product Change Trail Fee for each New Product Loan, for each calendar month is the trail fee described in the tables above.

Variation of Existing Products (under a Prior Agreement)

- The Upfront (Initial Fee), trail and Variation Fees in respect of all Existing Products introduced under a Prior Agreement (and in absence of any product change to a New Product as contemplated above) will continue to be paid in accordance with the Prior Agreement.

INSURANCE PRODUCTS

For Insurance Products including Building, Contents & Landlord Insurance

CLAWBACK

- Macquarie may clawback commissions paid to a Broker in the instance where a customer varies their Insurance Product in between each renewal period of their policy. This will only apply where a variation includes a cancellation of the Insurance Product or a reduced level of cover.

UPFRONT

- The Initial Fee paid to the Broker for the referral of Insurance Products to Macquarie Mortgages Pty Ltd will be 13.2% (incl. GST) of the upfront premium paid by the customer in respect of that insurance product referred.
- The Initial Fee paid will only be passed through to the broker if Macquarie receives a commission from the insurance company on that insurance product.

TRAIL

- A trail fee will be paid to the broker for the referral of insurance products to Macquarie Mortgages Pty Ltd will be 13.2% (incl. GST) of the premium paid by the customer on each renewal of the insurance product following the first year, and will continue to be paid each year that the customer maintains an insurance product.
- Where a customer varies their insurance product in between each renewal period of their policy that results in an increased level of cover, Macquarie will increase commissions paid to a broker for that particular insurance product.

OTHER

- The Initial Fee and Trail Fee will be paid in accordance with how the customer pays the premium for the insurance product. For example, if the customer pays the premium upfront yearly, then commissions will be paid to the broker upfront yearly. If the customer chooses to pay the premium by monthly instalments, then the broker will be paid the corresponding fee each month.

For Insurance Products including Life Insurance & TPD Trauma

CLAWBACK

- Macquarie may clawback commissions paid to a Broker in the instance where a customer varies their insurance product in between each renewal period of their policy. This will only apply where a variation includes a cancellation of the insurance product or a reduced level of cover.

UPFRONT

- The Initial Fee paid to the Broker for the referral of insurance products will be 22% (incl. GST) of the upfront commission received by Macquarie Equities in respect of that insurance product referred
- The Initial Fee will only be paid to the Broker if Macquarie Equities Limited and Macquarie both receive the commission from the life insurance company on that insurance product. Therefore. If Macquarie Equities Limited do not receive a commission on an insurance product for any reason (including but not limited to if the policy is cancelled within 13 months of being obtained), the Broker will not receive the Initial Fee on that insurance product.



ME Bank

RESIDENTIAL LOANS**CLAWBACK**

If a loan is repaid in full or is terminated or cancelled within 18 months of the settlement date or the date of the facility, then the broker is not entitled to any further commission payments in respect of that loan and the broker will be required to refund the Upfront Commission paid as follows:

- 12 months or less 100% of the upfront commission paid
- 13 months to 18 months inclusive 50% of the upfront commission paid.

UPFRONT

As of 1 May 2020, in addition to the Upfront Commission a broker receives for a home loan based on the amount drawn rather than the total approved facility, a new loan will also be assessed on the 6th and 12 month anniversary date of the loan drawdown based on any additional drawn amounts since the initial upfront commission was calculated. These amounts will be calculated minus any redraw or offset facility.

- Initial Upfront Commission:
 - Upfront commission is payable at end of calendar month during which the loan was settled and is calculated on, the settled loan amount less any available credit balances that exceeds \$10,000 and is held by a borrower in a linked offset and/or redraw account calculated 3 business days from the loan settlement date.
 - The upfront commission will be paid 13 business days of the end of the calendar month during which the loan was settled and is payable only on new loans and principal increases to existing loans (Top Ups) see further notes below.
- Interim Upfront Commission:
 - A further commission is payable 6 months from the end of the calendar month during which the loan was settled and is calculated based on a) the settled loan amount for which upfront was paid, less b) any available credit balance that exceeds \$10,000 that is held by the borrower in a linked offset/redraw account calculated 3 business days from the day which is 6 months from the loan settlement date.
 - The interim commission will be paid within 13 business days from the date the Interim Commission is able to be calculated.
 - No Interim Commission will be payable if the Interim Upfront Commission calculation results in a total of zero or less.
- Final Upfront Commission:
 - A further commission is payable 12 months from end of the calendar month during which the loan was settled and is calculated based on a) the settled loan amount less any loan amount for which upfront commission and/or Interim commission was paid, less b). any available credit balances that exceeds \$10,000 that I held by the customer in a linked offset and/or redraw account calculated 3 business days from the anniversary of the loan settlement date.
 - The Final Commission will be paid within 13 business days from the date the Final commission is able to be calculated
 - No Final Upfront Commission will be payable if the Final upfront commission calculation results in a total of zero or less.
- Upfront commission will be paid on a Top Up loan, but only if the Top Up amount is \$50,000 or more. No Interim or Final commission will be paid on Top Up loans.
- Upfront is not payable on transfer of loans to new properties

TRAIL

- Trail commission accrues from day one of the loan and will be paid within 16 days at the end of each calendar month.
- If another mortgage broker, who is not the Connective Broker who submitted the original loan, introduces a variation or principal increase to a loan, trail commission will cease to be paid to the Connective broker who originally submitted the loan.
- Trail commission on Top Up loans will be paid on the outstanding balance.
- Where a borrower has an offset account, trail is calculated each month on the outstanding daily loan balance less the daily balance of available funds in the borrower's Ultimate Offset Transaction facility.
- Trail is not payable where the loan is in arrears by 60 days or more, or where the loan is in excess of their credit limit or where scheduled repayments are not being made. Once the loan has been rectified trail will begin again.

MEDFIN

Definition:

- Eligible loan Amount: for each Business loan, the Approved Limit, for each Line of Credit Facility, the Facility Credit Limit.
- Medfin Product: Means each of the Business Lending Products and Asset Finance Products which can be supplied upon request.
- Trail Commission Period means for the first month of a business lending product, from Drawdown date to the last day of that month (or for the first month after draw down of a variation, from the Draw down date of the variation to the last day of that month); and for each subsequent calendar month, from the first day of the month to the last day of the month (or if the business lending product is repaid in full or trail commission ceases to be payable during the month, to the date the business lending product is repaid or trail commission ceases to be payable).
- Upfront Commission means a one-off commission payable by Medfin in respect of a new Medfin product or a variation.
- Variation means a variation to a Medfin product or a Medfin product that replaces a Medfin product on repayment or discharge with a new Medfin product issued to one or more of the original customers.

CLAWBACK

Where a Medfin Product is fully repaid or discharged for any reason, broker must repay any Upfront Commission as follows:

- 100% of the Upfront Commission for a Medfin Business Lending Product repaid or discharged within 12 months of the Drawdown Date.
- 50% of the Upfront Commission for a Medfin Business Lending Product repaid or discharged within 12 to 24 months of the Drawdown Date.
- If, on the date that is 6 months after the Drawdown date, the outstanding principal balance of a Business Loan is less than or equal to 80% of the principal balance of the Business Loan at the Drawdown date, broker must repay pro rata amount of Upfront commission calculated as follows: $R = U - (A \times \text{Upfront Commission Rate})$ where R = Upfront commission to be repaid, U = Upfront commission previously received, A = outstanding loan balance on the date 6 months after the Drawn down date.
- Where a Business Lending Product is fully repaid or discharged within 12 months of the Draw down date and is replaced by a variation within 1 month, Medfin at their discretion treat the variation as a new Medfin product clawing back Upfront commission and paying full Upfront commission on the new Medfin product; or disregard the discharge of the Business Lending Product and pay Upfront commission on any Net Lending increase.

UPFRONT

Product	Upfront Commission Rate	Trail Commission Rate
Medfin Business Loan products	0.55%	0.20%
Medfin Line of Credit Facility products	0.275% of Eligible loan amount	0.20%
Medfin Draw Down Facility products	Not Applicable	0.20%

- Upfront commission will be paid within 20 business days of the end of the calendar month following the Drawdown date of the loan or variation.
- In case of a variation to a Business Loan or Line of Credit Facility, no Upfront commission will be payable at all if the net loan increase of a variation is less than \$20,000 for such loans which were originated by Medfin.
- In case of Business Lending Products, the net increase if any in the Approved Limit, no upfront commission will be payable at all if the net loan increase is less than \$50,000.
- In case of a Variation to a Line of Credit Facility, the net increase if any Facility Credit Limit, no upfront commission will be payable if the net loan increase is less than \$20,000.
- Except where an Upfront commission amount is negotiated, the maximum Upfront commission amount payable in relation to a Medfin Business Lending product is \$27,500 (Inclusive of GST). However, in the case of an Eligible Loan Amount that equals to or exceeds \$5 million the broker may request (directly, or through Medfin Credit Representative) they pay a broker an amount of Upfront commission in excess of \$27,500 (inclusive of GST). They will consider any such request at their discretion and advise the broker of the outcome of their consideration.

TRAIL

- Will pay trail commission within 20 Business Days of the end of each calendar month.
- Trail will not be paid during period commencing 45 days after the occurrence of a default until the default is remedied to Medfins satisfaction and if that default is not remedied to Medfins reasonable satisfaction within 90 days after the occurrence of the payment default, broker entitlement to trail commission will cease permanently.
- If, any Medfin Business Lending Product is subject to any payment default or other material default by the Customer within 18 months of the Draw down date, and the default is not rectified to Medfins satisfaction or where Medfin are satisfied on reasonable grounds during the term of a Medfin Business lending product that broker has knowingly been part to elements of fraud, dishonestly or illegality associated with an application or any elements of an application or the customer's security has been misrepresented, are true or are substantially incorrect, then broker must repay Upfront and Trail commission paid to the broker to the relevant Medfin Business Lending Product or Variation and Medfins obligation to pay any further trail commission ceases immediately.

CLAWBACK

For loans submitted before 12/12/2022

- No Commission Clawback

Effective for loans from 12/12/2022, the following clawbacks apply

- For loans repaid in full on our before 12 months from the date of the initial advance of the loan, the broker must repay MA Money, 100% of any upfront commission paid to the broker and
- For loans repaid in full after the first 12 months but on or before 18 months from the date of the initial advance of the loan, the broker must repay MA Money 50% of any upfront commission paid to Connective.
- In calculating clawback each new advance to a borrower of a loan will be treated as a separate loan if any upfront commission has been paid in respect of that further advance.

UPFRONT

For loans before 12/12/2022

- For loans quoted from 4/3/2019 – Upfront will be 0.70% for all loan products. For loans quoted up to and including 3/3/2019 - Upfront up to 1.00% depending on the loan product. 1.00% incl. GST - 6+6 2-year loan & 0.50% incl. GST - 30-year loans.

Effective for loans from 12/12/2022

- Where a loan is provided by MA Money for construction purposes, upfront commission is paid if for acquisition of land, on value of the initial drawdown of the loan and where building commences, on the final drawdown of the loan monies.
- Top-up Upfront Commission: on a loan will be topped up by MA Money, where the drawn down balance of the loan increased e.g., loan is drawn to \$400,000 on the initial drawdown of the loan, an upfront commission is paid by MA Money on the loan value of \$400,000. If during 12 months, the same loan is drawn to its maximum \$500,000 limit, broker will be entitled to a top-up upfront commission for the additional \$100,000 drawn down

TRAIL

For loans submitted before 12/12/2022

- For loans quoted from 4/3/2019 - Trail will be 0.20% for all loan products. For loans quoted up to and including 3/3/2019 - Trail up to 0.30% depending on the loan product. Nil - 6+6 2-year loan & 0.30% incl GST – 30-year loans.



RESIDENTIAL & COMMERCIAL LOANS

CLAWBACK

Any loan paid in full within the first eighteen months from the date of settlement of the loan will be subject to the following clawback of upfront commission

Clawback payable on loans from 1 June 2017

- 0-12 months 100%
- 12-18 months 50%
- The amount clawed back will include GST

Clawback payable on loans up to 31 May 2017

- 0 – 6 months 100%
- Greater than 6 – 12 months 50%
- Greater than 12 months -18 months 25%
- The amount clawed back will include GST

UPFRONT

- From 1st January 2019, upfront commission will be calculated based on the net loan balance on the 10th calendar day after the date of draw down. Net loan balance includes the draw down amount, prepayments fees, applied interest and transactions.
- Construction loans will continue to be calculated based on the settled limit.
- Subsequent Draw Downs: For loans that settle from 1st January 2019, if a customer retains funds to be used at a later date, MyState will pay upfront commission on the subsequent draw down amount (i.e. on loan funds used after the initial draw down) provided the initial settlement occurs on or after the 11th calendar day following the initial draw date and occurs within 12 months of the final draw down and is for an amount equal to, or greater than \$20,000 up to a maximum loan split limit.
- The percentage upfront commission paid for Residential and Commercial loans differs. Refer to Mercury and the Commission schedule under Services tab for more information.
- Will be paid on any Standard Variable Home Loan, Fixed Rate Home Loan & Residential Investment Home Loans.
- Cash on Hand Line of Credit (Secured Overdraft) upfront will be calculated based on 70% of the established facility loan contract amount, irrespective of the drawn down amount.
- Bridging Loans will be paid trail commission only
- For a further advance upfront commission will only be paid on the amount of the further advance. If another broker introduces and submits the application to MyState for the further advance, then that broker will be entitled to the upfront commission
- Upfront commission on loan variations involving increases from 1st January 2019, involving increases approved and instructed will be calculated based on the net debt increase on the 10th calendar day after the loan is drawn down. The net debt increase is established by calculating the difference between (a) net loan account balance on the day before the date of draw down and (b) net loan account balance on the 10th calendar day following the date of draw down.

TRAIL

- Trail commission is paid on the outstanding monthly loan balance at the end of each month of a loan.
- The amount of any linked offset account will be deducted from the end on month loan balance in calculating trail commission.
- Trail commission will be paid on the total amount of the loan including the further advance only if the broker introduces and submits the application to MyState for the further advance.

- Trail payment will be subject to the satisfactory performance of the loan. If a loan fall sixty day or more in arrears, payment of trail commission will be suspended. Payment of trail commission will be resumed from the date a loan is no longer 60 days in arrears. There will be no retrospective payment of trail commission for the period a loan was 60 days in arrears.



RESIDENTIAL LOANS

National Australia Bank does not pay upfront Commission on all their NAB Residential and Commercial loans. To find out which NAB loans they pay upfront commission on go to their website: www.nabbroker.com.au login and you will find the “NAB Broker Product Schedule” under the Resources tab which lists the NAB products they pay commission on.

Effective from 11 March 2017, NAB Homeplus and NAB Peak Performance products were withdrawn from sale.

CLAWBACK

Where a loan is fully repaid or discharged for any reason, the broker must repay any Upfront commission as follows:

- 100% of the Upfront commission for a loan repaid or discharged within 12 months of the drawdown date.
- 50% of the Upfront commission for a loan repaid or discharged within 13 to 24 months of the drawdown date.
- If on the date that is 6 months after the draw down date the outstanding principal balance of a term loan is less than or equal to 80% of the principal balance of the loan at the draw down date, the broker must repay a pro rata amount of Upfront commission calculated as follows: $R = U - (A \times \text{Upfront Commission rate})$ where R is the Upfront Commission to be repaid, U is the Upfront Commission previously received and A is the outstanding loan balance on the date 6 months after the drawdown date.
- Where the net balance of the loan is reduced to zero by way of the clients moving the funds into off set/redraw, a clawback is applicable based on the above clawback rules. If the balance is redrawn on the loan to bring it back into a debit balance, the clawback has already occurred and cannot be reversed.

Where a loan is fully repaid or discharged within 18 months of the drawdown date, and is replaced by a variation within 1 month, NAB at their discretion may:

- Treat the variation as a new loan, clawing back Upfront commission and paying the full Upfront commission on the new loan; or
- Disregard the discharge of the loan and pay Upfront commission on the loan increase dependent on the loan product.

If any loan is subject to any payment default or other material default by the borrower within 18 months of the drawdown date and the default is not rectified within time period specified by NAB or they are satisfied on reasonable grounds at any time during the term of a loan that a broker has knowingly been a party to the following conduct:

- Any elements of fraud, dishonesty or illegality associated with an application, or
- Any elements of an application or the Borrower’s security have been misrepresented, are untrue or are substantially incorrect

The broker must, on demand repay to NAB all Upfront commission and Trail commission relating to the relevant loan or variation.

UPFRONT

Effective for Loans that settled from 1st January 2021, Subsequent Drawdown Commission will be calculated based on the following business rules:

- NAB has removed the flat \$350 loan variation fee.

- The period of Subsequent Upfront Commission is 365 days (even including leap years).
- For a loan variation Subsequent Upfront Commission is paid on any variation at the end of the period (365 days) based on the net debit balance (net of offset) provided the increase is by \$20,000 or more.
- For new residential loans. Paying Subsequent Upfront Commission at the end of the (365 days) based on the net debit balance (net of offset) difference between the initial upfront commission calculation and the end of period (being greater than or equal to \$20,000)
- For varied residential (limit increase). The variation of Subsequent Upfront Commission will look at the difference in net debit balance (net of offset) on day 365 from the most recent variation drawdown day 5 net debit balance (being greater than or equal to \$20,000).

Effective from 12th November 2018.

NOTE: NAB have put current Subsequent Drawdowns on hold due to the conflicted Remuneration Rules applicable from 1st January 2021

- **Effective from 12th November 2018** - Upfront commission for new loans drawn down from 12/11/2018 will be calculated on the drawn loan balance on the 5th calendar day after the date drawdown and net of any linked offset facility. Net balance includes the drawdown amount, offset balance, prepayments, fees applied interest (not accrued) and transactions.
- **Subsequent drawdowns** – if a customer retains funds to be used at a later date, NAB will pay upfront commission on the subsequent drawdown amount (i.e., on loan funds used after the initial drawdown), net of any linked offset facility, provided the initial settlement occurs after 12th November 2018 and the subsequent drawdown:
 - **Occurs on or after 6th Calendar Day following the initial drawdown date, and**
 - **Occurs within 12 months of the initial drawdown date, and**
 - **Is for an amount equal to, or greater than \$20,000, up to a maximum loan split limit.**
- The maximum commission payable for a subsequent drawdown must not exceed the commission that would have been payable if the loan account was fully drawn as at 5 calendar days after the initial settlement date.
- NAB will not pay upfront commission for a subsequent drawdown on construction loans, variations, or if the purpose of the subsequent drawdown is not disclosed in the loan application.
- Upfront commission on construction loans will continue to be calculated based on the settled limit.
- Upfront Commission Payments for Subsequent Drawdown: There will be a once off catch-up payment in March 2019, where they will pay upfront commission on eligible subsequent drawdowns which occurred between 12 November 2018 and February 2019. From March 2019, upfront commission payments for eligible subsequent drawdowns will be paid monthly as per existing upfront commission payment process.
- **For loans drawn on or prior to 11th November 2018** Upfront commission for a new loan was calculated as at the drawdown date, calculated on the Eligible Loan Amount. The Eligible Loan Amount means:
For each NAB Term Loan the approved Limit
For each NAB Line of Credit, 60% of the facility credit limit.
- Upfront Commission for a Qualifying Variation means a loan variation that involves an increase of at least \$20,000 in the principal balance of a term loan, or in the credit limit of a line of credit facility.
- Upfront commission for a loan variation is paid in accordance with the following formula: Upfront commission = UCR x NLI X Product Multiple where UCR is the Upfront Commission Rate, NLI is the Net Lending Increase, and the Product Multiple is 100% of the approved limit for a NAB term loan and 60% of the facility limit for a NAB Line of Credit.
- Net Lending Increase (NLI) is defined as:
 - In the case of a variation to a NAB Term Loan, the net increase if any in the aggregated amortised limits of all associated NAB term loans
 - In the case of a variation to a NAB Line of Credit Facility, the net increase if any in the facility credit limit of that facility, provided that there has been a draw down on that facility at or since inception
- If the Upfront commission outlined in the previous clauses for a loan variation is equal to or less than the Variation Flat Fee then instead of paying Upfront commission, NAB will pay the Variation Flat Fee of \$350 in the following circumstances:
 - For a variation to a term loan (which is a NAB Home Lending Product) or Line of credit facility, no upfront commission will be payable at all if NLI of a variation is less than \$20,000 for such loan which were originated by a NAB Limited employee.
 - If you were receiving a trail commission in relation to the loan immediately before the variation was submitted on a change of borrower or a change of security.

- If you were not receiving trail commission in relation to the loan immediately before the variation was submitted on a change of borrower or on a change in security or on a change of product
- NAB does not pay any upfront on a bridging loan.

COMMISSIONS – UPFRONT & TRAIL

Upfront Commission Rate (% including GST, unless specified otherwise)		Trail Commission Rate (in the relevant year of the Loan) (% p.a. excluding GST)					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and following for term of Loan
NAB Home Lending Products	0.715%	0.165%	0.165%	0.22%	0.275%	0.33%	0.33%
NAB Home Lending Products **	0.66%	nil	nil	nil	nil	nil	nil

**** Applies to Applications submitted through NAB Limited employee (instead of Apply online)**

COMMISSION FOR PRODUCTS WITHDRAWN FROM SALE LISTED IN NAB BROKER PRODUCT SCHEDULE

	Upfront Commission Rate (% including GST, unless specified otherwise)		Trail Commission Rate (in the relevant year of the Loan) (% p.a. excluding GST)					
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and following for term of Loan
Off Sale Products	Stepped Trail Loan Category A	*	0.0%	0.165%	0.22%	0.275%	0.33%	0.385%
	Stepped Trail Loan Category B	0.715%	0.275%	0.275%	0.275%	0.33%	0.385%	0.385%
	Stepped Trail Loan Category C	0.715%	0.165%	0.165%	0.22%	0.275%	0.33%	0.33%
	Flat Trail Loans	0.715%	0.275%	0.275%	0.275%	0.275%	0.275%	0.275%

- **Stepped Trail Loan Category A** – means a loan introduced and settled after 1 August 2008 where the borrower nominated as the primary borrower was not the primary borrower for an existing loan on the drawdown date. In this case, the trail start date is the drawdown date of the loan and remains for any variation to that loan.
- The Upfront Commission rate for Stepped Trail Loan Category A is determined in accordance with NAB Broker Guide entitled “new commission structure” published on NABBroker.com.au website.
- **Stepped Trail Loan Category B** - means a loan introduced after 1 July 2007 and settled before 1 August 2008 (and any variation to that loan) where the borrower nominated as the primary borrower was not the primary borrower for an existing loan on the drawdown date. In this case, the trail start date is the drawdown date of the loan and remains the same for any variation to that loan, or any other loan, in respect of which a qualifying variation after 1 July 2007 which settled before 1 August 2008 (and any further variation to that loan). In this case, the trail start date is the drawdown date of the qualifying variation.
- **Stepped Trail Loan Category C** – means a loan settled on or after 1 October 2014 (and any variation to that loan) where the borrower nominated as the primary borrower was not the primary borrower for an existing loan on the drawdown date. In this case, the trail start date is the drawdown date of the loan and remains the same for any variation to that loan, or any other loan, in respect of which a broker introduced a qualifying variation before 1 October 2014 (and any further variation to that loan). In this case, the trail start date is the drawdown date of the qualifying variation.
- **Flat Trail Loans** – means in respect of NAB Broker Products, all loans other than Stepped Trail.
- NAB does not pay any trail on a bridging loan



COMMERCIAL LOANS

National Australia Bank does not pay upfront Commission on all their NAB loans. To find out which NAB loans they pay upfront commission on go to their website: www.nabbroker.com.au login and you will find the “NAB Broker Product Schedule” under the Resources tab which lists the NAB products they pay commission on.

CLAWBACK

Where a loan is fully repaid or discharged for any reason, the broker must repay any Upfront commission as follows:

- 100% of the Upfront commission for a loan repaid or discharged within 12 months of the drawdown date.
- 50% of the Upfront commission for a loan repaid or discharged within 13 to 24 months of the drawdown date.
- If on the date that is 6 months after the draw down date the outstanding principal balance of a term loan is less than or equal to 80% of the principal balance of the loan at the draw down date, the broker must repay a pro rata amount of Upfront commission calculated as follows: $R = U - (A \times \text{Upfront Commission rate})$ where R is the Upfront Commission to be repaid, U is the Upfront Commission previously received and A is the outstanding loan balance on the date 6 months after the drawdown date.

Where a loan is fully repaid or discharged within 18 months of the drawdown date, and is replaced by a variation within 1 month, NAB at their discretion may:

- Treat the variation as a new loan, clawing back Upfront commission and paying the full Upfront commission on the new loan; or
- Disregard the discharge of the loan and pay Upfront commission on the loan increase dependent on the loan product.

If any loan is subject to any payment default or other material default by the borrower within 18 months of the drawdown date and the default is not rectified within time period specified by NAB or they are satisfied on reasonable grounds at any time during the term of a loan that a broker has knowingly been a party to the following conduct:

- Any elements of fraud, dishonesty or illegality associated with an application, or
- Any elements of an application or the Borrower's security have been misrepresented, are untrue or are substantially incorrect

The broker must, on demand repay to NAB all Upfront commission and Trail commission relating to the relevant loan or variation

UPFRONT

- Upfront commission for a new loan is calculated as at the drawdown date, calculated on the Eligible Loan Amount. The Eligible Loan Amount means:
For each NAB Term Loan 100% of the approved limit
For each NAB Line of Credit, 60% of the facility credit limit.
For each NAB Business Overdraft, 50% of the facility limit
- The maximum upfront commission amount payable in relation to an applicant in relation to Business Lending products (other than NAB Invoice Finance), a total of \$25,000 provided that no more than \$12,500 in total will be paid in relation to Business Overdrafts.
- Upfront Commission for a Qualifying Variation means a loan variation that involves an increase of at least \$50,000 in the principal balance of a term loan, or in the credit limit of a line of credit facility.
- Upfront commission for a loan variation is paid in accordance with the following formula: $\text{Upfront commission} = \text{UCR} \times \text{NLI} \times \text{Product Multiple}$ where UCR is the Upfront Commission Rate, NLI is the Net Lending Increase and the Product Multiple is 100% of the approved limit for a NAB term loan and 60% of the facility limit for a NAB Line of Credit.
- Where the Business Loan is a NAB Finance Lease, NAB Hire Purchase, NAB Equipment Loan or NAB Novated Lease, the approved limit for the purpose of calculating commission, equals the amount financed (that is, the amount used by NAB to calculate the instalments payable)
- Net Lending Increase (NLI) is defined as:

- In the case of a variation to a NAB Term Loan, NAB Line of Credit or Business Overdraft, the net increase if any in the aggregated approved limits of all associated NAB loans (Including Term Loans, Line of Credit Facilities and Business Overdrafts). However, in the case of a variation to a NAB Term Loan, NAB Line of Credit Facility or Business Overdraft, NAB Broker may at its absolute discretion determine that it will pay a lower amount of commission, and no upfront commission will be payable at all if the NLI is less than \$50,000
- NAB Business Lending product includes a NAB Finance Lease, NAB Hire Purchase, NAB Equipment Loan or NAB Novated Lease, the approved limit, for the purpose of calculating commission, equals the amount financed (that is, the amount used by NAB to calculate instalments payable)

COMMISSIONS – UPFRONT & TRAIL

NAB TRADE FINANCE PRODUCTS

Upfront Commission Rate (% including GST, unless specified otherwise)	Trail Commission Rate (in the relevant year of the Loan) (% p.a. including GST)						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and following for term of Loan	
NAB Trade Refinance Facility	0.50%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
NAB Invoice Finance Facility & NAB Debtor Finance Facility	0.50%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
NAB Standby Letter of Credit Facility	0.50%	nil	nil	nil	nil	nil	nil
NAB Import and Export Transaction	nil	20% inc. of GST	20% inc. of GST	20% inc. of GST	20% inc. of GST	20% inc. of GST	20% inc. of GST

- In the case of NAB Invoice Finance facility or NAB Debtor Finance facility application (but not variation) the upfront commission paid will be an amount calculated at the upfront commission rate multiplied by the approved limit for the facility, inclusive of GST up to a maximum of \$10,000. Drawdown date means the date when the first batch of debts are purchased under the facility.
- In the case of NAB Trade Refinance Facility application (but not variation) the upfront commission paid will be an amount calculated at the upfront commission rate multiplied by the approved limit of the facility, inclusive of GST. Drawdown date means the date which the funds are first drawdown under a loan.
- In the case of NAB Standby Letter of Credit facility application (but not variation) the upfront commission paid will be an amount calculated at the upfront commission rate multiplied by the approved limit for the facility, inclusive of any GST, up to a maximum amount of \$10,000. Drawdown date in respect of NAB Standby Letter of Credit means the date which a standby letter of credit is opened or issued under the facility.
- For a NAB Trade Finance Facility, Trail Commission is calculated for each trail commission period as follows: $C = TCR \times (A-B)$ where C = Trail Commission, TCR = Trail Commission Rate, A = Average daily debt balance of the loan account over the trail commission period. B = average daily credit balance of any interest offset account to which the loan is linked, and where the interest offset is enabled, over the trail commission period.
- For NAB Invoice Finance Facility or NAB Debtor Finance Facility application (but not a variation) NAB pay trail commission at the trail commission rate multiplied by the Purchase Charge, inclusive of GST, collected by NAB under a NAB Invoice Finance Facility Agreement or NAB Debtor Finance Facility Agreement each month.
- For NAB Import Transaction Application (but not variation) NAB will pay a trail commission, inclusive of GST at the trail rate above for the transaction collected by NAB each month.
- For NAB Export Transaction Application (but not variation) NAB will pay a trail commission, inclusive of GST at the trail rate above for the transaction collected by NAB each month.
- Entitlement to trail commission in respect of a loan automatically ceases without notice, if NAB accepts a variation application submitted by another broker.
- No Trail will be paid if the principal loan amount falls below \$10,000
- Brokers entitlement to trail ceases without notice, during the period commencing from 45 days after the occurrence of a payment default until the default is remedied to NAB's reasonable satisfaction within 90 days after the occurrence of the payment default, brokers entitlement to trail commission will cease permanently

- Brokers entitlement to trail ceases without notice, during any period (Hardship Period) which NAB agree, as a result of borrower's hardship, to postpone the dates on which the borrower's repayments are due under the loan or extend the loan contract term and reduce the borrower's repayment accordingly.
- Broker's entitlement to trail commission will resume if and when the hardship period ends or if a broker knowingly or recklessly gives information or a document in or supporting the application for the loan which information or document is false in a material particular or material misleading
- If NAB suspect on reasonable grounds that a broker has committed or contributed to any systemic or widespread acts of fraud, illegality or dishonesty in relation to a loan or variation. In this circumstance, a broker's entitlement to trail will cease in relation to all loans that have been introduced

NAB BUSINESS LENDING

Upfront Commission Rate (% including GST, unless specified otherwise)	Trail Commission Rate (% p.a. including GST)
0.55%	0.20%

- These NAB Business Lending commissions are paid to brokers who have been accredited by NAB Broker as a NAB Commercial Broker in accordance with NAB's accreditation rules.
- Eligible Loan Amount (except where an upfront commission is negotiated), upfront is calculated as at drawdown date Eligible loan amount for a term loan is 100% of a NAB Term loan. In the case of a variation to a NAB Term loan or business overdraft the net increase, if any, is the aggregated Approval Limits of all associated NAB loans that are Term Loans and Business Overdrafts. However, in the case of a variation to a NAB Term Loan or Business Overdraft, NAB may at its discretion determine to pay a lower amount of commission.
- Except where an upfront commission is negotiated, the maximum upfront commission amount payable in relation to a NAB Business Lending Product is \$27,500 (inclusive of GST). However, in the case of an Eligible Loan Amount that equals to or exceeds \$5 million you may request (directly, or through your relevant NAB Commercial Broker Accredited Representative) that they pay an amount of upfront commission in excess of \$27,500 (inclusive of GST). NAB will consider any such request at their discretion and advise the broker or, as relevant the brokers representative of the outcome of their consideration.
- Trail commission is calculated for each trail commission period as follows: $C = TCR \times (A - B)$ where C = Trail Commission, TCR = Trail Commission Rate, A = Average daily debt balance of the loan account over the trail commission period. B = average daily credit balance of any interest offset account to which the loan is linked, and where the interest offset is enabled, over the trail commission period.
- Entitlement to trail commission in respect of a loan automatically ceases without notice, if NAB accepts a variation application submitted by another broker.
- No Trail will be paid if the principal loan amount falls below \$10,000
- Brokers entitlement to trail ceases without notice, during the period commencing from 45 days after the occurrence of a payment default until the default is remedied to NAB's reasonable satisfaction within 90 days after the occurrence of the payment default, brokers entitlement to trail commission will cease permanently or During any period (Hardship Period) which NAB agree, as a result of borrower's hardship, to postpone the dates on which the borrower's repayments are due under the loan or extend the loan contract term and reduce the borrower's repayment accordingly. Broker's entitlement to trail commission will resume if and when the hardship period ends or if a broker knowingly or recklessly gives information or a document in or supporting the application for the loan which information or document is false in a material particular or material misleading.
- If NAB suspect on reasonable grounds that a representative has committed or contributed to any systemic or widespread acts of fraud, illegality or dishonesty in relation to a loan or variations. In this circumstance, a broker's entitlement to trail will cease in relation to all loans that have been introduced.

	Commission Rate	Trail (% p.a.)
NAB QuickBiz Loan	2.2% incl. of GST	Nil
NAB QuickBiz Overdraft		

- For each NAB QuickBiz Overdraft, upfront commission will be calculated on draw down date based on the amount equivalent to 100% of the Approved Limit.

RESIDENTIAL LOANS

Definitions and Interpretations

- Average Daily Principal Balance means the sum of balances at the close of business for each loan introduced by the broker through submission of an application which is outstanding and has not been discharged, and for each amount of new money which is outstanding and has not been discharged, and in each case where the borrower is not in default, for each day in the period, divided by the number of days in that period. This will generate the average daily principal balance for each loan. The balance includes:
 - Original settled loan amount or, in the case of a continuing credit facility, the original credit limit.
 - Less repayments
 - Plus, interest and fees charged by Newcastle Permanent
 - Plus, any new Money, and
 - Less offset account balance (where 100% loan offset arrangements apply)
- Existing Borrower means any of the parties to an existing or previous (repaid within the last 3 months) loan with Newcastle Permanent
- New Money means funds made available to an existing borrower in addition to the settled loan amount but for avoidance of doubt, in respect of line of credit products, includes any amount by which credit limit is increased.
- Settled loan amount means: for loans other than continuing credit facilities, the Net Loan Balance. For Line of Credit Products, 100% of the credit facility limit. For Construction Loans, the total of the amounts contracted to be drawn down within 24 months of the date of initial drawdown.
- Net Loan Balance: shall mean the loan balance on the 7th calendar day in the month following the month in which the loan settles, less any amount repaid in advance and account balance of any related offset account.
- Variation means a change in the terms and conditions applicable to a loan. This may include product switches and principal increases.

CLAWBACK

If a loan to a Newcastle Permanent Member arising from an application submitted is discharged, terminated or fully paid out other than in accordance with its agreed term, Newcastle Permanent may clawback upfront commission paid by Newcastle Permanent to the broker in respect of that loan as follows:

- Upfront commission shall be totally (100%) refunded by the broker to Newcastle Permanent on Loans which terminate within 365 days of the original settlement
- Upfront commission shall be partly (50%) refunded by the broker to Newcastle Permanent on Loans which terminate between 366 days and 548 days of the original settlement
- If an existing NPBS loan that settled before 1st January 2019 is refinanced, then upfront will be clawed back in accordance with these clawback provisions and upfront will be paid on the new loan in accordance with upfront calculation provisions after 1st January 2019.

UPFRONT

- From 1st January 2019, for settled loans they will calculate upfront commission based on the balance of the loan seven (7) days after the end of the month of settlement, less loan funds placed in a linked offset account and or paid in advance to the loan (calculated on Net Loan Balance).
- A second calculation of Upfront commission will be made six (6) months after settlement, with an additional payment being made where the net loan balance has increased by more than \$10,000.
- For line of credit products upfront will be calculated on 100% of the credit facility limit.
- For construction loans upfront will be calculated on the total of the amounts contracted to be drawn down within 24 months of the date of initial drawdown.
- The variation or new money amount of loan variations involving principal increases or New Money Applications the settlement of which occur on or after 1st January 2019, whether or not the original settlement of the original loan the subject of the variation or new money application occurred prior to 1st January 2019, then original upfront amount paid will be clawed back and new commission on varied loan/new money amount will be paid based on the upfront commission from 1st January 2019.

TRAIL

- Will pay trail commission to the broker at the applicable rate for each available Newcastle Permanent product (with exception of any offset products) based on the Average Daily Principal Balance on loans introduced by the broker or the average daily balance on loans not originally introduced by the broker where a subsequent variation on the loan has been initiated by the broker.
- Trail commission will cease if a variation to the loan is initiated by another broker where the loan was originally introduced by the broker.
- Will cease paying trail when the loan is in default for such period commencing 30 days after the date on which the payment is due.

- Newcastle may suspend commission to a broker where in the opinion of Newcastle Permanent, acting reasonably, the broker has forged signatures or documents or has falsified records or where the broker has failed to adequately carry out customer identification or verification procedures required in respect of a customer



RESIDENTIAL AND COMMERCIAL LOANS

CLAWBACK UPFRONT AND TRAIL

The Clawback Upfront and Trail payable on Paramount loans, both Commercial and Residential are product based and are detailed in the tables below:

Commercial			
Loan Product	Upfront	Trail	Clawback
Commercial & Residential Land Subdivision (Private Lenders)	0.55%	nil	No
Commercial & Residential Loan Caveats	Upfront advised on application	nil	No
Commercial Lo Doc 70%	From 0.50%	Up to 0.1%	No
Commercial – 1-day ABN	From 0.55%	Case by case	No
Commercial Loan 2 nd Mortgage	From 0.50%	nil	No
Commercial Loan – Construction Purposes (With or Without Pre-Sales)	From 0.50%	nil	No
Commercial Loan Full Doc 75%-80%	From 0.50%	Nil to 0.20%	No
Commercial Loan Jumbo	From 0.50%	nil	No
Commercial Loan – Land Bank	From 0.50%	nil	No
Commercial Loan Specialised Security Loans – Lo Doc & Full Doc	From 0.50%	Case by case	No
Commercial Loan take Out – Residual Stock	From 0.50%	Case by case	No
Rural 100 Acres Plus	0.50%	nil	No
Mezzanine - Private	0.50%	Case by case	No

Residential			
Loan Product	Upfront	Trail	Clawback
Residential 2 nd Mortgages (Private)	From 0.50%	nil	No
Residential Lo Doc – Defaults Arrears & Bankrupts	From 0.55% to 0.715%	From 0 to 0.22%	No
Residential Lo Doc – No BAS or Business Banking Statements (Clean Credit) 70%	From 0.55% to 1.1%	nil	No
Residential Lo Doc – Paid Defaults Considered & Unlimited Cash Out 80%	From 0.50%	nil	No
Residential Lo Doc – Land Only	From 0.55%	nil	No
Residential Full Doc – Defaults Arrears & Discharged Bankrupts	From 0.55%	nil	No
Residential full Doc – Clean Credit 80%	From 0.55%	nil	No
Residential Full Doc – Land Only 95%	From 0.55%	nil	No
Residential Construction Loan – Lo Doc & Full Doc	From 0.55%	nil	No
Residential Full Doc & Lo Doc (Short Term) 80%	From 0.55%	nil	Varies case by case depending on loan term

To seek further clarification around commissions, contact Paramount direct on 1300 799 399.



RESIDENTIAL LOANS

Definitions:

- Netting of Offset: The amount of credit funded and outstanding balance of a introduced loan are for the purposes of calculating a commission payment, deemed to be reduced by an amount equal to the balance of any related offset account which the relevant member has with PCCU.
- Introduced Loan means an approved, settled and funded approved product.

CLAWBACK

Clawback of commission that has been paid to you will apply as follows:

- A clawback of 100% of the upfront commission paid to the broker (including GST) will apply to introduced loans repaid or refinanced with another lender in the period commencing on the date the loan is settled and funded up to and including 12 months from that date.
- A clawback of 50% of the upfront commission paid to the broker (including GST) will apply to introduced loans repaid or refinanced with another lender in the period between 12 months and 1 day after the introduced loan is settled and funded and 24 months after the date the introduced loan is settled and funded.
- A clawback of 100% of the upfront and trailing commission paid to the broker (including GST) will apply to the introduced loan where PCCU are unable to recover any of the amount advanced due to fraud (whether the broker knew about the fraudulent conduct).

UPFRONT

- Will be paid on or before the last day of the month following the month in which settlement and funding of the relevant introduced loan occurred. The amount of credit funded, and the outstanding balance of the relevant introduced loan are, for the purposes of calculating this payment, deemed to be reduced by an amount equal to the balance of each related offset account which the relevant Member may have with PCCU on the preliminary assessment date for the relevant introduced loan being 8th day of the month following the month in which settlement and funding of the introduced loan occurred.
- The actual upfront commission payable to the broker in respect of an introduced loan will be calculated on the date which is 6 months after the relevant preliminary assessment date (Final assessment Date).
- No upfront is payable:
on the portion of a HomeBuild Access Loan that is funded by the Northern Territory Government
any introduced loan to the extent it refinances or repays another loan advanced or made available by PCCU to the relevant client or a person associated with client.

TRAIL

- Trailing commission is payable in arrears on the last day of the month following the month in which settlement and funding occurs, and monthly in arrears on the last day of the month thereafter.
- No trailing commission is paid:
 - on the portion of a HomeBuild Access Loan that is funded by the Northern Territory Government.
 - any introduced loan to the extent it refinances or repays another loan advanced or made available by PCCU to the relevant client or a person associated with client.
 - introduced loans with an introductory rate during the introductory period.
 - introduced loans which are continuing credit contracts (e.g., Line of Credit, Overdrafts etc.)
 - introduced loans for any month which the borrower(s) has/have failed to make a repayment that is due under the relevant credit contract for a period of 60 days or more (at any time during the month the borrower was 60 days or more in arrears)
 - introduced loan in relation to which relevant borrower, guarantor or surety, or mortgagor or other security provider is in default otherwise than as a result of failing to make a payment when due.
 - introduced loan that have a non-accrual status
 - any new loan or credit facility type that PCCU introduce and advise is an approved product in which they notify brokers no trailing commission is payable.

the borrower repays the introduced loan in full.

OTHER

Where there is an increase in lending in relation to an introduced loan

- If the application for increased lending is introduced by a broker, they will be entitled to upfront commission on the amount of the increase and trailing commission calculated by reference to the loan balance has increased; and
- If the application for increased lending is not introduced by a broker (for example, if the client applies directly to PCCU) the broker will not be entitled to any further upfront commission in relation to the increase. However, brokers entitlement to trailing commission in relation to the introduced loan will be calculated on the loan balance at the end of the relevant month as increased.
- This applies regardless of whether the increase is documented as a variation to the existing credit contract or as a new credit contract.
- Any other variations to an introduced loan (for example, product switches or principal reductions) will not be affect the brokers entitlement to trailing commission, except to the extent that the variation may affect the outstanding balance of introduced loan.



RESIDENTIAL LOANS

CLAWBACK

Definition: Initial Fee is defined as Upfront commission paid to a broker

For Prime and Non-Conforming loan applications lodged and settled after 15 February 2018 and prior to the 1 January 2019

If the principal amount outstanding under a Pepper Prime Full documentation, Full documentation PLU (whether or not by the brokerS and Pepper Prime Alternative Documentation and Alternative Documentation Plus home loans are repaid in full within first 18 months of the term of the loan (whether as a result of voluntary early repayment or otherwise), then the broker must pay Pepper a sum equal to the proportion of the initial fee applicable for the loan:

- Months 0 -12 months 100% of the initial fee
- Months 13 – 18 months 50% of the initial fee

If the principal amount outstanding under a Pepper Non-Conforming product suite includes the Pepper Near-Prime Suite of products including Pepper Specialist Suite of products and Pepper Specialist Suite of products and Pepper Alternative Documentation Suite of products are repaid in full within the first 12 months of the term of the loan (whether as a result of voluntary early repayment or otherwise), then the broker must pay Pepper a sum equal to the initial fee applicable for the loan:

- Months 0 – 6 months 100% of the initial fee
- Months 7 -12 months 50% of the initial fee

If the principle amount outstanding under a loan is reduced to 50% or less of the loan's original facility limit within the first 12 months of the term of the loan (whether as a result of any prepayment or otherwise), then 50% of the initial fee must be refunded to Pepper by the broker.

For Prime and Non- Conforming loan applications received on or after 1 January 2019 and prior to the 23rd May 2022.

For the Pepper Prime Home Loan Product Suite, including Pepper Prime Full Documentation, Full Documentation PLUS and Pepper Prime Alternative Documentation and Alternative Documentation Plus home loans., the following Clawback applies:

- If the principal amount outstanding under a loan is repaid in full within the first 12 months of the term of the loan (whether as a result of voluntary early repayment or otherwise) then 100% of the Initial Fee must be refunded by the broker to Pepper.
- If the principal amount outstanding under the loan is repaid in full during months 13 – 18 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial Fee must be refunded by the broker to Pepper.

For the Pepper Non-Conforming Product Suite, including Pepper Near Prime Suite of Products, Pepper Specialist Suite of Products and Pepper Alternative Documentation Suite of Products, the following Clawback applies:

- If the principal amount outstanding under a Loan is repaid in full within the first 6 months of the term of the loan (whether as a result of voluntary early repayment or otherwise), then 100% of the Initial Fee must be refunded by the broker to Pepper.
- If the principal amount outstanding under a loan is repaid during months 7-12 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial fee must be refunded by the broker to Pepper.

If the principle amount outstanding under a loan is reduced to 50% or less of the loan's original facility limit within the first 12 months of the term of the loan (whether as a result of any prepayment or otherwise), then 50% of the initial fee must be refunded to Pepper by the broker.

For Prime and Non-Conforming loan applications received on or after 23rd May 2022.

For the Pepper Prime Home Loan Product Suite, including Pepper Prime Full Documentation, Full Documentation PLUS and Pepper Prime Alternative Documentation and Alternative Documentation Plus home loans., the following Clawback applies:

- If the principal amount outstanding under a loan is repaid in full within the first 12 months of the term of the loan (whether as a result of voluntary early repayment or otherwise) then 100% of the Initial Fee must be refunded by the broker to Pepper.
- If the principal amount outstanding under the loan is repaid in full during months 13 – 18 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial Fee must be refunded by the broker to Pepper.

For the Pepper Non-Conforming Product Suite, including Pepper Near Prime Suite of Products, Pepper Specialist Suite of Products and Pepper Alternative Documentation Suite of Products, the following Clawback applies:

- If the principal amount outstanding under a loan is repaid in full within the first 12 months of the term of the loan (whether as a result of voluntary early repayment or otherwise) then 100% of the Initial Fee must be refunded by the broker to Pepper.
- If the principal amount outstanding under the loan is repaid in full during months 13 – 18 inclusive after settlement of the loan (whether as a result of voluntary early repayment or otherwise), then 50% of the Initial Fee must be refunded by the broker to Pepper.

If the principle amount outstanding under a loan is reduced to 50% or less of the loan's original facility limit within the first 12 months of the term of the loan (whether as a result of any prepayment or otherwise), then 50% of the initial fee must be refunded to Pepper by the broker.

UPFRONT

- From 1 January 2019, will calculate up front commission payments at the time of settlement, net of offset and redraw, for each settled loan calculated at the date of commission payment.
- Peppers new upfront payment commission structure allows for a subsequent upfront payment to be made if the customer confirms in line with responsible lending, funds have been used for a legitimate reason within 12 months post settlement. There is no minimum threshold for claim so long as funds have been used for the purpose advised during the application submission.
- No upfront in respect of a loan is payable until 75% of the total loan amount is drawn down.

Pepper Loan Products	Up Front	Trail Commission Rate
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For Prime Loan applications received before 23 rd May 2022	0.803% of the loan amount net of offset sub-account or redraw balance for each settled loan.	0.165% per annum, of the outstanding balance of each loan settled as at the last day of each calendar month
For Non- Conforming Loan applications received before 23 rd May 2022.	0.66% of the loan amount net of offset sub-account or redraw balance for each settled loan.	0.187% per annum, of the outstanding balance of each loan settled as at the last day of each calendar month
For Prime Loan and Non-Conforming Loan applications received on and from 23 rd May 2023	0.715% of the loan amount net of offset sub-account or redraw balance for each settled loan.	0.165 % per annum, of the outstanding balance of each loan settled as at the last day of each calendar month in years 1 & 2. 0.198% per annum, of the outstanding balance of each loan settled as at the last day of each calendar month from year 3 on.

TRAIL

- From 1 January 2019, will be calculated on the outstanding balance of each settled loan as at the last business day of each calendar month and payable on the 15th day of the following calendar month (or the next business day after the 15th of the month if the 15th is not a business day in Sydney).
- No trail will be paid if any security in respect of the loan is enforced
- Trail fee in respect of a loan will be suspended if the loan is sixty (60) days or more in arrears at any time. Once any arrears are rectified, the trail will commence again but will still not be paid for the arrears period.
- If a broker, who is not the original broker who referred the loan to Pepper, introduces a variation or principal increase to a loan, all trail fees for that loan will cease to be paid to the original broker.
- If a broker is terminated due to fraud, forgery or misrepresentation, the broker's entitlement to all trailer fees ceases.

COMMERCIAL LOANS

Definition - The Pepper Money Commercial Real Estate product suite includes all commercial real estate loans. Pepper Money Commercial may designate additional products it offers from time to time. Initial Fee is the upfront fee calculated on settlement date.

CLAWBACKS

For applications submitted prior to the 1st of Feb 2023. Clawback rules are as follows:

If the principal amount outstanding under a Pepper Money Commercial Real Estate product loan is repaid in full within the first 18 months of the loan being settled (whether as a result of the borrower being in default under, or discharge of the loan agreement or otherwise), then the broker must pay Pepper Money Commercial a sum equal to the proportion of the initial fee applicable for the loan as follows:

- **Repayment Period – Month 0-12 100% of the initial upfront fee.**
- **Repayment Period – Month 13-18 50% of the initial upfront fee.**

For applications submitted on and after the 1st of Feb 2023. Clawback rules are as follows:

If the principal amount outstanding under a Pepper Money Commercial Real Estate product loan is repaid in full within the first 18 months of the loan being settled (whether as a result of the borrower being in default under, or discharge of the loan agreement or otherwise), there is no clawback applicable.

UPFRONT

- An initial fee will be calculated on the loan amount net of offset sub account or redraw balance for each settled loan. Calculated on or shortly after settlement date.
- Initial fee for additional amounts drawn down during the first year after settlement, as follows:
 - Pepper Money Commercial will, after the first anniversary of each borrower's settlement date (anniversary date) calculate the maximum drawn down amount net of offset sub-account and redraw balance for each borrower's loan. Shortly after the anniversary of each borrower's loan Pepper Money Commercial will either (i) pay the broker an additional fee at the applicable upfront rate for funds drawn down from any relevant borrowers offset sub-account or redraw balance within 12 months of the settlement date, or (ii) where the amount of the initial fee paid by Pepper Money Commercial to the broker is greater than the amount payable by Pepper Money Commercial in respect of the maximum drawdown net of offset and redraw balance for any relevant borrowers' loan, require the broker to refund the difference to Pepper Money Commercial within 3 months of the anniversary date. Alternatively, Pepper Money Commercial may, in its absolute discretion, set-off or deduct this amount from any payable amount by Pepper Money Commercial to the broker.

TRAIL

- Trail is calculated based on the outstanding balance of each loan settled as at the last day of each calendar month and payable by the 15th of the following calendar month (or next business day after the 15th month if the 15th is not a business day in Sydney).

PERSONAL LOANS

CLAWBACKS

- No Clawbacks apply to unsecured personal loan products

UPFRONT

- An upfront of 1.80% (plus GST) of the initial loan amount for each loan settled is paid on each personal unsecured loan product
- Brokers will be paid a fee for each secured and unsecured personal loan application which is (i) submitted personally by a borrower through a unique URL link (as notified to the broker by Pepper Money from time to time) as a result of a referral of the link made by the broker to the borrower and (ii) settled by Pepper Money a one-off upfront fee of \$350 (plus GST) for each loan settled.

TRAIL

- No trail commission is payable on unsecured personal loan products



RESIDENTIAL LOANS

CLAWBACK

For Loans that settled before the 1st July 2020.

- If the settled loan is repaid or refinanced within the first 12 months of loan completion, 100% of the Up-Front Commission paid to the broker will be clawed back.

For Loans that settled on or after 1st July 2020. If a loan is repaid or refinanced by a borrower during the Clawback period the broker must pay to P&N Bank the following:

- Within 12 months of the date of settlement of the loan, 100% of the Upfront Commission and Top Up Commission paid to the broker in respect of the loan.
- Between 12 and 24 months of the date of settlement of the loan, 50% of the Upfront Commission and Top Up Commission paid to the broker in respect of the loan

UPFRONT

- For loans formally approved that proceed to loan completion, from 1st July 2020 upfront commission is payable as follows: If LVR is 80% or less – 0.715%, If LVR is greater than 80% but less than or equal to 95% - 0.55%, If the LVR is above 95% - 0.00% nil.
- For loans formally approved from 7th April 2017 to the 30th June 2020, upfront commission is payable as follows: If LVR is 80% or less – 0.715%. If LVR is greater than 80% but less than or equal to 95% - 0.55%. If LVR is above 95% - 0.00% (nil).
- For loans formally approved before 7th April 2017, upfront commission is payable as follows: If LVR is 80% or less – 0.77%. If LVR is greater than 80% but less than or equal to 95% - 0.55%. If LVR is above 95% - 0.44%.
- If during the term P&N bank provides an additional loan or services to a borrower who is a member, they will not be liable to pay the broker commission.
- If the broker disputes any amount of commission received the broker must raise a query with Connective (who will refer to P&N Bank) within 12 months of payment of the commission otherwise the broker waives their right with respect to that commission query
- Upfront commission is paid in respect of each approved loan that proceeds to completion where the loan amount is at least \$50,000.
- For each approved loan that is a bridging loan, an upfront commission payment of \$300 applies.

TRAIL

- Trail payments will be discounted by the total funds held in offset against each qualifying loan which will be calculated at the end of each month.
- The trail in respect of a loan will cease to be payable if: - the Loan is discharges in full and or if any security in respect of the loan is enforced.
- If a settled loan falls into arrears trail payment will cease until the loan returns to a position of good standing.
- For loans paid out and closed before the last day of the month, the applicable yearly rate will be paid on the outstanding loan balance minus any consolidated balance calculated on the day of loan closure

TOP UP COMMISSION

- From 01/08/2020, Top Up Commission is paid in respect of each qualifying loan (excluding Bridging loans) post a 365 day review where the Top Up Amount is \$5,000 or more.
- Top Up Commission is calculated by multiplying the upfront commission rate with the Top Up Amount. For this purpose, the Top Up Amount is the difference between a) the funded loan amount as at the Upfront Commission Assessment Date; and b) the funded loan amount as at the date that is 365 days after the first day on which an amount of credit is drawn down by the borrower under the contract.



RESIDENTIAL AND COMMERCIAL LOANS

CLAWBACKS

- From time to time RedZed may offer loan products that provide for the repayment of commission paid by Lender in certain circumstances. Any such provision will be noted in the product specification in the quick lending guide.

UPFRONT

- Will be calculated on the original drawdown amount exclusive of fees for both residential and commercial loans as described in the current quick lending guide.

TRAIL

- Will be calculated and paid monthly for both residential and commercial loans as described in the current quick lending guide and paid monthly on the outstanding balance at the end of the month, exclusive of fees.
- Will not be paid in respect of loans during any default (default period). Once any default is rectified, payment of trail will re-commence but will not be payable for the Default Period.
- May cease paying trail where there is any fraud, forgery or misleading conduct by a broker.

OTHER

- RedZed offers the flexibility to adjust commission in accordance with the requirements of the borrower. In these instances, on a case by case basis where it is agreed by both the broker and the lender the commission paid may be different to the standard commission.



RESIDENTIAL LOANS

PLEASE NOTE: Home loans changed their name to Resimac Home Loans on 4th December 2018.

CLAWBACKS

Where a settled loan is fully repaid within 12 months of settlement or partially repaid within 18 months of settlement, Resimac may enforce clawback of the upfront commission paid as follows:

- 100% of the upfront commission paid will be subject to a clawback if a loan is repaid in full within 12 months of drawdown.
- 50% of upfront commission paid will be subject to a clawback if a loan is repaid in full between 12 months and 24 months of drawdown.
- Where a partial discharge of security is made within 12 months of drawdown, the upfront commission will be subject to a 100% clawback, proportionate to the amount repaid as a result of the security discharge.
- Where a partial discharge is made between 12 months and 18 months of drawdown, the upfront commission will be subject to a 50% clawback, proportionate to the amount repaid as a result of the security discharge.
- Where 50% or more of the original loan limit is permanently repaid within 12 months of drawdown, the upfront commission will be subject to a clawback proportionate to the amount repaid.

UPFRONT AND TRAIL

Prime Alt Doc and Specialist Full Doc and Alt Doc Products: **effective for applications submitted from Wednesday 8 March 2023** The upfront payment will be based on the approved loan amount net of any redraw and offset, calculated at the end of the month in which the loan settles. This applies to both new loans and increase applications (increase applications are where a new application is lodged to increase the original loan amount, and a new loan split is taken out). Where a new loan split is not taken out (i.e. an increase on an existing loan split) no commission will be payable.

The change will be for all new applications submitted from Wednesday 8 March 2023 as well as all pipeline applications that haven't settled prior to this date.

Item	Upfront Commission %	Trail Commission % (per annum)	Minimum Loan Size
New Loans			
All Products	0.825	0.22	\$50k
Principal Increases			
All Products	0.825	0.22	\$40k
Conversions			
Security Substitutions	Nil	Nil	N/A

Resimac MoniPower Loan Products – Upfront Commission will be calculated based on drawn amount less any offset balance as at the end of the month the loan settled, subject to a minimum payment of \$400. This applies to both new loans and increase applications (increase applications are where a new application is lodged to increase the original loan amount, and a new loan split is taken out). Where a new loan split is not taken out (i.e. an increase to an existing loan split) no commission will be payable.

Resimac Accelerate Loan Products: Upfront commission will be calculated based on the amount settled net of offset and redraw. This applies to both new loans and increase applications (increase applications are where a new application is lodged to increase the original loan amount, and a new loan split is taken out).

Resimac Prime and Resimac Specialist Products: The upfront payment will be based on the approved loan amount net of any redraw and offset, calculated at the end of the month in which the loan settles. This applies to both new loans and increase applications (increase applications are where a new application is lodged to increase the original loan amount, and a new loan split is taken out). Where a new loan split is not taken out (i.e. an increase on an existing loan split) no commission will be payable.

Item	Upfront Commission %	Trail Commission % (per annum)	Minimum Loan Size
New Loans			
All Products	0.715	0.165	\$50k
Principal Increases			
All Products	0.715	0.165	\$40k
Conversions			
Security Substitutions	Nil	Nil	N/A

OTHER

- Ultra Plus includes all Plus product variances (Ultra Plus LOC, Ultra Plus Lo Doc, Ultra Plus Lo Doc LOC etc.)
- No commission will be paid on loans that are settled where the loan amount is below the minimum loan size specified above.
- Generally, no commission is payable on re-finance loans when the loan is re-financed internally with Resimac
- Upfront commission on Bridging Type Loans e.g. Go Between Loan is only payable on the end debt.
- Line of Credit loans are calculated on 75% of limit OR the actual amount drawn down at settlement, whichever is the greater.
- No trail commission is paid on Monipower Line of Credit Loans and Variations.
- Trail commission is not payable in respect of Settled Loans while in default or arrears for a consecutive period of sixty days provided however that upon correction of all arrears on the settled loan any trail commission will recommence.
- Brokers remain entitled to receive ongoing trail whilst licensed or an authorised Credit Representative under an active Resimac Introducer Agreement.



RESIDENTIAL LOANS

The following commissions are payable where a broker is fully accredited to process St George Bank Group (SGB) residential loans

CLAWBACK

- If the loan is discharged within twelve (12) months of the settlement date of the event that entitled the broker to payment of that upfront commission, the broker must refund 100% of the upfront they received plus any GST adjustment which SGB is entitled to receive in relation to that refund.
- If the loan is discharged after twelve (12) months and within twenty-four (24) months of the settlement date of the event that entitled the broker to payment of that upfront commission, the broker must refund 50% of the upfront commission they received plus any adjustment which SGB is entitled to receive in relation to that refund
- From 1st January 2020, For loans for construction purposes only, if at the date of termination or discharge of that loan less than 95% of the credit limit has been drawn, except where a relevant clawback amount is payable, the broker must repay an amount equal to the difference between the initial upfront commission paid by SGB for that loan and the initial up front commission that would have been payable by SGB for that loan had the credit limit for that loan at settlement been equal to the highest amount drawn under the loan as at the last business day of the commission period to the date of termination.
- From 1st January 2020, If SGB has paid the broker an upfront commission, and a loan which settles (other than a switch to another SGB product or otherwise than in the course of what SGB determines in its absolute discretion to be a bona fide repayment or refinancing by customer within any clawback period including any Subsequent payment of commission then broker must repay the amount specified.
- In the event of a loan book transfer, the early repayment clawback (as outlined above) will be applied to the New Broker, instead of the original broker.

UPFRONTS

- **From 1st January 2020**, SGB will pay the broker an upfront commission for each approved application for approved finance, by way of an initial upfront commission (less any amounts in any offset account which is linked to the loan) on the third business day following settlement, for new standard home loans along with Subsequent up-front commission (see note below 01/01/2020). No upfront commission is payable where the amount (less any amounts in any offset account which is linked to a loan), or the drawn top-up amount or increase of the approved application is less than \$50,000. Further principles governing payment of upfront commission and trailing commission in respect of applications involving refinances or top-ups of existing SGB loans are set out in introducer kit.
- For a residential loan, upfront shall be calculated, if the loan is not intended to be drawn in one amount (for example a continuing credit contract or a progressive drawdown loan) on the credit limit for that loan, provided that if the loan has not been fully drawn within 12 months of the date of payment the Initial upfront commission for that loan, SGB may require the broker to repay the amount of the initial upfront commission.
- Split Loans (sequence loan) which are settled within same month, upfront will be paid calculated on the end of month balance net of offset balance (i.e., end of month balance less end of month offset balance).
- Construction Loans – These loans must be entered as a building loan, renovation loan or progress draw loans in system using CNSTR purpose code for Construction or RENIM purpose code for Renovations or Improvements. For these loans upfront will be calculated on the loan limit.
- SGB Line of Credit (Portfolio Loan), Upfront will be calculated using net of offset calculation.
- **From 1st January 2020**, a simpler payment process for **Subsequent upfront commission** will be implemented (by removing claim process). The subsequent commission will be calculated after the first anniversary of the settlement of a standard home loan, calculated using current upfront commission

- percentage of the largest eligible balance at any time in the 12-month period since settlement, less the initial upfront commission previously paid for that loan. If the calculation of Subsequent upfront for a loan is less than \$0.00 no subsequent upfront commission is payable for that loan.
- Subsequent upfront commission is only payable on new standard home loans (and not equity access loans, loans under continuing credit contracts, progressive drawdown loans, other loans or top-ups or increases to existing standard home loans).
 - The Subsequent upfront commission will be payable on or before the 22nd day of the second month following the anniversary of settlement.
 - If (i) an applicant draws a loan for the acquisition of land and (ii) the broker is paid an upfront commission with respect to that loan, and (iii) the applicant subsequently takes out a loan for construction on the land, and uses part of the proceeds of that loan to pay out the land loan, then for the amount of the subsequent loan referred to at (iii) above for the purposes of calculating upfront commission payable to the broker will be reduced by an amount equal to the amount of the loan referred to in (i).
 - If (i) the broker is paid an upfront commission with respect to an approved application for residential finance and (ii) subsequently an application for residential finance is approved and is used all or part to payout an existing loan referred to in (i) then the amount of the subsequent loan referred in (ii) for the purpose of calculating upfront will be reduced by an amount of the loan referred to in (ii).
 - A product switch is where the applicant keeps the same loan number or switches to a combination loan, at least one loan of which retains the same loan number.
- Subsequent upfront commission is only payable on new Standard Home Loans (and not Construction, Portfolio or other loans or increases to existing Standard Home Loans).
 - Standard Home Loans include, Investment Basic Variable, Investment Fixed 1 to 5 years, Investment Standard Variable, Owner Occupied Variable, Owner Occupied Fixed 1 to 5 years, Owner Occupied Standard Variable and any other type of finance SGB/BOM/Bank SA notify us from time to time.
 - For Relocation loans, the upfront commission will be based on the end loan balance.
 - St George Group will not pay upfront commission on some margin-based products
 - No upfront is payable for monies already borrowed by the borrower. Including renewal of any expired loan facility
 - The broker will not receive any upfront commission on an increase to an existing loan unless the broker interviews the borrower and refers the request to increase the loan to St George
 - The limit on any sub account allocated for Asset Access will be excluded from the calculation of upfront payments
 - Commission will only be paid on loans lodged electronically via bank's proprietary software system. Loans lodged outside systems will be accepted but no commission will be eligible to be paid.

OTHER

Commissions where there is an increase to Existing Loans (top up)

- SGB pays upfront commission (for Standard Residential and Construction Loans) on any loan amount increase on an existing loan (top up) where the increase is \$50,000 or more and will further pay trailing commission on the increased loan amount. No upfront commission will be paid if the top up loan is less than \$50,000, however, trailing commission will be paid on the increased loan.
- Where the top up on an existing loan is originated by a broker other than the broker that originated the existing loan, the trailing commission on the increased loan amount (existing loan balance plus top up amount) will be paid to the broker that originated the top up once the top up had been drawn. Trailing commission to the broker that originated the existing loan will cease.
- If a change of loan facility can be accommodated via the portability process, there will be no change to commission rate paid on the loan. If portability is unable to be utilised and the loan is required to be re originated, then the trail will be reduced.
- Refinance of an existing loan less than 2 years old, clawback may apply (100% up to 12 months and 50% from 12 months to 2 years). However Upfront will be paid on new loan based on end of month balance net of offset balance.

TRAIL.

- Trail commission is based on the loan balance at the end of the month and is paid monthly but is not paid on balances in the month of settlement and month of discharge. The loan must have a balance outstanding at the beginning and end of a month.
- Trail commission will continue for loans (both on the existing loan and the increase in the loan) where an increase has occurred provided that the loan application is referred to St George and in the event the borrower (s) use one of St George's delivery channels for the application to increase the loan that the loan increase is more than \$100,000
- Trail payments for Foreign Currency loans will be based on the loan balance converted to Australian Dollars at the end of the month using the spot rate determined by St George and paid monthly.

- Trail commission is calculated on the loan balance (less any amount in a linked offset account) on the last day of the month,
- Where a loan has been in arrears for thirty (30) days or more or more Trail commission will not be paid. Trail commission will recommence 30 days after the repayment of all arrears.
- For relocation loans if it has an end debt trail will begin when the end debt is finalised and will be paid in the second month after the end debt is finalised. Trail is not paid on relocation loans that do not have an end debt.

REFERRAL COMMISSION

The following commissions are payable where a broker refers residential loans to the St George Group

CLAWBACK

- If the loan is discharged within twelve (12) months of the settlement date of the event that entitled the broker to payment of that upfront commission, the broker must refund 100% of the upfront they paid plus any GST adjustment which the broker is entitled to receive in relation to that refund
- If the loan is discharged after twelve (12) months and within twenty-four (24) months of the settlement date of the event that entitled the broker to payment of that upfront commission, the broker must refund 50% of the upfront commission they paid plus any adjustment which the broker is entitled to receive in relation to that refund

UPFRONT

- For Relocation loans, the upfront commission will be based on the end loan balance only unless there is no end balance when it will be \$500.
- St George Group will not pay upfront commission on some margin-based products
- The limit of any sub accounts allocated for Asset Access will be excluded from the calculation of Upfront payments
- Portfolio loans are paid at 75% of standard loan rates

TRAIL

- Trail is not paid in year 1. Trail of 0.11% p.a. applies from Year 2 onwards
- Trail commission (subject to clause above i.e., trail paid from Year 2 onwards) is based on the loan balance at the end of the month and is paid monthly but is not paid on balances in month of discharge.
- Trail commission will continue for loans (both on the existing loan and the increase in the loan) where an increase has occurred provided that the loan application is referred to St George and in the event the borrower (s) use one of St George's delivery channels for the application to increase the loan that the loan increase is more than \$100,000
- Trail commission is calculated net of offset balances
- Where a loan has been in arrears for a period of two (2) Months or more Trail commission will not be paid. Upon correction of all arrears on that loan, payment of any trail commission for it will recommence.



COMMERCIAL LOANS

The following commissions are payable where a broker is fully accredited to process St George Group commercial loans

APPROVED PRODUCT LIST

- Business/Commercial Overdrafts
- Business Maximiser



- Business Loan Variable
- Business Loan Fixed
- Construction Loan
- Commercial Bill Acceptance and discount
- Commercial Loan Variable
- Commercial Loan Fixed
- Invoice Discounting/Invoice Discounting Plus
- Commercial Hire Purchase, Leasing, Equipment Rental and Chattel Mortgages

CLAWBACKS

- The broker must refund 100% of the upfront commission paid by St George Group plus any GST adjustment which the broker is entitled to receive in relation to that refund, if the financial service is discharged within 12 months of the settlement date of the event that entitled you to payment of that upfront commission.

UPFRONT

Amount of Aggregated Customer Facilities	Commission (%)
\$0.00 - \$4,000,000	Up to 0.55% of the facility limit *
\$4,000,001 and above	Up to 50% of the establishment fee (exclusive of GST)

*Subject to minimum establishment fee as set by the bank or otherwise negotiated

- These commissions are subject to a maximum upfront commission of \$45,000 or otherwise negotiated on each referred transaction and is calculated based on total amount of finance facilities approved and settled.
- For Commercial Hire Purchase, Leasing, Equipment Rental or Chattel Mortgage if such a product is referred and settles then these products are eligible for a maximum up-front commission of 3% subject to the transaction meeting the bank's terms and conditions for the asset being financed. The commission will be added to the loan amount financed for the referred customer.
- For Commercial Bill Acceptance & Discount and Construction Loan is referred and settles then these products are eligible for a maximum up-front commission of up to 50% of the establishment fee charged subject to the transaction meeting the bank's terms and conditions for the asset being financed.
- For Invoice Discounting or Invoice Discounting Plus these products are eligible for a maximum up front of up to 100% of the standard service fee charged subject to the transaction meeting the bank's terms and conditions for the asset being financed. The commission will be added to the loan amount financed for the referred customer.
- No commission is payable on Property Development and Investment facilities above \$10 million.
- The lender reserves the right not to pay an upfront where they are unable to obtain their desired rates of return

TRAIL

Amount of Aggregated Customer Facilities	Commission (%)
0 - \$250,000	Nil
\$250,001 and above	Up to 0.275%

- Trail commission is based on the loan balance at the end of the month and is paid monthly but is not paid on balances in the month of settlement and month of discharge.
- If the average balance outstanding exceeds the banks approved limit for that facility, they will not pay trail commission on that portion of the average balance outstanding that exceeds the banks approved limits on that facility for that month
- If a request for a new financial service for an existing referrer introduced customer is made by another referrer and that new financial service is approved and settled, then any trail commission payable on an existing financial service of that customer will no longer be payable to the original referrer but will be paid to the referrer of the new financial service.
- For a facility that has been in arrears for a consecutive period of one (1) month or more trail will cease. Upon correction of all arrears on that facility, payment of any trail commission will recommence.



RESIDENTIAL LOANS

CLAWBACK

Suncorp will clawback any upfront commissions already paid or payable to the broker with respect to settled loans:

- For settled loans that discharge up to 12 months from the date of settlement, 100% of the upfront commission paid is to be repaid by the broker.
- For settled loans that discharge between 12 and 18 months, 50% of the upfront commission paid is to be repaid by the broker.
- From 1st January 2019,

UPFRONT

- For term loans that settle from 1st January 2019, upfront will be calculated on the loan amount draw down by the borrower/s, net of any offset or draw balances, 5 days after the loan settles.
- For loans that settle from 1st January 2019, Suncorp will pay a **Residual Upfront Commission** determined as follows: After 12 months from the time the first upfront commission payment a subsequent check is undertaken. If the utilised loan amount has increased a further residual payment on the difference is to be paid. The increased utilisation can be made up of a reduction in the advance payment/redraw amount and/or a reduction in the offset balance.
- Residual Upfront Commission will only be paid:
 - Will not pay Residual Upfront Commission if the facility has been in arrears for 60 days or more at the end of the Residual Upfront Commission calculation period.
 - With respect to those facilities that are merely an extension of the limit of a pre-existing settled facility, the amount of the extension will not qualify for the purpose of calculation of the facility amount for Residual Upfront Commission.
 - Construction loans will not qualify for Residual Upfront Commission.
 - Lines of Credit will not qualify for Residual Upfront Commission.
 - The combined total of the residual commission at month 12 and the commission paid at month 1 must not exceed the commission that would have been payable if the loan was fully drawn on the date which is 5 calendar days after the draw down date.
- Construction loans will continue to be calculated on the settled loan limit rather than drawn down amount and irrespective of offset balance.
- For those loan facilities that are merely an extension of the limit of a pre-existing settled facility, only the amount of the extension will qualify for the purpose of calculation of the facility amount and will be calculated irrespective of advance payment/redraw amount and offset balance.
- Effective from 1st August 2014, Suncorp removed the Conversion Metric for loans settling after the 1st August 2014. By removing the Conversion hurdle, they have also removed the bonus but have also increased the upfront Base commission.
- For line or credit (Asset Lines) upfront will be calculated based on 75% of the total facility amount that is available to be drawn down by the borrower.
- Borrowers seeking a loan extension to a pre-existing settled line of credit facility, only 75% of the amount of the extension will qualify for the purpose of the calculation of upfront commission.
- For term loans, the upfront will be calculated on the total amount of the facility that is available for the borrower to draw down.

- Borrowers seeking a loan extension to a pre-existing settled term loan facility, only the amount of the extension will qualify for the purpose of the calculation of upfront commission.

TRAIL

- Trail is paid on loans one month after settlement.
- Trail commission will not be paid on a loan, if the facility has been in arrears for 60 days or more at the end of the trail commission calculation period.
- Trail commission will be calculated based on Average Facility Balance (AFB) for a facility as follows: (loan account balance at beginning of month + Loan account balance at end of month) divided by less (cumulative offset account/s balance at end of month) divide by 2.

COMMERCIAL – SMALL BUSINESS LOANS

Definitions

Small Business loans include Business Essentials variable rate loan, fixed rate loan, line of credit and secured overdraft. Suncorp may classify products as Introductory or Discounted from time to time at its absolute discretion.

CLAWBACK

Suncorp will clawback any upfront commissions already paid or payable to the broker with respect to settled loans

- For settled loans that discharge up to 12 months from the date of settlement, 100% of the upfront commission paid is to be repaid by the broker.
- For settled loans that discharge 13 months and on no clawback, is payable

UPFRONT

PLEASE NOTE: Debtor Finance Facilities: are not currently offered by Suncorp. Therefore, Suncorp will not approve or pay fees in respect of the Introduction of such facilities.

- Payable for the Introduction of Business Banking Facilities (including commercial and agribusiness lending)
Facility Amount \$0 - \$3,000,000

Amount	0.55% of the Facility Amount. ('FA')
Calculation	<ul style="list-style-type: none"> • Term Loans: The Facility Amount ("FA") shall be the total amount of the facility that is available to be drawn down by the Customer upon settlement of the Facility. With respect to those Facilities where the Introduction merely relates to an increase to the limit of a pre-existing settled facility, only the amount by which the Facility limit has been increased will qualify for the purpose of calculation of the FA. • Lines of credit (Asset Lines: The Facility Amount ("FA") shall be 75% of the total amount of the Facility under calculation that is available to be drawn down by the Customer upon settlement of the Facility. With respect to those Facilities where the Introduction merely relates to an increase to the limit of a pre-existing settled facility, only 75% of the amount by which the Facility limit has been increased will qualify for the purpose of calculation of the FA. <p>The FA will be calculated after settlement for an Introduction.</p>

	<p>Suncorp reserves the right to reduce the amount of any Up-Front Commission payable for Introductions:</p> <ul style="list-style-type: none"> • Not supported by an Acceptable Application; and/or • As agreed with the Introducer and subsequently confirmed in writing.
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- Facility Amount \$3,000,001 +

Amount	50% of the collected Facility Establishment Fees
Calculation	<p>Facility Establishment Fees means the fees specified by Suncorp as a fee in relation to establishment or approval of a new Facility Application (excludes any "Establishment fees" pertaining to a temporary facility or "Variation fees" collected for a variation to the existing loan terms and conditions)</p> <p>Calculated after settlement for an Introduction</p> <p>Suncorp reserves the right to reduce the amount of any Up-Front Commission payable for Introductions:</p> <ul style="list-style-type: none"> • Not supported by an acceptable Application; and/or • As agreed with the Introducer and subsequently confirmed in writing.

- Payable for Equipment Finance Facilities

Amount	Up to 4% of the Facility Amount for facilities written at the appropriate Suncorp Broker Carded Rate
Calculation	<p>Facility Amount means the total amount paid by Suncorp to a supplier or other party to obtain title to the goods the subject of the facility.</p> <p>Suncorp Broker Carded Rate means the Suncorp minimum interest rate for Equipment Finance Facilities as set out in Suncorp Carded Rate Chart provided to the Introducer and its employees from time to time.</p> <p>Suncorp reserves the right to reduce the amount of, or not pay, any Up-Front Commission payable for Introductions:</p> <ul style="list-style-type: none"> • Not supported by an application acceptable to Suncorp; and/or • As agreed with the Introducer and subsequently confirmed in writing.

- Payable for Trade Finance Facilities

Amount	50% of the collected Facility Establishment Fees.
Calculation	<p>Facility Establishment Fee means the fees specified by Suncorp as a fee in relation to establishment or approval of a new Facility Application (excludes any Establishment Fees pertaining to a temporary facility or "Variation fees" collected for a variation to the existing loan terms and conditions).</p>

	<p>Calculated after settlement for an Introduction</p> <p>Suncorp reserves the right to reduce the amount of any Up-Front Commission payable for Introductions:</p> <ul style="list-style-type: none"> • Not supported by an acceptable Application; and/or • As agreed with the Introducer and subsequently confirmed in writing
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- The Up-Front commission payment will be paid at, or shortly after, settlement to Connective.

TRAIL

- Payable in relation to all Business Banking Facilities (excluding Trade Finance Facilities)

Amount	<p>Up to 0.275% p.a. of Outstanding Facility Balance for Introductions supported by an acceptable application.</p> <p>Suncorp reserves the right to either reduce the amount or not pay any trailing commission for Introductions:</p> <ul style="list-style-type: none"> • Not supported by an acceptable Application; and/or • As agreed with the Introducer and subsequently confirmed in writing.
<p>Calculation for:</p> <p>Commercial Banking Term Loans</p> <p>Agribusiness Term Loans</p> <p>Equipment Finance Facilities</p>	<p>Outstanding Facility Balance (OFB) – the OFB shall be calculated as follows:</p> <p>The OFB shall be calculated after the end of each month in arrears using an average daily balance of each facility introduced to Suncorp by the Introducer.</p> <p><u>The amount payable to the Introducer per month for each facility shall be determined as follows:</u></p> <p>Average Daily balance of a facility (for a particular day) x (Trail%/365 days) = Daily Trail Commission for that day. The aggregate of the Daily Trail Commissions of a facility for each day of the month = Sub Total.</p>
<p>Calculation for:</p> <p>Commercial Banking Business Overdrafts</p> <p>Agribusiness Business Overdrafts</p> <p>Commercial Banking Business Lines of Credit</p>	<p>The OFB shall be calculated after the end of each month in arrears using the average monthly balance (calculated by adding together every end of day balance for the month and then divide the aggregate by the number of days in the month) of each facility.</p> <p><u>The amount payable to the introducer per month for each facility shall be determined as follows:</u></p> <p>Average monthly balance for the month X (Trail%/365 days) = Daily Trail Commission.</p> <p>Daily Trail Commission multiplied by number of days in the month = Sub Total.</p>

Agribusiness Business Lines of Credit

The total trailing commission payable per month = aggregate of the Sub Totals for all loans –X.

Where X represents any money owed to Suncorp by the Introducer in accordance with the Agreement. Money owed to Suncorp by the Introducer may include but is not limited to unpaid valuation fees, facility payout, clawbacks (if applicable) and overpaid commissions.

Note: In the event that default is made in respect of a Facility and the Facility is calculated by Suncorp as being in arrears by more than 30 days, the Loan will not be included in the calculation for the period the Facility is in arrears by more than 30 days. Should the Facility be brought back to less than 30 days in arrears, the Facility will be included in the calculation from the day after the Facility is brought back to less than 30 days in arrears.



RESIDENTIAL LOANS

CLAWBACK

- 100% of the upfront commission if a loan is repaid in full in the first 12 months
- 50% of the upfront commission if the loan is repaid in full between 12 and 18 months

UPFRONT

- From 1st January 2019, TMB will calculate the upfront commission (initial commission) based on the outstanding balance of the loan less any offset amount both as measured on the last day of the calendar month in which any part of the approved principal of the loan was first advanced to the borrower.
- Deferred commission: at the agreed percentage of the difference between the initial balance and the outstanding balance of the loan, less any offset, measured on the first (12 month) anniversary of the advance of the initial balance (anniversary balance). This change was announced on 26th March 2020 and will be effective from 1st January 2020 and will be backdated to recognise both January 2020 and February 2020 commission periods. The first payment via the appropriate RCTI under the amendment effectively received by 15th April 2020.
- In the case of Deferred Commission, no upfront commission will be paid, where the anniversary balance does not exceed the initial balance by more than \$20,000.
- Where the loan is for the purpose of residential construction and the principal amount is to be advanced progressively, at the agreed rate based on the total contracted amount of credit to be advanced, provided however that if the total contracted amount of credit is not fully drawn within 12 months of the date of Loan Contract Teachers Mutual Bank will require the broker to repay the upfront commission with respect to the undrawn amount.
- No upfront commission is payable where in respect of initial commission and construction commission where the contracted amount of credit is less than \$50,000.

TRAIL

- Will be suspended on any loans that are in default for such period commencing 60 days after the date on which the payment is due until the date when the loan is not in default.
- The broker shall not be entitled to a resumption of payment of trail commission if the loan is subsequently in default within 90 days after the borrower has rectified the original default by making the overdue payment. In such instance trail commission will not resume again until the subsequent default is rectified.



RESIDENTIAL LOANS

Definitions:

- Settlement Date: means the date after which an approved application for a loan product is first advanced.
- Subsequent Settlement Date: means the date, after which an approved application for an increase to the Amount Financed, on which all or part of that increase is advanced. For the avoidance of doubt there may be more than one Subsequent Settlement Date.

CLAWBACK

On all uBank loan products (including construction loans and all credit increases of a ubank loan Clawback will be payable as follows:

- The loan (including any increase to the financed amount) is repaid in full within 12 months of the settlement date, then 100% of the Upfront commission is to be repaid by the broker to ubank...
- The loan (including any increase to the financed amount) is repaid at any time between 1 to 2 years of the settlement date, then 50% of the Upfront commission is to be repaid by the broker to ubank.
- There is an increase to the Amount Financed, and the loan including any increase to the Amount Financed is repaid in full after 24 months of the settlement date, but within 12 months of the Subsequent Settlement date, 100% of the Commission for the increase to the Amount Financed is to be repaid by the broker to ubank.
- There is an increase to the Amount Financed, and the loan including any increase to the Amount Financed is repaid in full after 24 months of the settlement date, but at any time between 1 to 2 years of the Subsequent Settlement date, 50% of the Commission for the increase to the Amount Financed is to be repaid by the broker to ubank.
- Where a loan application is submitted to ubank, if that Loan is misleading, fraudulent or otherwise in breach of the law then 100% of the Upfront and Trail Commission is to be repaid by the broker to ubank.
- At the time the loan application was submitted to ubank if the broker did not hold an accreditation with 86 400 then 100% of the Upfront and Trail Commission is to be repaid by the broker to ubank.

UPFRONT

- The Upfront commission will be paid within 1 month from Settlement Date. This will be based on the Amount Financed (the drawn balance net of offset) on the 5th day of the month following settlement which need not equal the amount the Applicant (s) applied or was approved for.
- For a loan increase, from the Subsequent Settlement Date if the increase to the Amount Financed (the drawn balance net of offset is greater than \$50,000.00 This calculation will be based on the amount of the increase (the amount drawn) to the Amount Financed at the Subsequent Settlement Date, which need not equal the amount the Applicant (s) originally applied or was approved for.
- The Upfront on construction loans will be paid within 1 month from Settlement Date and will be calculated based on the total amount of credit approved.
- For Construction loan increases the Upfront will be paid within 1 month from each Subsequent Settlement Date if the increase to the Amount Financed is greater than \$50,000. This will be based on the amount of the increase (the amount drawn) to the amount financed at the Subsequent Settlement Date, which need not equal the amount the Applicant (s) originally applied or was approved for.

TRAIL

- Trail will be paid monthly based on the average loan balance during the month.
- In the event any payments under a Loan following the Settlement date are 60 Days or more in arrears no trail will be payable in respect of that loan. Trail commission, if payable, will only be paid on and from that loan being returned to complying with its terms.
- Trail commission will cease in respect of any loan that is misleading, fraudulent or otherwise in breach of the law.



RESIDENTIAL LOANS

CLAWBACK

- Where the loan facility is repaid within the first 12 months of credit being provided, broker will be required to repay 100% of the upfront commission
- Where the loan facility is repaid after 12 months but before 24 months of the credit being provided, broker will be required to repay 50% of the upfront commission
- If at least 80% of the loan facility limit has not been drawn down between 6 months to 12 months of credit being made available under the loan facility, broker will be required to repay 50% of the upfront commission

UPFRONT

- From 1st January 2019, for new loans drawn down will be calculated based on the drawn down loan balance on the 5th calendar after the date of draw down, and net of any linked offset and redraw facility and is paid on day 6 adjusted balance.

- Any loan settlement occurring in the last 5 days of the month the upfront commission will be held over to the next month, the upfront commission is then calculated and paid on the day 6 adjusted balance and payment made the following month e.g. If the loan settles on the 26th June commission will be calculated on day 6 adjusted balance 1st July and be paid in August commission run.
- From 1st January 2019, for variations involving increases will be calculated based on net debt increase on the 5th calendar day after the increase is drawn down, net of any linked offset and redraw facility. The net debt increase is established by calculating the difference between (i) the loan account balance minus any offset or redraw credit on the day before the date of draw down, and (ii) the loan account balance minus any offset or redraw on the 5th calendar day following the date of draw down.

TRAIL

- Trail commission is calculated monthly on a loan facility on the daily balances of that loan facility account (net of balances held in any applicable mortgage offset arrangements) from the date the facility settles.
- For variations trail will be paid on revised total facility balance calculated on variation on the daily balances of that facility account (net of balances held in any applicable mortgage offset arrangements) from the date that variation settles.
- Virgin Money will not pay trail, where a borrower is in default/arrears under their loan facility for a period of sixty (60) days or more.

OTHER GENERAL INFORMATION

- Brokers must not actively solicit or encourage a customer to replace a loan facility held by that customer with another facility provided by another lender but may accept applications for such facilities by another financier in response to genuine customer requirements or specific customer requests or to meet its requirements or specific customer requests or to meet its obligations under the NCCP act.



Under the Westpac Commission model brokers can elect to be accredited under their Broker accreditation model or Referrer model.

BROKER ACCREDITED

RESIDENTIAL LOANS

CLAWBACK

- If the loan is discharged within the first 12 months after settlement, the broker must repay 100% of the upfront commission for that loan
- If the loan is discharged 12 months or more but less than 24 months after settlement, the broker must repay 50% of the upfront commission for that loan.
- From 1st January 2020, For loans for construction purposes only, if at the date of termination or discharge of that loan less than 95% of the credit limit has been drawn, except where a relevant clawback amount is payable, the broker must repay an amount equal to the difference between the initial upfront commission paid by Westpac for that loan and the initial up front commission that would have been payable by Westpac for that loan had the credit limit for that loan at settlement been equal to the highest amount drawn under the loan as at the last business day of the commission period to the date of termination.
- From 1st January 2020, If Westpac has paid the broker an upfront commission, and a loan which settles (other than a switch to another Westpac product or otherwise than in the course of what Westpac determines in its absolute discretion to be a bona fide repayment or refinancing by customer) within any clawback period including any Subsequent payment of commission then broker must repay the amount specified.
- In the event of a loan book transfer, the early repayment clawback (as outlined above) will be applied to the New Broker, instead of the original broker.

UPFRONT

- **From 1st January 2020**, Westpac will pay the broker an upfront commission for each approved application for approved finance, by way of an initial upfront commission (less any amounts in any offset account which is linked to the loan) on the third business day following settlement, for new standard home loans along with Subsequent up-front commission (see note below 01/01/2020). No upfront commission is payable where the amount (less any amounts in any offset account which is linked to a loan), or the drawn top-up amount or increase of the approved application is less than \$50,000. Further principles governing payment of upfront commission and trailing commission in respect of applications involving refinances or top-ups of existing Westpac loans are set out in introducer kit.

- For a residential loan, upfront shall be calculated, if the loan is not intended to be drawn in one amount (for example a continuing credit contract or a progressive drawdown loan) on the credit limit for that loan, provided that if the loan has not been fully drawn within 12 months of the date of payment the Initial upfront commission for that loan, Westpac may require the broker to repay the amount of the initial upfront commission.
- Split Loans (sequence loan) which are settled within same month, upfront will be paid calculated on the end of month balance net of offset balance (i.e., end of month balance less end of month offset balance).
- Construction Loans – These loans must be entered as a building loan, renovation loan or progress draw loans in system using CNSTR purpose code for Construction or RENIM purpose code for Renovations or Improvements. For these loans upfront will be calculated on the loan limit.
- Westpac Line of Credit (Equity Access Loan), Upfront will be calculated using net of offset calculation.
- **From 1st January 2020**, a simpler payment process for **Subsequent upfront commission** will be implemented (by removing claim process). The subsequent commission will be calculated after the first anniversary of the settlement of a standard home loan, calculated using current upfront commission percentage of the largest eligible balance at any time in the 12-month period since settlement, less the initial upfront commission previously paid for that loan. If the calculation of Subsequent upfront for a loan is less than \$0.00 no subsequent upfront commission is payable for that loan.
 - Subsequent upfront commission is only payable on new standard home loans (and not equity access loans, loans under continuing credit contracts, progressive drawdown loans, other loans or top-ups or increases to existing standard home loans).
 - Standard Home loans are Rocket Repay Home loans, Rocket Investment loans, Flexi First Option loan, Flexi First Investment loan, Fixed Rate home loan, Fixed Rate Investment property loan, Variable Rate Investment property loan, Premium Option home loan and any other type of finance notified to the broker by Westpac from time to time.
 - The Subsequent upfront commission will be payable on or before the 22nd day of the second month following the anniversary of settlement.
 - If (i) an applicant draws a loan for the acquisition of land and (ii) the broker is paid an upfront commission with respect to that loan, and (iii) the applicant subsequently takes out a loan for construction on the land, and uses part of the proceeds of that loan to pay out the land loan, then for the amount of the subsequent loan referred to at (iii) above for the purposes of calculating upfront commission payable to the broker will be reduced by an amount equal to the amount of the loan referred to in (i).
 - If (i) the broker is paid an upfront commission with respect to an approved application for residential finance and (ii) subsequently an application for residential finance is approved and is used all or part to payout and existing loan referred to in (i) then the amount of the subsequent loan referred in (ii) for the purpose of calculating upfront will be reduced by an amount of the loan referred to in (i).
 - A product switch is where the applicant keeps the same loan number or switches to a combination loan, at least one loan of which retains the same loan number.
- Westpac does not pay upfront commission on bridging loans.

TRAIL

- For Approved Applications for First Options Home Loans and other residential Finance Products: 0.165%.
- Westpac pay trailing commission where the loan has a balance outstanding at the beginning and at the end of commission period (which is defined as a calendar month) for which the trailing commission is calculated. The loan must have a balance at 12.01am on the first day of the month and at 12.00pm on the last day of the month for trail to be paid on a loan in that month.
- Westpac will not pay trailing commission where a loan has, at any time during the commission period, any payments which, are more than 30 days overdue for residential finance and 60 days overdue for approved finance other than residential finance.
- Westpac calculate trail on the eligible loan balance for all loans settled pre-November 2010. For any loan settled from 1st November 2010 the eligible balance for the purpose of calculating trailing commission includes any amount in an offset account which is linked to that loan at, or any time after, the time that the loan is settled, and trail commission is paid on the net outstanding balance.
- Westpac does not pay trail commission on bridging loans.

OTHER

Commissions where there is an increase to Existing Loans (top up)

- Westpac pays upfront commission (for Standard Residential and Construction Loans) on any loan amount increase on an existing loan (top up) where the increase is \$50,000 or more and will further pay trailing commission on the increased loan amount. No upfront commission will be paid if the top up loan is less than \$50,000, however, trailing commission will be paid on the increased loan.

- Where the top up on an existing loan is originated by a broker other than the broker that originated the existing loan, the trailing commission on the increased loan amount (existing loan balance plus top up amount) will be paid to the broker that originated the top up once the top up had been drawn. Trailing commission to the broker that originated the existing loan will cease.
- If a change of loan facility can be accommodated via the portability process, there will be no change to commission rate paid on the loan. If portability is unable to be utilised and the loan is required to be re originated, then the trail will be reduced.
- Refinance of an existing loan less than 2 years old, clawback may apply (100% up to 12 months and 50% from 12 months to 2 years). However Upfront will be paid on new loan based on end of month balance net of offset balance.

COMMERCIAL LOANS

CLAWBACK

Effective 27th February 2023

- If a loan is discharged within 12 months after repayment of upfront commissions, Westpac reserves the right to request repayment of commissions. The relevant clawback provisions are:
 - Within 12 months: 100%
- Where a residential loan is part of a commercial loan transaction and the loan is discharged, Clawbacks apply as per residential loans
- For property transactions, a clawback will no longer be triggered if 85% of the original limit is not drawn down

Loans prior to prior to 27th Feb 2023

- If a loan is discharged within 18 months after repayment of upfront commissions, Westpac reserves the right to request repayment of commissions. The relevant clawback provisions are:
 - Within 6 months: 100%
 - 6 or more to less than 12 months: 75%
 - 12 to less than less than 18 months: 50%
- For property transactions, a clawback will be triggered if 85% of the original limit is not drawn down by the end of the term of the loan
- Where a residential loan is part of a commercial loan transaction and the loan is discharged, Clawbacks apply as per residential loans.

UPFRONT

Business products that commission can be paid on are restricted to the following:

- Business Overdrafts
- Business Loans
- Bank Bill Business Loan
- Westpac Business One Loan
- Westpac Invoice Finance
- Westpac Trade Finance – Import & Export
- Import Letters of Credit
- Foreign Bills Negotiated
- Foreign Currency Overdraft and Term Loans
- Such additional or alternative products as Westpac may from time to time advise the broker are Business Finance products.

Commission Structure (Broker)

Effective from 27th February 2023 for all new loans and increases to existing commercial loans

Tier/Product	Upfront: Negotiated between Westpac and the Broker, up to	Trail: Negotiated between Westpac and the Broker, up to
Business Loan/Bank Bill Business Loan		
≤ \$4m	0.605% (capped and will not exceed \$45,000)	0.275%
> \$4m	50% of the Establishment Fee (capped and will not exceed \$45,000)	0.275%
Business Options Overdraft	50% of Establishment Fee (capped and will not exceed \$30,000)	Nil
Westpac Invoice Finance	0.50% of take up ledger (capped and will not exceed \$20,000)	0.275%
International Trade Finance	50% of Establishment Fee (Capped and will not exceed \$30,000)	N/A

Effective from 1st February 2021 for all new loans and increases to existing commercial loans.

Tier/Product	Upfront: Negotiated between Westpac and the Broker, up to	Trail: Negotiated between Westpac and the Broker, up to
Business Loan/Bank Bill Business Loan		
≤ \$3m	0.605% (capped and will not exceed \$45,000)	0.275%
> \$3m	50% of the Establishment Fee (capped and will not exceed \$45,000)	0.275%
Business Options Overdraft	50% of Establishment Fee (capped and will not exceed \$30,000)	Nil
Westpac Invoice Finance	0.50% of take up ledger (capped and will not exceed \$20,000)	0.275%
International Trade Finance	50% of Establishment Fee (Capped and will not exceed \$30,000)	N/A

- Westpac Business One Loan ≤ \$3 million is 50% of the Establishment fee,
- Westpac Business One Loan less than or equal to \$3million Upfront is 50% of Establishment Fee.
- Business Loans – Fixed <\$500,000 (secured by residential property Upfront is 50% of Establishment Fee with Trail of 0.11%.
- Commission Caps – An upfront cap on a term lending is the lower of 0.605% of exposure or \$45,000.
- There is no commission payable where the total deal size <\$50,000.

TRAIL

- Westpac will pay to the broker a trailing commission with respect to each approved application for approved finance other than Westpac Equipment Finance provided (i) the loan has a balance outstanding at the beginning and at the end of commission period for (which is defined as a calendar month) which the trailing commission is

calculated. The loan must have a balance at 12.01am on the first day of the month and at 12.00pm on the last day of the month for trail to be paid on a loan in that month (ii) does not pay trailing commission where, for residential finance at any time during commission period have any payments which are more than 30 days overdue, or (ii) for approved finance other than residential finance, on the last day of the commission period have any payments which are more than 60 days overdue.

- Westpac will not have any obligation to pay trailing commission with respect to an approved application for business finance where (i) Westpac has at any time during the commission period increased the credit limit or provided altered payment arrangement to prevent there being any payments which are more than 60 days overdue, or (ii) Westpac at its absolute discretion, downgraded a loan because the borrower has on more than one occasion failed to make payments by due date.
- Trail on Westpac Invoice Finance is calculated based on average monthly account balance.

PERSONAL LOANS

A Westpac Personal Loan is a Flexi Loan.

CLAWBACK

- If the Flexi loan is discharged within 6 months of Settlement, then the broker must repay 100% of the upfront commissions for that loan
- If the Flexi Loan has an average balance of less than 50% of the limit within 6 months of settlement, the broker must repay 100% of the upfront commission for that loan

UPFRONT

- For an approved Flexi Loan: \$275 (Incl. GST)

TRAIL

- No Trail is paid

REFERRER ACCREDITED BROKERS

RESIDENTIAL LOANS

CLAWBACK

- If the loan is discharged within the first 12 months after settlement, the broker must repay 100% of the upfront commission for that loan
- If the loan is discharged 12 months or more but less than 24 months after settlement, the broker must repay 50% of the upfront commission for that loan.
- From 1st January 2020, For loans for construction purposes only, if at the date of termination or discharge of that loan less than 95% of the credit limit has been drawn, except where a relevant clawback amount is payable, the broker must repay an amount equal to the difference between the initial upfront commission paid by Westpac for that loan and the initial up front commission that would have been payable by Westpac for that loan had the credit limit for that loan at settlement been equal to the highest amount drawn under the loan as at the last business day of the commission period to the date of termination.
- From 1st January 2020, If Westpac has paid the broker an upfront commission, and a loan which settles (other than a switch to another Westpac product or otherwise than in the course of what Westpac determines in its absolute discretion to be a bona fide repayment or refinancing by customer) within any clawback period including any Subsequent payment of commission then broker must repay the amount specified.
- In the event of a loan book transfer, the early repayment clawback (as outlined above) will be applied to the New Broker, instead of the original broker.

UPFRONT

Upfront commission will be paid on the following basis:

- Where the referrer has achieved monthly volume of approved applications of greater than \$ 1million per month – 0.33%

- Where the referrer has achieved monthly volume of approved applications of less than \$1 million per month - 0.22%
- **From 1st January 2020**, Westpac will pay the broker an upfront commission for each approved application for approved finance, by way of an initial upfront commission (less any amounts in any offset account which is linked to the loan) on the third business day following settlement, for new standard home loans along with Subsequent up-front commission (see note below 01/01/2020). No upfront commission is payable where the amount (less any amounts in any offset account which is linked to a loan), or the drawn top-up amount or increase of the approved application is less than \$50,000. Further principles governing payment of upfront commission and trailing commission in respect of applications involving refinances or top-ups of existing Westpac loans are set out in introducer kit.
 - For a residential loan, upfront shall be calculated, if the loan intended to be drawn in one amount (for example a continuing credit contract or a progressive drawdown loan) on the credit limit for that loan, provided that if the loan has not been fully drawn within 12 months of the date of payment the Initial upfront commission for that loan, Westpac may require the broker to repay the amount of the initial upfront commission.
- Split Loans (sequence loan) which are settled within same month, upfront will be paid calculated on the end of month balance net of offset balance (i.e., end of month balance less end of month offset balance).
- Construction Loans – These loans must be entered as a building loan, renovation loan or progress draw loans. For these loans upfront will be calculated on the loan limit.
- Westpac Line of Credit (Equity Access Loan), Upfront will be calculated using net of offset calculation.
- **From 1st January 2020**, a simpler payment process for **Subsequent upfront commission** will be implemented (by removing claim process). The subsequent commission will be calculated after the first anniversary of the settlement of a new standard home loan, calculated using current upfront commission percentage of the largest eligible balance at any time in the 12-month period since settlement, less the initial upfront commission previously paid for that loan. If the calculation of Subsequent upfront for a loan is less than \$0.00 no subsequent upfront commission is payable for that loan.
 - Subsequent upfront commission is only payable on new standard home loans (and not equity access loans, loans under continuing credit contracts, progressive drawdown loans, other loans or top-ups or increases to existing standard home loans).
 - Standard Home loans are Rocket Repay Home loans, Rocket Investment loans, Flexi First Option loan, Flexi First Investment loan, Fixed Rate home loan, Fixed Rate Investment property loan, Variable Rate Investment property loan, Premium Option home loan and any other type of finance notified to the broker by Westpac from time to time.
 - The Subsequent upfront commission will be payable on or before the 22nd day of the second month following the anniversary of settlement.
 - If (i) an applicant draws a loan for the acquisition of land and (ii) the broker is paid an upfront commission with respect to that loan, and (iii) the applicant subsequently takes out a loan for construction on the land, and uses part of the proceeds of that loan to pay out the land loan, then for the amount of the subsequent loan referred to at (iii) above for the purposes of calculating upfront commission payable to the broker will be reduced by an amount equal to the amount of the loan referred to in (i).
 - If (i) the broker is paid an upfront commission with respect to an approved application for residential finance and (ii) subsequently an application for residential finance is approved and is used all or part to payout and existing loan referred to in (i) then the amount of the subsequent loan referred in (ii) for the purpose of calculating upfront will be reduced by an amount of the loan referred to in (i).
 - A product switch is where the applicant keeps the same loan number or switches to a combination loan, at least one loan of which retains the same loan number.
- Westpac does not pay upfront commission on bridging loans.

TRAIL

- Where the referrer has achieved monthly volume of approved applications of greater than \$ 1 million per month – 0.11% per month which starts 13 months after the loan settles
- Where the referrer has achieved monthly volume of approved applications is less than \$1 million per month – nil
- Westpac calculate trail on the eligible loan balance for all loans settled pre-November 2010. For any loan settled from 1st November 2010 the eligible balance for the purpose of calculating trailing commission includes any amount in an offset account which is linked to that loan at, or any time after, the time that the loan is settled, and trail commission is paid on the net outstanding balance.
- Westpac pay trailing commission (subject to the clause above i.e., after 13 months) where the loan has a balance outstanding at the beginning and at the end of commission period for which the trailing commission is calculated. The loan must have a balance at 12.01am on the first day of the month and at 12.00pm on the last day of the month for trail to be paid on a loan in that month.

COMMERCIAL LOANS

CLAWBACK

- If a loan is discharged within 18 months after repayment of upfront commissions, Westpac reserves the right to request repayment of commissions. The relevant clawback provisions are:
- < 6 months: 100%
- 6 to 12 months: 75%
- 12 to 18 months: 50%
- For property transactions, a clawback will be triggered if 95% of the original limit is not drawn down by the end of the term of the loan

UPRONT

Business Finance that commissions can be paid on are restricted to:

- Business Overdrafts
- Business Loans
- Bank Bill Business Loans
- Westpac Business One Loan
- Westpac Invoice Finance
- Westpac Trade Finance – Import & Export
- Import Letters of Credit
- Foreign Bills Negotiated
- Foreign Currency Overdraft and Term Loan,

Commission Structure (Referrer)

Effective from 1st February 2021 for all new loans and increases to existing commercial loans.

Tier/Product	Upfront
≤ \$3m	0.605%
> \$3	50% Establishment Fee
Business Overdraft	50% of Establishment Fee (Capped at \$30,000 maximum)
Westpac Invoice Finance	0.50% of take-up ledger (Capped at \$20,000 maximum) Trail: 0.275% of average monthly account balance.
International Trade Finance	50% of the Establishment fee (Capped at \$30,000 maximum)

- Upfront commission for Westpac Business One Loan ≤ \$3 is 50% of the Establishment fee.
- Business Loans – Fixed <\$500k (secured by residential property) upfront is 50% of Establishment fee.
- Commission Caps: An upfront cap on term lending is the lower of 0.55% of exposure or \$45,000...
- Upfront commissions are not paid until 80% of the facility limits are utilised (excludes property development)
- There is no commission payable where the total deal size is <\$50,000.

TRAIL

- No trail commissions are payable (with one exception Trail on Westpac Invoice Finance is calculated based on average monthly account balance)

Note:

Commission Guide is subject to change from our Lender Panel. All commissions are inclusive of GST unless otherwise specified.

Updated: 9th March 2023
