

Disclosure Document

for franchisee
or prospective franchisee.

Sep 2021



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1. Item 1 - First page

1.1 (a) DISCLOSURE DOCUMENT FOR FRANCHISEE OR PROSPECTIVE FRANCHISEE

(b) The franchisor's:

- (i) name: LJ Hooker Home Loans Pty Limited
- (ii) business address and phone number: Address: Suite 114C / 84-90 Hotham Street, Preston VIC 3072
Phone: 02 8063 0121
- (iii) ACN and ABN, or ARBN (or foreign equivalent if the franchisor is a foreign franchisor): ACN: 106 564 765
ABN: 34 106 564 765
ARBN/ Foreign equivalent: Not applicable

The signature of the franchisor or of a director, officer or authorised agent of the franchisor:



.....Director/Officer/Authorised Agent

(c) The preparation date of the disclosure document: 21st September 2021

(d) The following statement:

This disclosure document contains some of the information you need in order to make an informed decision about whether to enter into a franchise agreement. It should be read together with the key facts sheet and the information statement you have received.

Entering into a franchise agreement is a serious undertaking. Franchising is a business, and like any business, the franchise (or franchisor) could fail during the franchise term. This could have consequences for the franchisee.

A franchise agreement is legally binding on you if you sign it.

You are entitled to a waiting period of 14 days (not 14 business days) before you enter into this agreement.

If this is a new franchise agreement (not the renewal of a franchise agreement, nor the extension of the term or scope of a franchise agreement), you will be entitled to a 'cooling off' period of 14 days (not 14 business days) after signing the agreement, during which you may terminate the agreement (In some circumstances a 'cooling off' period may end later).

If you decide to terminate the agreement during the cooling off period, the franchisor must, within 14 days, return all payments (whether of money or of other valuable consideration) made by you to the franchisor under the agreement. However, the franchisor may deduct from this amount the franchisor's reasonable expenses, if the expenses or their method of calculation have been set out in the agreement.

Take your time, read all the documents carefully, talk to other franchisees and assess your own financial resources and capabilities to deal with the requirements of the franchised business. You should make your own enquiries about the franchise and about the business of the franchise. You should get independent legal, accounting and business advice before signing the franchise agreement.

It is often prudent to prepare a business plan and projections for profit and cash flow. You should also consider educational courses, particularly if you have not operated a business before.

If you request the franchisor to give you this disclosure document, any attachments to it, the key facts sheet, the proposed franchise agreement and the Franchising Code of Conduct in printed form, electronic form or both, the franchisor must comply with your request

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1. This disclosure document has been prepared in accordance with clauses 8(3), (4) and (5) of the *Franchising Code of Conduct* (the **Code**) prescribed as a mandatory industry code under S51AE of the *Competition and Consumer Act 2010* (Cth) (the **CCA**). The Code is contained in Schedule 1 to the *Competition and Consumer (Industry Codes-Franchising) Regulation 2014* (Cth) that commenced on 1 January 2015. A copy of that Regulation and the Code is annexed to this disclosure document.
2. In this disclosure document:
 - ◆ a reference to "we" us" "our", the "franchisor" or "LJ Hooker Home Loans" is a reference to LJ Hooker Home Loans Pty Limited; and
 - ◆ a reference to the "Franchise Agreement" is a reference to the LJ Hooker Home Loans Franchise Agreement attached to this disclosure document; and
 - ◆ a reference to a 'financial year' is a reference to the franchisor's financial year ending 30 June.

Unless defined in this document capitalised expressions set out in this disclosure document bear the same meaning given to those expressions in the Franchise Agreement.

3. The franchisor strongly recommends that you seek and obtain independent legal, accounting and business advice from experienced franchising professionals on the terms of this document, the Franchise Agreement, Operations Manual and any relevant guarantee and any other documents you will be required to sign in connection with the franchise. There are certificates that you must provide to us in relation to obtaining that advice. We must obtain from you those certificates before we enter into an agreement with you.
4. The contents of this disclosure document have been prepared as at the preparation date in Item 1.1(c). The franchisor is required to annex to this disclosure document any materially relevant information of the kind required to be disclosed to you under clauses 17(2) and 17(3) of the Code that has changed between the date of preparation and the date that we have provided this disclosure document to you. If such information has been given it will be contained in Schedule 6.
5. This disclosure document may be given to you electronically. If you do consent to electronic delivery, then we may ask you to sign a form of consent to electronic delivery as well as signing the separate page contained in Annexure E being the Item 23 acknowledgement of receipt of disclosure document and returning it to us.
6. We are required to give this disclosure document to a prospective franchisee at least 14 days before entering into a franchise agreement. The person acknowledging receipt of this disclosure document on behalf of the prospective franchisee should retain the original of this document and ensure that a copy is provided to all directors, shareholders of the prospective franchisee and anyone who is guaranteeing the obligations of the prospective franchisee.
7. Under the Code we have attached a copy of the Franchise Agreement in the form in which it is to be executed. If, after the date of giving you this disclosure document, during the course of negotiations there are changes made to the Franchise Agreement before it is to be signed, then we do not have to reissue a new disclosure document to you if the changes are of the kind of change specified in clause 9(3) of the Code.

2. Item 2 – Franchisor details

2.1 The franchisor's:

- (a) **Name:** LJ Hooker Home Loans Pty Limited
- (b) **Address, or addresses, of registered office and principal place of business in Australia:**

Registered Office: Suite 114C / 84-90 Hotham Street, Preston VIC 3072

Principal Place of Business: Suite 114C / 84-90 Hotham Street, Preston VIC 3072

- (c) **ABN, ACN or ARBN (or foreign equivalent if the franchisor is a foreign franchisor):**

ACN: 106 564 765

ABN: 34 106 564 765

ARBN (or foreign equivalent): Not applicable

2.2 The name under which the franchisor carries on business in Australia relevant to the franchise is:

The Franchisor carries on business in Australia under the name of LJ Hooker Home Loans.

2.3 A description of the kind of business operated under the franchise:

Franchising and mortgage broking LJ Hooker Home Loan Products and approved panel lender Products utilising the System provided by LJ Hooker Home Loans as detailed in the Franchise Agreement.

2.4 The number of years the franchise or franchise system has operated in Australia:

The franchisor was incorporated in October 2003 and the Company commenced franchising in September 2004. The franchise and franchise system has operated in Australia for 18 years.

2.5 The name, ABN, ACN or ARBN, registered office and principal place of business of each associate of the franchisor that is a body corporate (if any):

Name	ABN, ACN or ARBN	Registered office	Principal place of business
LJHHL Holdings Pty Ltd	ACN: 606 543 971	Suite 114C / 84 Hotham Street, Preston VIC 3072	Suite 114C / 84 Hotham Street, Preston VIC 3072

2.6 The name and address of each associate of the franchisor that is not a body corporate (if any), and if applicable, each associate's ABN or ARBN:

Name	Address
Paul Joseph O'Regan	16 Cheeseman Street, Croydon VIC 3136
George Bousattout	105 The Boulevard, Thomastown VIC 3074

2.7 A description of the relationship between:

- (a) each associate mentioned in item 2.5 and the franchisor; and
- (b) each associate mentioned in item 2.6 and the franchisor;

and of the relevance of the relationship to the franchise system and the franchise.

Each associate that is a body corporate mentioned in item 2.5 is listed below.

Associate Name	Description of the relationship of the associate to the franchisor and relevance of the relationship of the associate to the system and the franchise:
LJHHL Holdings Pty Ltd	This entity is the sole shareholder of LJ Hooker Home Loans Pty Ltd.

Each associate that is an individual mentioned in item 2.6 is listed below:

Associate Name	Description of the relationship to the franchisor and relevance of the relationship of the associate to the system and the franchise:
Paul Joseph O'Regan	Director of the following companies within the LJ Hooker Home Loans group of companies: LJ Hooker Home Loans Pty Ltd, and LJHHL Holdings Pty Ltd.
George Bousattout	Company Secretary of the following companies within the LJ Hooker Home Loans group of companies: LJ Hooker Home Loans Pty Ltd, and LJHHL Holdings Pty Ltd.

2.8 For each officer of the franchisor – name, position held and qualifications (if any):

Officer Name	Position held with the franchisor	Formal Qualifications (Academic, Professional and/or Trade)
Paul Joseph O'Regan	Director of the following companies within the LJ Hooker Home Loans group of companies: LJ Hooker Home Loans Pty Ltd; (Chief Executive Officer) LJHHL Holdings Pty Ltd.	Diploma of Franchising Economic and Accounting Business Degree Diploma in Business Studies
George Bousattout	Company Secretary of the following companies within the LJ Hooker Home Loans group of companies: LJ Hooker Home Loans Pty Ltd; (National Operations Manager) LJHHL Holdings Pty Ltd;	Diploma of Franchising Bachelor of Business majoring in Accounting Certificate IV in Finance & Mortgage Broking

3. Item 3 – Business experience

3.1 Summary of the relevant business experience of each person mentioned in item 2.6 for the past 10 years, including length of experience in:

- (a) working in the franchise system; and
- (b) working for the franchisor.

Name	Summary of relevant business experience	Length of experience in working in the franchise system	Length of experience working for the franchisor
Paul Joseph O'Regan	Prior to joining LJ Hooker, Paul was National Head of Franchising at RAMS for six years where he was integral to developing its franchise model and had full accountability of the franchise business. In the last three years at RAMS Paul delivered impressive sales growth figures of 40 per cent year-on-year. Paul has previously also held senior roles with both Westpac and ANZ. Paul is the current Chief Executive Officer, LJ Hooker Home Loans.	20 Years	7 Years
George Bousattout	Prior to joining LJ Hooker, George was the State Operations Manager (VIC) and National Franchise Manager at RAMS for 15 years. Prior to RAMS, George was employed with ANZ Bank in the capacity of State Operations Manager Corporate Leasing / Business Bank Manager for 12 years. George is the current National Operations Manager, LJ Hooker Home Loans.	21 Years	6 Years

3.2 A summary of the relevant business experience of the Franchisor for the past 10 years including,

- (a) length of experience in:
 - (i) operating a business that is substantially the same as that of the franchise; and

LJ Hooker Home Loans Pty Ltd was incorporated on 3 October 2003 and the Company commenced franchising in September 2004.
 - (ii) offering other franchises that are substantially the same as the franchise; and

Nil.

(b) whether the franchisor has offered franchises for other businesses and, if so:

(i) a description of each such business; and

Nil

(ii) for how long the franchisor offered franchises for each such business.

N/A

4. Item 4 – Litigation

4.1 Details of:

(a) current proceedings by a public agency, criminal or civil proceedings or arbitration, relevant to the franchise, against the franchisor, a franchisor director, an associate of the franchisor or a director of an associate of the franchisor, in Australia alleging:

(i) breach of a franchise agreement; or None

(ii) contravention of trade practices law; or None

(iii) contravention of the *Corporations Act 2001*; or None

(iv) unconscionable conduct; or None

(v) misconduct; or None

(vi) an offence of dishonesty. None

(b) proceedings against the franchisor, a franchisor director, an associate of the franchisor or a director of an associate of the franchisor, other than for unfair dismissal of an employee, under:

(i) section 12 of the *Independent Contractors Act 2006*; or

(ii) a law of a State or Territory that regulates workplace relations or independent contractors.

None

4.2 Whether the franchisor, a franchisor director, an associate of the franchisor or a director of an associate of the franchisor, has been:

(a) in the last 10 years - convicted of a serious offence or equivalent offence outside Australia; or

No

(b) in the last 5 years - subject to final judgment in civil proceedings for a matter referred to in paragraph 4.1(a)).

No

(c) in the last 10 years - bankrupt, insolvent, under administration or an externally administered body corporate in Australia or elsewhere.

No

4.3 For items 4.1 and 4.2 - the following details (where relevant):

- (a) The names of the parties to the proceedings;
- (b) The name of the court, tribunal or arbitrator;
- (c) The case number;
- (d) The general nature of the proceedings;
- (e) The current status of the proceedings;
- (f) The date and content of any undertaking or order under section 87B of the *Competition and Consumer Act 2010*;
- (g) the penalty or damages assessed or imposed;
- (h) the names of the persons who are bankrupt, insolvent under administration or externally administered;
- (i) the period of the bankruptcy, insolvency under administration or external administration.

For any current proceedings disclosed in item 4.1(a):

The names of the parties to the proceedings	Not applicable
The name of the court, tribunal, or arbitrator	Not applicable
The case number	Not applicable
The general nature of the proceedings	Not applicable
The current status of the proceedings	Not applicable

For any proceedings disclosed in item 4.1(b) (where relevant):

The names of the parties to the proceedings:	Not applicable
The name of the court, tribunal, or arbitrator:	Not applicable
The case number:	Not applicable
The general nature of the proceedings:	Not applicable
The current status of the proceedings:	Not applicable
The date and content of any order or undertaking under section 87B of the <i>Competition and Consumer Act 2010</i> :	Not applicable
The penalty or damages assessed or imposed:	Not applicable
The names of the persons who were bankrupt, insolvent under administration or externally administered	Not applicable
The period of the bankruptcy, insolvency under administration or external administration	Not applicable

For any of the matters disclosed in item 4.2 (where relevant):

The names of the parties to the proceedings:	Not applicable
The name of the court, tribunal, or arbitrator:	Not applicable
The case number:	Not applicable
The general nature of the proceedings:	Not applicable
The current status of the proceedings:	Not applicable
The date and content of any order or undertaking under section 87B of the <i>Competition and Consumer Act 2010</i> :	Not applicable
The penalty or damages assessed or imposed:	Not applicable
The names of the persons who were bankrupt, insolvent under administration or externally administered	Not applicable
The period of the bankruptcy, insolvency under administration or external administration	Not applicable

4.4 The percentage of franchisees in the franchise system that were a party to a mediation, conciliation or arbitration process that was conducted, or was pending, in the previous financial year (whether the disputes to which the mediation, conciliation or arbitration processes relate were initiated by the franchisor or one or more franchisees).

0%

5. Payments to agents

5.1 For any agreement under which the franchisor must pay an amount, or give other valuable consideration, to a person who is not an officer, director or employee of the franchisor in connection with the introduction or recruitment of a franchisee – the name of the person.

First Contact Australia (Ben Pilley)

The franchisor reserves the right to enter into future agreements or arrangements with recruitment companies or individuals for the purpose of introducing or assisting with the recruitment of new franchisees.

6. Item 6 – Existing franchisees

6.1 Number, sorted by State, Territory, Region, of:

- (a) existing franchised businesses; and
- (b) existing franchisees; and
- (c) businesses owned or operated by the franchisor or an associate of the franchisor in Australia that are substantially the same as the franchised business - NIL.

For details in response to 6.1 (a) and (b) - refer to the table in Schedule 1.

6.2 For each existing franchisee:

- (a) **business address, if this is not the franchisee's residential address; and**
- (b) **business phone number; and**
- (c) **year when the franchisee started operating the franchised business.**

Refer to the relevant table in Schedule 1.

6.3 However, if there are more than 50 franchises, the franchisor may instead give details under item 6.2 for all franchisees in the State, Territory, region or metropolitan area in which the franchise is to be operated.

Not applicable

6.4 For each of the last 3 financial years and for each of the following events - the number of franchised businesses for which the event happened:

- (a) **the franchise was transferred;**
- (b) **the franchised business ceased to operate;**
- (c) **the Franchise Agreement was terminated by the franchisor;**
- (d) **the Franchise Agreement was terminated by the franchisee;**
- (e) **the Franchise Agreement was not extended;**
- (f) **the franchised business was bought back by the franchisor;**
- (g) **the Franchise Agreement was terminated and the franchised business was acquired by the franchisor.**

Note - An event may be counted more than once if more than one paragraph applies to it.

Refer to the relevant table in Schedule 1.

6.5 Subject to subclause 32(1), the franchisor must supply, for each event mentioned in item 6.4, the name, location and contact details of each franchisee, if the information is available.

Subject to subclause 32(1), the name, location and contact details of each franchisee for each key event included in Item 6.4 above is set out in the Table in Schedule 2.

7. Item 7 – Master franchises

7.1 If the franchisor is also a sub franchisor – the master franchisor's:

- (a) **name;**
- (b) **address, or addresses, of registered office and principal place of business; and**
- (c) **ABN, ACN or ARBN (or foreign equivalent if applicable).**

Master Franchisor's Name	Address/es of registered office and principal place of business	ABN/ACN/ARBN (or foreign equivalent if applicable)
Not applicable	Not applicable	Not applicable

7.2 The name under which the master franchisor carries on business relevant to the franchise.

Not applicable

7.3 For each officer of the master franchisor – name, position held and qualifications (if any).

Name	Position Held	Qualifications
Not applicable	Not applicable	Not applicable

7.4 For each of the last 3 financial years and each of the following events – the number of:

- (a) franchise agreements terminated by the master franchisor;
- (b) franchise agreements terminated by the franchisor;
- (c) franchise agreements that were not extended by the master franchisor.

Note: an event may be counted more than once if more than one paragraph applies.

Financial year	Number of franchise agreements terminated by master franchisor	Number of franchise agreements terminated by the franchisor	Number of franchise agreements that were not extended by the master franchisor
Ending 30 June 2021	Not applicable	Not applicable	Not applicable
Ending 30 June 2020	Not applicable	Not applicable	Not applicable
Ending 30 June 2019	Not applicable	Not applicable	Not applicable

7.5 The following details about the master franchise:

- (a) the term of the franchise agreement, including the date that it began;
- (b) the territory of the franchise;
- (c) whether the franchise agreement may be renewed;
- (d) whether the term of the franchise agreement may be extended, and if so, any preconditions applying to an extension;
- (e) whether the scope of the franchise agreement may be extended;
- (f) whether the franchise agreement may be transferred, and if so, whether the franchisee is required to become a party to a franchise agreement with the transferee;
- (g) the grounds on which the franchise agreement may be terminated;
- (h) if the franchise agreement is terminated, how a sub franchisor’s franchise agreement with a franchisee is affected.

Item	Details
(i) term of franchise agreement (including begin date):	Not applicable
(j) territory of franchise:	Not applicable
(k) whether the franchise agreement may be renewed:	Not applicable
(l) whether the term can be extended, and if so, any preconditions:	Not applicable
(m) whether scope of franchise agreement can be extended:	Not applicable
(n) whether the franchise agreement can be transferred, and if so, whether the franchisee is required to become a party to a franchise agreement with the transferee:	Not applicable
(o) the grounds on which the franchise agreement may be terminated:	Not applicable
(p) if franchise agreement is terminated, how a sub franchisor's franchise agreement with a franchisee is affected:	Not applicable

8. Item 8 – Intellectual property

8.1 For any trade mark used to identify, and for any patent, design or copyright that is material to the franchise system (*intellectual property*):

(a) Description of the intellectual property:

	Description	Registration Date	Registration Number	Place of Registration
Trade Marks	See 8.1(c) below	See 8.1(c) below	See 8.1(c) below	See 8.1(c) below
Patents	Nil	Nil	Nil	Nil
Designs	Nil	Nil	Nil	Nil

	Description	Registration Date	Registration Number	Place of Registration
Copyright	Copyright in the Operations Manual and all other manuals, the software, LJ Hooker advertising materials and the know how used in, or forming part of the LJ Hooker franchise system. Copyright is not capable of being registered in Australia however copyright protection is afforded under the Copyright Act.	N/A	N/A	N/A
Confidential Information	Confidential information is not capable of being registered in Australia. It is protected by contractual obligations in the Franchise Agreement and the Operations Manual to maintain confidentiality.	N/A	N/A	N/A
Domain Names	www.ljhooker.com.au	N/A	N/A	Australia
	www.ljhooker.com	N/A	N/A	Australia
	www.ljhookerhomeloans.com.au	N/A	N/A	Australia

(b) Details of the franchisee's rights and obligations in connection with the use of the intellectual property:

The franchisee's rights and obligations in connection with the use of intellectual property are broadly set out in clauses 2.1, 2.3, 3.2, 4.3, 4.7, 4.11, 7.4, 7.8, 8.1, 11, 17.2, 19.2 and 23.14 of the Franchise Agreement. In summary, the franchisee must only use the intellectual property in accordance with the franchisor's instructions and directions; submit to the franchisor for approval all advertising material relating to the intellectual property; render reasonable assistance to the franchisor in relation to any matter affecting the protection of the intellectual property; and on termination or expiry of the Franchise Agreement immediately cease using the intellectual property and remove it from all materials (e-communications and printed materials) and places where the franchisee has displayed it.

Form of Intellectual property relevant to the system	Rights in relation to use	Obligations in relation to use
Trade marks	The franchisee is granted the right to use the trade marks in connection with the operation of the franchised business	Refer to clause 2.1 and 2.3 Franchise Agreement in relation to right to trade under the business name and obligations regarding its use.

Form of Intellectual property relevant to the system	Rights in relation to use	Obligations in relation to use
	The franchisee is granted the right to register and trade under the business name	Refer to clause 4.11 Franchise Agreement generally in relation to obligations attaching to the use of the intellectual property in the operation of the business
Patents	Not applicable	Not applicable
Designs	Not applicable	Not applicable
Copyright	The franchisee is given the right to access the Operations Manual to enable it to operate the franchised business in accordance with its standards and image	Clause 8 Franchise Agreement obliges the franchisee to comply with the terms of the Operations Manual and Franchise Agreement.
Confidential Information	The franchisee is given access to confidential information and the right to use it in the conduct of the business	Clause 23.15 Franchise Agreement obliges the franchisee to maintain the secrecy and confidentiality of all confidential information
All intellectual property	The franchisee must use the intellectual property in the manner prescribed by the franchisor	Clause 2.1, 2.3, 3.2, 4.3, 4.7, 4.11, 11, 17.2, 19.2 and 23.14 the Franchise Agreement sets out the obligations of the franchisee in relation to use of the intellectual property.


On expiration or termination of the Franchise Agreement, the right to use the Intellectual Property ceases and the franchisee is obliged to:

- (1) return all materials containing any of the Intellectual Property including the Operations Manual and any of the Confidential Information;
- (2) remove all signage, fixtures and fittings and promotional material from the premises; and
- (3) comply with various other obligations as detailed in the Franchise Agreement.

See, for example, clause 19.2 of the Franchise Agreement.

(c) Whether the intellectual property is registered in Australia, and if so, the registration date, registration number and place of registration:

The following trademarks are registered (or pending) or registrable in Australia and are licensed under the Franchise Agreement:

Trademark	Classes	Registration number	Registration date	Status	Place of registration
Word – LJ HOOKER	35, 36	1183929	25/06/2007	Registered	Australia
Word - LJ HOOKER Image - 	16, 35, 36	1473399	08/02/2012	Registered	Australia

Trademark	Classes	Registration number	Registration date	Status	Place of registration
LJ Hooker Home Loans	16, 35, 36	1473402	08/02/2012	Registered	Australia
Make Dreams Happen LJ Hooker	16, 35, 36	1754882	25/02/2016	Registered	Australia

(d) Any judgment or pending proceedings that could significantly affect ownership or use of the intellectual property, including:

- (i) name of court or tribunal; and**
- (ii) matter number; and**
- (iii) summary of the claim or judgment.**

There are no judgments or pending proceedings that could significantly affect ownership or use of the above-described intellectual property. If there are any, they are disclosed below:

Description	Name of Court or Tribunal	Matter number	Summary of claim or judgment
Not applicable	Not applicable	Not applicable	Not applicable

(e) If the intellectual property is not owned by the franchisor - who owns it:

LJ Hooker Corporation Pty Limited (the **Licensor**) owns the LJ Hooker name and trademarks which is licensed to the Franchisor for the purpose of sub-licensing it to the franchisee.

(f) Details of any agreement that significantly affects the franchisor's rights to use, or to give others the right to use, the intellectual property including:

(i) parties to the agreement;

LJ Hooker Corporation Pty Limited, LJ Hooker Limited and L.J. Hooker Financial Services Pty Ltd (now known as LJ Hooker Home Loans Pty Ltd) are the parties to the LJ Hooker Name Licence Agreement.

(ii) nature and extent of any limitation;

Under the LJ Hooker Name Licence Agreement, the franchisor is granted a right to sub-license the 'LJ Hooker' name and 'Make Dreams Happen LJ Hooker' to the franchisees and to use the intellectual property in the operation of the franchised business and otherwise in accordance with the Franchise Agreement and Operations Manuals. The franchisor may grant to LJ Hooker Home Loans franchisees the right to use the intellectual property provided the franchisor is not in default of its obligations under the LJ Hooker Name Licence Agreement.

(iii) duration of the agreement;

The franchisor's rights under the LJ Hooker Name Licence Agreement are for an undefined term.

(iv) conditions under which the agreement may be terminated.

The franchisor's rights may be terminated by the Licensor if the franchisor becomes insolvent; the franchisor commits a breach of a material term of LJ Hooker Name Licence Agreement and fails to remedy it within 10 business days of notice by the Licensor; as a consequence of the sub-licencing arrangements entered into in reliance on the terms of LJ Hooker Name Licence Agreement the LJ Hooker name is brought into disrepute or change of control event occurs in the ownership of the franchisor.

8.2 The franchisor is taken to comply with item 8.1 for any information that is confidential if the franchisor gives:

- (a) a general description of the subject matter; and**
- (b) a summary of the conditions for use by the franchisee.**

See answers above

9. Item 9 – Franchise site or territory

9.1 Whether the franchise is:

- (a) for an exclusive or non-exclusive territory:**
- (b) limited to a particular site:**

The right to operate the franchise is for an exclusive territory, the Allocated Location. The franchisee is allocated a number of postcodes and is responsible for exclusively servicing the geographical area of each postcode and each LJ Hooker real estate office located within each postcode(s) subject to Minimum Performance Standards and Allocated Location Performance Standards being met. The office premises are chosen by the franchisee and approved by franchisor.

For the territory of the franchise:

Territory		Yes / No/ Details
(a)	Whether other franchisees may own or operate a business that is substantially the same as the franchised business.	Yes, but in a different Allocated Location.
(b)	Whether the franchisor or an associate of the franchisor may own or operate a business that is substantially the same as the franchised business	Yes, the Franchisor reserves the right to establish a business that is substantially the same as the franchised business.
(c)	Whether the franchisor or an associate of the franchisor may establish other franchises that are substantially the same as the franchise	No

(d)	Whether the franchisee may own or operate a business that is substantially the same as the franchise outside the territory of the franchise	Yes, but in a different Allocated Location.
(e)	Whether the franchisor may change the territory or site of the franchise, and if so, the circumstances in which such a change may occur	<p>Yes. The Franchisee may, from time to time at the discretion of the Company, be offered additional postcode(s) thereby expanding the Allocated Location. It is at the Franchisee's choice whether it wishes to accept the additional postcode(s).</p> <p>If the Franchisee is in breach of the Franchise Agreement and fails to remedy the breach pursuant to clause 5 of the Franchise Agreement then the Franchisor may, at its discretion, but not unreasonably, withdraw the Franchisee's right to service all or part of the Allocated Location by giving 30 days' written notice to the Franchisee.</p> <p>Postcodes are those used by Australia Post. Postcodes may be changed by Australia Post from time to time.</p>

10. Item 10 – Supply of goods or services to a franchisee

10.1 For the franchisor's requirements for supply of goods or services to a franchisee -details of:

(a) any requirement for the franchisee to maintain a level of inventory or acquire an amount of goods or services:

No minimum inventory is required. The franchisee must maintain all the insurance policies required under the Agreement during the Term except in the case of any group insurance policy established and administered by the franchisor for the benefit of the franchisees.

In addition, the franchisee is required to obtain training from the franchisor before commencing operations and when so directed by the Franchisor during the Term.

(b) restrictions on acquisition of goods or services by the franchisee from other sources:

The franchisee must recommend LJ Hooker Home Loan Products and approved panel lender Products to meet the Minimum Performance Standards set out in clause 3 of the Operations Manual. The franchisee is not permitted to utilise the services of any other aggregator. As at the date of this disclosure document, the Aggregator is Connective.

(c) ownership by the franchisor or an associate of the franchisor of an interest in any supplier from which the franchisee may be required to acquire goods or services:

Nil

(d) the obligation of the franchisee to accept goods or services from the franchisor, or from an associate of the franchisor:

The franchisee is required to obtain training from the franchisor before commencing operations and when so directed by the franchisor during the Term.

(e) the franchisor's obligation to supply goods or services to the franchisee:

The franchisor will supply the following goods and services to the franchisee:

- (i) Operations Manual
- (ii) Training; and
- (iii) Advertising material and services.

(f) whether the franchisee will be offered the right to be supplied with the whole range of the goods or services of the franchise:

The franchisee will be offered the right to be supplied with the whole range of products, including, LJ Hooker Home Loan Products and approved panel lender Products. However, this right is subject to the franchisee being in compliance with the terms and conditions of the Agreement and Credit Legislation.

(g) conditions under which the franchisee can return goods, and to whom:

The franchisee may return goods to the suppliers from whom they received the goods (as set out in their contracts with the suppliers). The franchisee may also have rights to return goods under the *Competition and Consumer Act 2010* (Cth) for any consumer guarantee that applies to those goods.

The franchisee may also return goods to the franchisor if they have been provided by the franchisor subject to the franchisee's rights under applicable law unless otherwise agreed in writing by the parties.

(h) conditions under which the franchisee can obtain a refund for services provided by the franchisor, and from whom:

Subject to any applicable consumer guarantee under the Australian Consumer Law, schedule 2 of the *Competition and Consumer Act 2010* (Cth).

In addition to the above, If the franchisee terminates the Agreement during the Cooling Off Period, the franchisor will, within 14 days, repay all money paid by the franchisee under the Agreement less reasonable costs and expenses incurred by the franchisor, which include the negotiation, preparation and execution of the Agreement and related documents, the costs to investigate the financial status, business experience and reputation of the franchisee and guarantors, any training, computer software and statutory fees in relation to the Business Name.

(i) whether the franchisor may change the range of goods or services, and if so, to what extent:

Yes. The franchisor may introduce new products as provided for in the definition of the word "Products" as listed in the Franchise Agreement.

(j) whether the franchisor, a master franchisor (if different from the franchisor), or an associate of the franchisor or master franchisor, will receive a rebate or other financial benefit from a supplier of goods or services to the franchisee; and:

If the franchisor or an associate of the franchisor currently receives a rebate or other financial benefit from the supply of goods or services to the franchisee the name of the business providing it will be disclosed in Schedule 3.

- (k) if the franchisor, master franchisor or associate will receive a rebate or other financial benefit described in paragraph (j) from one or more suppliers:
- (i) the nature of the rebate or other financial benefit received from each supplier; and
 - (ii) the name of each business providing the rebate or other financial benefit; and
 - (iii) the total amount of rebates or other financial benefits received in the previous financial year from each supplier, expressed as a single aggregate percentage of total group purchases from that supplier (not including any purchases made by units of the franchised business operated by the franchisor, master franchisor or associate); and

If the franchisor or an associate of the franchisor currently receives a rebate or other financial benefit from the supply of goods or services to the franchisee the nature of the rebate or other financial benefit, the name of the business providing it and the relevant percentage will be disclosed in Schedule 3.

- (l) whether a rebate or other financial benefit described in paragraph (j) is shared, directly or indirectly, with the franchisee; and

No.

- (m) if a rebate or other financial benefit described in paragraph (j) is shared directly or indirectly with the franchisee:

- (i) the method for working out how much of the rebate or other financial benefit is retained by the franchisor, master franchisor or associate, and how much is shared, directly or indirectly, with the franchisee, described by reference to a percentage of the rebate or other financial benefit, or another method for working out how much is retained, and how much is shared with the franchisee; and
- (ii) a description of each direct and indirect benefit received by the franchisee.

Not applicable, refer to item 10.1(l)

Note: Before a requirement is made under paragraph (b) or (c), the franchisor may notify, or seek authorisation from, the Australian Competition and Consumer Commission (see Part VII of the Act).

- 10.2** For the purposes of paragraphs 10.1(j) to (m), a rebate or other financial benefit does not include:

- (a) the price paid by the franchisee, or a part of that price, for the supply of goods or services by the franchisor, master franchisor or associate; or
- (b) any incentive or other financial benefit that the franchisor, master franchisor or associate is entitled to receive in connection with a lease of premises or the franchisee's right to occupy premises.

- 10.3** The franchisor is not required to disclose the details referred to in subparagraph 10.1(k)(iii) in relation to a supplier if:

- (a) the franchisee is permitted to acquire goods or services from sources other than the franchisor without the franchisor's approval; or

- (b) **the whole of the rebate or other financial benefit that will be received by the franchisor, master franchisor or associate from that supplier is to be returned to the franchisee directly as a payment into a cooperative fund controlled or administered by or for the franchisor.**

11. Item 11 – Supply of goods or services by a franchisee

11.1 For the franchisor's requirements for supply of goods or services by a franchisee - details of:

- (a) **Restrictions on the goods or services that the franchisee may supply:**

Services are restricted to what the Franchise Agreement authorises the franchisee and their loan writers to perform.

- (b) **Restrictions on the persons to whom the franchisee may supply goods or services:**

There are no restrictions on the persons to whom the franchisee may supply goods or service other than those imposed as a consequence of the application of Credit Legislation, Anti-Money Laundering and Counter-Terrorism Funding Act 2006 and verification of identity requirements in relevant legislation.

- (c) **Whether the franchisee must supply the whole range of the goods or services of the franchise?**

Yes for the franchise granted.

Note: *Before a requirement is made under paragraph (a) or (b), the Franchisor may notify, or seek authorisation from, the Australian Competition and Consumer Commission (See Act, Part VII)*

12. Item 12 – Supply of goods or services – online sales

12.1 Details of whether the franchisee may make available online:

- (a) **goods of the same type or brand; or**
- (b) **services of the same type.**

Presently not applicable as home loans are not offered online. However, home loan products may be advertised on-line by the franchisor and franchisees can provide credit assistance to customers utilising online capabilities.

12.2 If goods or services may be made available online by the franchisee, the following information:

- (a) whether the Franchise Agreement restricts, or places conditions on, the franchisee’s ability to make those goods and services available online;
- (b) whether goods or services may be made available via a third party website, and if so, specified restrictions or conditions by the franchisor on the franchisee’s use of a third party website;
- (c) the extent to which those goods or services may be supplied outside the territory of the franchise.

Can the franchisee make available goods online?	No	
Can the franchisee make available services online?	No Refer to item 12.1	
If so:		
(a) Whether the Franchise Agreement restricts, or places conditions on, the franchisee’s ability to make those goods and services available online	(b) Whether goods or services may be made available via a third party website, and if so, specified restrictions or conditions by the franchisor on the franchisee’s use of a third party website	(c) The extent to which those goods or services may be supplied outside the territory of the franchise
Not applicable	Not applicable	Not applicable

12.3 Details of whether:

- (a) the franchisor or an associate of the franchisor; or
 - (b) other franchisees;
- makes, or expects to make, goods or services available online.

Does the franchisor make, or expect to make, goods or services available online?	Yes, the Franchisor will advertise its home loan products and the services of franchisees online.
Does an associate of the franchisor make, or expect to make, goods or services available online?	No
Do other franchisees make, or expect to make, goods or services available online?	No - see above

12.4 If goods or services are made, or are expected to be made, available online by the franchisor, an associate of the franchisor or other franchisees, the following information:

- (a) the extent to which those goods or services may be supplied in the territory of the franchise;
- (b) in the case of goods or services made available via a third party website—the domain name or URL of the third party.

If goods or services are made, or are expected to be made, available online by the following parties, details of:

Party	(a) the extent to which those goods or services may be supplied in the territory of the franchise	(b) in the case of goods or services made available via a third party website—the domain name or URL of the third party website
Franchisor	Advertising and digital marketing	https://www.ljhookerhomeloans.com.au
Associate of the Franchisor	Not Applicable	Not Applicable
Other franchisees	Not Applicable	Not Applicable

12.5 Details of any profit sharing arrangements that apply in relation to goods or services made available online and would affect the franchisee, and whether these arrangements may be unilaterally changed by the franchisor.

Nil.

13. Item 13 – Sites or territories

13.1 The policy of the franchisor, or an associate of the franchisor, for selection of as many of the following as are relevant:

(a) the site to be occupied by the franchised business;

This is entirely at the franchisees discretion however approval is required by the franchisor. Please refer to section 17 of the Operations Manual for further details regarding the site selection process.

(b) the territory in which the franchised business is to operate.

These are based on postcodes where the Franchisor wishes the Franchisee to establish a business to exclusively service customers within the Allocated Location as set out in Schedule “C” of the Franchise Agreement.

13.2 Details of whether the territory or site to be franchised has, in the previous 10 years, been subject to a previous franchise granted by the franchisor, and if so, details of the franchised business, including the circumstances in which the previous franchisee ceased to operate.

As of Financial Year 2017 the franchised territory, the Allocated Location, is determined by reference to Australia Post postcodes. Previously the Allocated Locations were determined by reference to the location of LJ Hooker Real Estate franchised offices that were exclusively serviced by the Franchisee. Schedule 4 sets out information across the past 10 years pertaining to Allocated Locations that may include all or part of the territory to be franchised to the franchisee but may not exactly match the particular Allocated Location of the Franchisee.

Please see Schedule 4 for this information.

13.3 Details of whether the franchisor, or an associate of the franchisor, has an interest in a lease that will be used for the operation of the franchised business, including an interest as a landlord or head lessee, or another interest disclosed under clause 13 of this code.

The franchisor does not have an interest in any proposed lease relating to the franchise business.

13.4 The details mentioned in items 13.2 and 13.3 must be provided:

- (a) in a separate document; and
- (b) with the disclosure document.

Not applicable - see 13.3 above.

Please see Schedule 4 for this information.

14. Item 14 – Other payments

Prepayments

14.1 If the franchisor requires a payment before the Franchise Agreement is entered into - why the money is required, how the money is to be applied and who will hold the money:

- | | | |
|-----|--------------------------------|---|
| (a) | why the money is required | An application fee of \$16,500 inclusive of GST to assist with the processing and entry into the Franchise Agreement. |
| (b) | how the money is to be applied | The fee is applied to the establishment of the franchise as follows;

Franchise Fee \$16,500.00 |
| (c) | who will hold the money | The payment is held by LJ Hooker Home Loans Pty Ltd. |

As well as the payments that are to be made to the franchisor, the franchisee should be aware that there are many other expenses associated with operating a franchise. The franchisor cannot estimate what those expenses might be. To a large extent it depends on the scale of the franchisee’s operations.

14.2 The conditions under which a payment will be refunded.

If the franchisee does not wish to proceed with the franchise after it has signed the Franchise Agreement or paid non-refundable money to the franchisor then it is entitled during the fourteen day cooling off period to give notice to the franchisor terminating the Franchise Agreement.

If it does terminate then the Franchisor is entitled to retain part of the deposit equal to the franchisor's legal costs and its actual and administrative costs of interviewing, investigating and selecting the franchisee and the costs of the franchisor for any training provided to the franchisee.

Except for a termination by the franchisee during the cooling off period, if the Franchise Agreement is terminated, or expires, there is no refund of any of the fees paid. If the transaction involves a transfer or renewal, then there is no refund for the fees payable on the transfer or renewal of a franchise.

Establishment costs

14.3 Details of the range of costs to start operating the franchised business, based on current practice, for the following matters:

- (a) **real property, including property type, location and building size;**
- (b) **equipment, fixtures, other fixed assets, construction, remodelling, leasehold improvements and decorating costs;**
- (c) **inventory required to begin operation;**
- (d) **security deposits, utility deposits, business licences, insurance and other prepaid expenses;**
- (e) **additional funds, including working capital, required by the franchisee before operations begin;**
- (f) **other payments by a franchisee to begin operations.**

The information for items 14.3, 14.4 and 14.5 is set out in Table 1 of Schedule 5.

14.4 For item 14.3, the details for each payment must include:

- (a) **description of the payment; and**
- (b) **amount of the payment or the formula used to work out the payment; and**
- (c) **to whom the payment is made; and**
- (d) **when the payment is due; and**
- (e) **whether the payment is refundable and, if so, under what conditions.**

The information for items 14.3 and 14.4 is set out in Table 1 of Schedule 5.

14.5 For item 14.4, if the amount of the payment cannot easily be worked out – the upper and lower limits of the amount.

The information includes where the amount cannot easily be worked out an upper and lower limit. In some cases however it is impossible to estimate.

Other payments

14.6 For each recurring or isolated payment payable by the franchisee to the franchisor or an associate of the franchisor or to be collected by the franchisor or an associate of the franchisor for another person:

- (a) **description of the payment; and**
- (b) **amount of the payment or the formula used to work out the payment; and**
- (c) **to whom the payment is made; and**
- (d) **when the payment is due; and**
- (e) **whether the payment is refundable and, if so, under what conditions.**

The information for item 14.6 is set out in Table 2 of Schedule 5.

14.7 For each recurring or isolated payment, that is within the knowledge or control of the franchisor or is reasonably foreseeable by the franchisor, that is payable by the franchisee to a person other than the franchisor or an associate of the franchisor:

- (a) a description of the payment;
- (b) the amount of the payment or formula used to work out the payment;
- (c) to whom the payment is made;
- (d) when the payment is due;
- (e) whether the payment is refundable, and if so, under what conditions.

The information for items 14.7 is set out in Table 3 of Schedule 5.

14.8 For item 14.6 or 14.7, if the amount of the payment cannot be easily determined an estimate of the upper and lower limit of the amount is used above.

The information includes where the amount cannot easily be determined an estimate of the upper and lower limit.

14.9 If 2 or more items 14.1, 14.3 and 14.6 apply to a payment, the information required by those items in relation to that payment need be set out only once.

Refer to items 14.1, 14.3 and 14.6 above.

14.10 To avoid doubt, this item covers a payment of significant capital expenditure.

The franchisee must at its cost and expense (which may be a significant capital expense), comply with modifications, changes, additions, deletions, substitutions and alterations; provided however, that such changes shall not materially and unreasonably increase the obligations under the Franchise Agreement.

The franchisee should also refer to clause 30 of the Code which outlines the circumstances in which the franchisor is able to require franchisees to incur an expense which may be a significant capital expenditure. The Tables in Schedule 5 above may outline payments of significant capital expenditure required to be incurred by the franchisee during the term or at the end of the term on a renewal, extension or entering into a new agreement. It may not be possible to predict exactly the amount of that expenditure and a high / low range may be provided where possible.

There may also be additional obligations in the Franchise Agreement that require the franchisee to expend significant capital expenditure (in addition to these amounts disclosed) in certain circumstances including those outlined in clause 30 of the Code.

15. Item 15 - Marketing fund or other cooperative funds

15.1 For each marketing fund or other cooperative fund, controlled or administered by or for the franchisor, or a master franchisor to which the franchisee may be required to contribute, the following details:

- (a) **The kinds of person who contribute to the fund (for example, franchisee, franchisor, outside supplier):**

There is no requirement to contribute to a marketing fund. Please see answer to Item 15.1(g) below.

- (b) **How much the franchisee must contribute to the fund and whether other franchisees contribute at a different rate:**

Not applicable.

- (c) **Who controls or administers the fund:**

Not applicable.

- (d) **Whether the fund is audited, and if so, by whom and when:**

Not applicable.

- (e) **How the fund's financial statements can be inspected by franchisees:**

Not applicable.

- (f) **The kinds of expenses for which the fund may be used:**

Not applicable

- (g) **the fund's expenses for the last financial year, including the percentage spent on production, marketing, administration and other stated expenses:**

Expense	Amount (AU\$)	Percentage
Production	N/A	N/A
Advertising	N/A	N/A
Administration	N/A	N/A
Other state expenses	N/A	N/A
Total	N/A	100%

- (h) **whether the franchisor, master franchisor or an associate of either of them supplies goods or services for which the fund pays and if so, details of the goods or services:**

Not applicable.

- (i) **whether the franchisor or master franchisor must spend part of the fund on marketing or promoting the franchisee's business.**

Not applicable.

16. Item 16 – Financing

- 16.1 The material conditions of each financing arrangement that the franchisor, its agent or an associate of the franchisor offers to the franchisee for establishment or operation of the franchised business.**

The franchisor or any agent or associate of the franchisor does not offer any form of financing to franchisees or prospective franchisees for the establishment or operation of the franchised business.

- 16.2 For Item 16.1, the material conditions of a financing arrangement include the following:**

- (a) any requirement that the franchisee must provide a minimum amount of unborrowed working capital for the franchised business;
- (b) any requirement that a franchisee must meet a stated debt to equity ratio in relation to the franchised business.

The franchisor recommends that the franchisee has sufficient equity to fund the working capital requirements for the franchise business which will depend upon the turnover, profitability and trading results of the franchisee's franchise business.

The franchisor recommends that the franchisee should obtain, before entering into the Franchise Agreement or any other financial commitment, independent accounting, legal and business advice on the present or future working capital requirements for the franchised business.

The franchisor has not determined a minimum amount of working capital (borrowed or otherwise) that a prospective franchisee or existing franchisee will require for the set-up, development, acquisition or operation of the franchised business. The franchisor does not require a prospective or existing franchisee to meet a stated debt to equity ratio in relation to the franchised business. It is up to a prospective or existing franchisee to provide the working capital required for the setup, development, acquisition or operation of a franchised business.

17. Item 17 – Unilateral variation of the Franchise Agreement

- 17.1 The circumstances in which the franchisor has unilaterally varied a franchise agreement in the last 3 financial years (including, if applicable, financial years before this code came into force), other than variations of a minor nature.**

Financial year 2021	Financial year 2020	Financial year 2019
Nil	Nil	Nil

- 17.2 The circumstances in which the Franchise Agreement may be varied, unilaterally, by the franchisor in the future.**

The franchisor does not normally vary any existing franchise agreement unilaterally although some fees and charges may increase in accordance with the provisions of the Franchise Agreement.

However the franchisor does regularly review and update its standard form of Franchise Agreement that it offers to prospective franchisees for a new grant or to existing franchisees for a renewal or transfer of an existing franchise. The franchisor does have the right to unilaterally determine the provisions of that Franchise Agreement.

The franchisor may amend the Operations Manual throughout the term of the franchise. Whilst the Operations Manual does not form part of the Franchise Agreement its terms are essential and must be complied with by the franchisee. As a result, the franchisor has and always will have the right to unilaterally vary the Operations Manual.

17A. Arbitration of disputes

- 17A.1 Whether the franchise agreement provides for arbitration of disputes in a manner consistent with Subdivision C of Division 3 of Part 4.**

No applicable. The franchise agreement does not contain an arbitration clause.

17B. Ways of ending the franchise agreement early**17B.1 A summary of the rights the franchisor has under the franchise agreement to terminate the franchise agreement before it expires, and the circumstances in which those rights may be exercised**

Pursuant to clause 17.1 of the franchise agreement, the franchisor may terminate the franchise agreement on 7 days written notice of termination to the franchisee if any of the events specified in clause 17.1 occur.

Pursuant to clause 17.2 of the franchise agreement, the franchisor may terminate the franchise agreement where the franchisee breaches any of its material obligations under the franchise agreement and fails to remedy with 30 days after the franchisor gives the franchisee written notice specifying that the franchisor intends to terminate the franchise agreement for breach, what the franchisor requires the franchisee to do to remedy the breach.

17B.2 A summary of the rights the franchisee has under the franchise agreement to terminate the franchise agreement before it expires, and the circumstances in which those rights may be exercised

The franchisee is not permitted to terminate the franchise agreement before it expires under the franchise agreement, unless the agreement is a new franchise agreement and the franchisee has 'cooling off' rights which must be exercised within 14 days of the franchisee entering into the agreement. However, the franchisee is permitted to propose an early termination of the franchise agreement in accordance with clause 26B of the Franchising Code of Conduct.

18. Item 18 - Term of agreement and arrangements to apply at the end of the franchise agreement**18.1 Details of arrangements to apply at the end of the franchise agreement, including:**

- (aa) the terms of the franchise agreement; and**
- (a) whether the prospective franchisee will have an option to:**
 - (i) renew the Franchise Agreement; or**
 - (ii) enter into a new Franchise Agreement; and**
- (b) whether the prospective franchisee will be able to extend the term of the Franchise Agreement, and if so, the processes the franchisor will use to determine whether to extend the term of the Franchise Agreement; and**
- (c) if the prospective franchisee will have an option to renew the Franchise Agreement—whether the prospective franchisee will be entitled to compensation at the end of the agreement if it is not renewed and, if so, how that compensation will be determined; and**
- (d) details of the arrangements that will apply to unsold stock, marketing material, equipment and other assets purchased when the Franchise Agreement was entered into, including:**
 - (i) whether the franchisor will purchase the stock, marketing material, equipment and other assets; and**

- (ii) if the franchisor is to purchase the stock, marketing material, equipment and other assets—how prices will be determined; and
- (e) whether the prospective franchisee will have the right to sell the business at the end of the Franchise Agreement; and
- (f) if the prospective franchisee will have the right to sell the business at the end of the Franchise Agreement—whether the franchisor will have first right of refusal, and how market value will be determined; and
- (fa) the prospective franchisee's rights relating to any goodwill generated by the franchisee (including, if the franchisee does not have a right to any goodwill, a statement to that effect); and
- (g) whether the franchisor will consider any significant capital expenditure undertaken by the franchisee during the Franchise Agreement, in determining the arrangements to apply at the end of the Franchise Agreement and
- (h) whether the franchise agreement includes a restraint of trade or similar clause.

This information is transaction specific and it has been set out in Schedule 7.

- 18.2 Details of whether the franchisor has, in the last 3 financial years, considered any significant capital expenditure undertaken by franchisees, in determining the arrangements to apply at the end of Franchise Agreements between the franchisor and those franchisees.**

This information is transaction specific and it has been set out in Schedule 7.

- 18.3 If the franchisee does not have the option to renew the Franchise Agreement the following statement must be included in bold 12 point type:**

The franchisee does not have an option to renew the Franchise Agreement. At the end of the Franchise Agreement, the franchisor may, but does not have to, extend the term of the agreement. If the franchisor does not extend the term of the agreement, the Franchise Agreement ends and the franchisee no longer has a right to carry on the franchised business.

This information is transaction specific and it has been set out in Schedule 7.

- 18.4 If the franchisee cannot extend the term of the Franchise Agreement the following statement must be included in bold 12 point type:**

The franchisee cannot extend the term of the Franchise Agreement. At the end of the Franchise Agreement, the franchisor may, but does not have to, extend the term of the agreement. If the franchisor does not do so, the Franchise Agreement ends and the franchisee no longer has a right to carry on the franchised business.

This information is transaction specific and it has been set out in Schedule 7.

- 18.5 If the franchisee:**

- (a) does not have the option to renew the Franchise Agreement; and
- (b) cannot extend the term of the Franchise Agreement,

the following statement must be included in bold 12 point type:

The franchisee does not have the option to renew the Franchise Agreement and cannot extend the term of the Franchise Agreement. At the end of the Franchise Agreement, the franchisor may, but does not have to, extend the term of the agreement. If the franchisor does not extend the term of the agreement, the Franchise Agreement ends and the franchisee no longer has a right to carry on the franchised business.

This information is transaction specific and it has been set out in Schedule 7.

19. Item 19 - Amendment of Franchise Agreement on transfer of franchise

19.1 Whether the franchisor will amend (or require the amendment of) the Franchise Agreement on or before the transfer of the franchise.

Yes. In order to effect a transfer of the business, the new franchisee will be required to sign the franchisor's then current franchise agreement.

20. Item 20 - Earnings information

20.1 If the franchisor proposes to give earnings information, the franchisor must give it in the disclosure document or in a separate document attached to the disclosure document.

Earnings information is not given refer to Item 20.1A, 20.2, 20.2A and 20.3.

20.1A If the franchisor gives earnings information to a prospective transferee or a franchisee before giving the prospective franchisee or franchisee a copy of the disclosure document relating to the franchise, the franchisor must also give the prospective franchisee or franchisee earnings information in the disclosure document or an attachment to it.

Not applicable as earnings information is not given.

20.2 Earnings information includes the following information:

- (a) historical earnings data for:**
 - (i) the franchised business; or**
 - (ii) a franchise in the franchise system;**
- (b) if subparagraph (a)(ii) applies – any differences between the franchise in the franchise system and the franchised business;**
- (c) projected earnings for the franchised business and the assumptions on which those projections are based;**
- (d) any other information from which historical or future earnings information of the franchised business can be assessed.**

Not applicable as earnings information is not given

20.2A If earnings information is given by the franchisor in the disclosure document or an attachment to it—the following statement:

To the best of the franchisor's knowledge, the earnings information given is accurate (other than particular earnings information specified in the document as earnings information that the franchisor knows is not accurate).

Not applicable as earnings information is not given.

20.3 If earnings information is not given — the following statement:

The franchisor does not give earnings information about an LJ Hooker Home Loans franchise.

Earnings may vary between franchisees and accordingly the franchisor cannot estimate earnings for a particular franchise.

The franchisor does not give earnings information about existing franchisees.

Earnings may vary between franchisees and accordingly the franchisor cannot estimate earnings for a particular franchise.

Due to the nature of the franchised business, earnings are highly dependent on a franchisee's own effort and ability.

If the business to be acquired by the franchisee involves an existing going concern then turnover figures may be provided by the owner of that Business. This does not mean that the franchisor has vetted or audited the figures to substantiate whether they give a true and correct view of the financial position of that business.

The franchisor is not liable for, nor responsible to you or anyone else for any earnings information supplied by third parties. If the franchisor does provide earnings information then that information is supplied to you on the qualifications and disclaimers contained in this Prior Representation Deed. The information is confidential and given to potential franchisees on the basis that it must be returned if you do not proceed.

The franchisor does not furnish or authorise its directors, employees or agents to give any oral or written information concerning the actual or potential sales, costs, income or profits of a franchised business.

Actual results vary from territory to territory and the franchisor cannot estimate the results of any particular franchised territory, site or Allocated Location.

Earnings and/or profits, if any, of any franchised business are the franchisees responsibility. Directors, employees and agents of the franchisor, associates of the franchisor and franchisees are not authorised to make any claims, statements or representations as to the prospects or chances of success that franchisees can expect.

The franchisor may give out information of past or current achievements of its franchisees when authorised to do so by those franchisees. However, you may wish to speak to existing franchisees (if any) to make your own investigations. The franchisor is not responsible for any, claims, statements or representations made by its franchisees and no authority is conferred upon them to make claims, statements or representations on behalf of the franchisor.

The franchisor does not guarantee your success. You are in business for yourself not by yourself. You may need to spend more to promote or operate your franchised business than other franchisees. We suggest that you seek independent accounting and business advice before you proceed.

You should prepare a business plan and at least consider what will happen to you if your business is not profitable or your business is required to be closed.

There are many factors that affect or may affect the success or otherwise of a franchised business. Some of these factors are within the franchisor's or your control. Others are within the control of third parties such as governments, councils, landlords and financiers.

20.4 Earnings information that is a projection or forecast must include the following details:

- (a) the facts and assumptions on which the projection or forecast is based;
- (b) the extent of enquiries and research undertaken by the franchisor and any other compiler of the projection or forecast;
- (c) the period to which the projection or forecast relates;
- (d) an explanation of the choice of the period covered by the projection or forecast;
- (e) whether the projection or forecast includes depreciation, salary for the franchisee and the cost of servicing loans;
- (f) assumptions about interest and tax.

Not applicable.

21. Item 21 - Financial details

21.1 A statement of the franchisor's solvency that:

- (a) reflects the franchisor's position:
 - (i) at the end of the last financial year; or
 - (ii) if the franchisor did not exist at the end of the last financial year – at the date of the statement; and
- (b) is signed by at least one director of the franchisor; and
- (c) gives the directors' opinion as to whether there are reasonable grounds to believe that the franchisor will be able to pay its debts as and when they fall due.

I certify that as at the end of the last financial year of the franchisor ending on 30 June 2021, it is the opinion of the directors of the franchisor that there were reasonable grounds to believe that the franchisor was able to pay its debts as and when they fall due.

 Director of the franchisor

21.2 Financial reports for each of the last two completed financial years that have been prepared by the franchisor in accordance with sections 295 to 297 of the *Corporations Act 2001*, or the foreign equivalent of that Act applicable to the franchisor, prepared by the franchisor.

Financial Reports are provided at Annexure C

21.3 If:

(a) the franchisor is part of a consolidated entity that is required to provide audited financial reports under the *Corporations Act 2001*, or a foreign equivalent of that Act applicable to the consolidated entity; and

(b) a franchisee requests those financial reports;

financial reports for each of the last two (2) completed financial years, prepared by the consolidated entity.

Not applicable.

21.4 Item 21.2 and 21.3 do not apply if:

(a) the statement under 21.1 is supported by an independent audit provided by:

(i) a registered company auditor; or

(ii) if the franchisor is a foreign franchisor - a foreign equivalent for that franchisor;

within 4 months after the end of the financial year to which the statement relates; and

(b) a copy of the independent audit is provided with the statement under item 21.1.

The director's solvency declaration and financial reports are provided at Annexure C.

21.5 If the franchisor or consolidated entity (the *entity*) has not existed for 2 or more financial years, then instead of providing the financial reports mentioned in item 21.2 or 21.3, the following:

(a) a statutory declaration of the entity's solvency;

(b) an independent audit report on the entity's solvency as at the date of the entity's declaration.

Not applicable, the franchisor has existed for more than two financial years.

21.6 If the franchisor or consolidated entity (the *entity*) was insolvent in either or both of the last 2 completed financial years, the following:

(a) a statement of the period during which the entity was insolvent;

(b) a statutory declaration of the entity's solvency;

(c) an independent audit report on the entity's solvency as at the date of the entity's declaration.

Not applicable as the franchisor was not insolvent in either or both of the last two completed financial years.

22. Item 22 - Updates

22.1 Any information to be given under clause 17 of the Code that has changed between the date of the Disclosure Document and the date the Disclosure Document is given under the Code.

The Code requires the franchisor to give notice to franchisees and prospective franchisees under clause 17(2) of the Code if certain materially relevant facts (as described in clause 17(3) of the Code) change. If there has been any change, it will be listed in Schedule 6.

That notice must be given within 14 days of the Directors of the franchisor becoming aware of that change.

23. Item 23 – Receipt

23.1 On the last page of the disclosure document:

- (a) a statement to the effect that the prospective franchisee may keep the disclosure document; and**
- (b) a form on which the prospective franchisee can acknowledge receipt of the disclosure document.**

The prospective franchisee is entitled to keep this disclosure document.

A form on which the prospective franchisee can acknowledge receipt of the disclosure document is attached.

Item 23 – Receipt

Acknowledgement of receipt of disclosure document

Statements required under Item 23:

The franchisee or prospective franchisee may keep this disclosure document.

The franchisee or prospective franchisee acknowledges receipt of this Disclosure Document by signing and completing the form below and returning it to the franchisor.

The franchisee acknowledges receipt from the franchisor of a copy of this Disclosure Document, current as at 21st September 2021, including the following annexures:

- (1) Annexure A - Franchising Code of Conduct;
- (2) Annexure B - Franchise Agreement;
- (3) Annexure C – Financial Reports;
- (4) Annexure D- Acknowledgement of receipt of Disclosure Document.

<p>Please complete the table below and return one copy of the receipt to the franchisor. The franchisee may retain a copy of the receipt. The signing of the receipt does not oblige the franchisee to proceed with the acquisition of an LJ Hooker Home Loans franchise. Signed by or on behalf of the franchisee or the prospective franchisee:</p>	<p>Sign Here:</p> <p>Sign Here:</p>
<p>Print full name of the actual franchisee or prospective franchisee that intends to enter into the agreement in full (including the name of any trust and its ACN or ABN):</p>	<p>Name:</p> <p>ACN/ABN:</p>
<p>Print full names and circle appropriate designation of person signing (e.g. John Smith - Sole Director)</p>	<p>Name:</p> <p>Designation: *Director/ Sole Director/ Partner/ Individual Trustee</p> <p>Name:</p> <p>Designation: *Director/ Secretary/ Partner/ Individual Trustee</p>
<p>Date of Receipt:</p>	<p>___/ ___/ 2021</p>
<p>Time of Receipt:</p>	<p>: AM/PM</p>
<p>Manner of Receipt:</p>	

<p>(*Circle correct answer or insert other method)</p>	<p>Received by: *Email/ Mail/ Courier/ Hand delivery or collection Other method:</p>
<p>Consent to electronic communications between franchisee and franchisor.</p>	<p>Name:</p> <p>Designation: *Director/ Sole Director/ Partner/ Individual Trustee</p> <p>Name:</p> <p>Designation: *Director/ Secretary/ Partner/ Individual Trustee</p>

[Note: If you are signing on behalf of a corporate franchisee then insert the names of the Directors signing and their office (e.g. Director or Sole Director) designation. If more than one Director or partner then all must sign.]

THIS PAGE MUST REMAIN IN THE DISCLOSURE DOCUMENT BUT THE PROSPECTIVE FRANCHISEE MUST ALSO SIGN AND COMPLETE IT AND RETAIN IT FOR ITS RECORDS. USE THE FORM CONTAINED IN ANNEXURE E

Schedule 1 - Items 6.1, 6.2 and 6.4 - Current and former franchisee's key details

Item 6.1 - Number of existing franchised businesses, franchisees and businesses operated by the franchisor or an associate

The Table below contains information about the franchisees of the franchisor as at the date of the Disclosure Document being the number sorted by State of existing franchised businesses, existing franchisees and businesses owned and operated by the franchisor or an associate of the franchisor in Australia that are substantially the same as the franchised business:

HOMELOANS:

State or Territory	Existing franchised businesses	Existing franchisees	Businesses owned or operated by the franchisor or an associate of the franchisor that are substantially the same as the franchised business
ACT	1	1	Nil
New South Wales	10	9	Nil
Northern Territory	0	0	Nil
Queensland	5	7	Nil
South Australia	2	1	Nil
Tasmania	0	0	Nil
Victoria	4	4	Nil
Western Australia	0	0	Nil
Total	22	22	Nil

Item 6.2

Table of current franchisees and their contact details:

Australian franchises are listed on the following pages. The date the current agreement commenced is listed. Should the franchisee or prospective franchisee require additional information on individual franchises listed, LJ Hooker Home Loans Pty Ltd is only too pleased to provide that information on request.

State:	Office:	Franchisee:	(a) business address, if this is not the franchisee's residential address	(b) business phone number	(c) year when the franchise started
ACT	LJ Hooker Home Loans ACT	Empire3 Lending Pty Ltd	1063 Frogmore Road, Frogmore NSW 2586	0409 524 471	2021
NSW	LJ Hooker Home Loans Northern Beaches	Mickley Investments Pty Ltd ATF The Mickley Family Trust		0418 499 857	2017
NSW	LJ Hooker Home Loans NSW Hills District	Nican Media Solutions Pty Ltd		0404 161 940	2017
NSW	LJ Hooker Home Loans Sydney Eastern Suburbs	Eric Greening Financial Services Pty Ltd	1/19 Sutherland Crescent, Darling Point NSW 2027	0407 346 269	2018
NSW	LJ Hooker Home Loans Sydney Cumberland	Pax Mortgages Pty Ltd	Level 7, 44 Miller Street, North Sydney NSW 2060	0425 333 282	2018
NSW	LJ Hooker Home Loans Northern Districts	Pax Mortgages Pty Ltd	Level 7, 44 Miller Street, North Sydney NSW 2060	0425 333 282	2018
NSW	LJ Hooker Home Loans Newcastle & Hunter Region	Australian Capital Developments Pty Ltd		0411 221 565	2018
NSW	LJ Hooker Home Loans North Shore	Yao Mortgage Pty Ltd	Suite 401, Level 4, 2 Help Street, Chatswood NSW 2067	0433 338 906	2018
NSW	LJ Hooker Home Loans Gosford NSW	Lisamc Pty Ltd		02 4323 3133	2019
NSW	LJ Hooker Home Loans Sydney South West	Sydney South West Loans Pty Ltd		0425 602 890	2019
NSW	LJ Hooker Home Loans Sydney Penrith	Organised Finance Pty Ltd		0403 587 887	2021
QLD	LJ Hooker Home Loans Brisbane Outer North	Lancaster Finance Pty Ltd		0419 619 776	2018

QLD	LJ Hooker Home Loans Ipswich and Toowoomba	Marks Financial Group Pty Ltd ATF The Marks Family Trust		0421 962 271 0423 744 307	2019
QLD	LJ Hooker Home Loans Brisbane Bayside	BWG Financial Pty Ltd		0432 067 180	2020
QLD	LJ Hooker Home Loans Gold Coast	TL Home Loans Pty Ltd		0404 046 193	2021
QLD	LJ Hooker Home Loans Far North QLD	Darren John Cordingley & Kylie Jane Cordingley ATF The Cordingley Family Trust		0408 017 148	2021
SA	LJ Hooker Home Loans Adelaide Central	Financial Ventures Pty Ltd	Level 1, 152 King William Road, Hyde Park SA 5061	0403 005 030	2020
SA	LJ Hooker Home Loans Hills & Country	Financial Ventures Pty Ltd	Level 1, 152 King William Road, Hyde Park SA 5061	0403 005 030	2020
VIC	LJ Hooker Home Loans South East Melbourne	Kevin David O'Callaghan Pty Ltd		0419 519 721	2015
VIC	LJ Hooker Home Loans Melbourne East	Aspirations Infinite Pty Ltd		0434 083 848	2019
VIC	LJ Hooker Home Loans Melbourne North	RKA Financial Services Pty Ltd		0439 244 325	2021
VIC	LJ Hooker Home Loans Western Region	Multi Lend Pty Ltd		0422 883 772	2021

Items 6.4(a) to (g) - Table of details of key events

For each of the last 3 financial years and for each of the following events - the number of franchised businesses for which the event happened:

HOME LOANS:

Details of events of each of the last 3 financial years*	Year 1 01/07/2018 to 30/06/2019	Year 2 01/07/2019 to 30/06/2020	Year 3 01/07/2020 to 30/06/2021
(c) the franchise was transferred;	0	0	0
(d) the franchised business ceased to operate;	10	6	5
(e) the Franchise Agreement was terminated by the franchisor;	0	0	0
(f) the Franchise Agreement was terminated by the franchisee;	10	6	5
(g) the Franchise Agreement was not extended;	0	0	0
(h) the franchised business was bought back by the franchisor; and	0	0	0
(i) the Franchise Agreement was terminated and the franchised business was acquired by the franchisor.	0	0	0

Schedule 2 - Item 6.5 – Franchisees contact details for each key event

Note that disclosure of information is subject to clause 32(1) of the Code which allows the franchisor not to disclose this information where the franchisee has requested in writing that their details not be disclosed.

RESIDENTIAL:

Item 6.4(a) Franchise was transferred:			
Relevant financial year	Name of franchisee	Location of franchise	Contact details
Financial Year ending 30 June 2021	Nil	Nil	Nil
Financial Year ending 30 June 2020	Nil	Nil	Nil
Financial Year ending 30 June 2019	Nil	Nil	Nil

Item 6.4(b) Franchised business ceased to operate:			
Relevant financial year	Name of franchisee	Location of franchise	Contact details
Financial Year ending 30 June 2021	Loan Writer Pty Ltd		0408 480 202
	Horking Financial Solutions Pty Ltd		0456 040 428
	Arcstone Pty Ltd	Suite E, Level 12, Crown Tower 163/200 Crown Street, Wollongong NSW 2500	0412 089 550
	Paul Francis Griffin		0407 103 959
	GJ Loans (QLD) Pty Ltd		0428 104 492
Financial Year ending 30 June 2020	Broker on Demand Pty Ltd	Suite 1006, Level 9, 1 Corporate Court, Bundall, QLD 4217	0468 379 389
	Broker on Demand Pty Ltd	Suite 1006, Level 9, 1 Corporate Court, Bundall, QLD 4217	0468 379 389
	CPI Finance Pty Ltd	10/62 Main Street, Pialba QLD 4655	0417 745 505
	Chad Mitchell Skelton		0466 185 552
	Reward Home Loan Australia Pty Ltd		0491 104 092
	TWWSI Pty Ltd ATF ABOUS Unit Trust	130 Victoria Street, Bunbury WA 6230	0418 921 649
Financial Year ending 30 June 2019	Pax Mortgages Pty Ltd	Level 7, 44 Miller Street, North Sydney NSW 2060	0425 333 282

	Debra Jane Hutchings	11 Brushbox Circuit, Twin Waters QLD 4564	0407 314 287
	Ocean Blue Finance Pty Ltd	3/5 Pacific Street, Main Beach QLD 4217	0405 667 547
	Jargernaut Pty Ltd	82 Carinyan Drive, Birkdale QLD 4159	0409 020 379
	Chad Mitchell Skelton	8 Croudace Street, Lambton NSW 2299	0466 185 552
	David Chalmers Russell	134 North Hill Drive, Robina QLD 4226	0427 269 216
	Scott Christopher Draper	38 Anzac Rd, Trafalgar VIC 3824	0419 537 369
	Melbourne Loans Pty Ltd	911 High Street, Reservoir VIC 3073	1300 656 267
	Consolidated Equity Services Pty Ltd	441 Elizabeth Street, Melbourne VIC 3000	0430 808 998
	Succeed Mortgage Pty Ltd	15 Kingsway Gardens, Canning Vale WA 6155	0405 133 334

Item 6.4(c) Franchise Agreement terminated by franchisor:			
Relevant financial year	Name of franchisee	Location of franchise	Contact details
Financial Year ending 30 June 2021	Nil	Nil	Nil
Financial Year ending 30 June 2020	Nil	Nil	Nil
Financial Year ending 30 June 2019	Nil	Nil	Nil

Item 6.4(d) Franchise Agreement terminated by franchisee:			
Relevant financial year	Name of franchisee	Location of franchise	Contact details
Financial Year ending 30 June 2021	Loan Writer Pty Ltd		0408 480 202
	Horking Financial Solutions Pty Ltd		0456 040 428
	Arcstone Pty Ltd	Suite E, Level 12, Crown Tower 163/200 Crown Street, Wollongong NSW 2500	0412 089 550
	Paul Francis Griffin		0407 103 959
	GJ Loans (QLD) Pty Ltd		0428 104 492
Financial Year ending 30 June 2020	Broker on Demand Pty Ltd	Suite 1006, Level 9, 1 Corporate Court, Bundall, QLD 4217	0468 379 389
	Broker on Demand Pty Ltd	Suite 1006, Level 9, 1 Corporate Court, Bundall, QLD 4217	0468 379 389
	CPI Finance Pty Ltd	10/62 Main Street, Pialba QLD 4655	0417 745 505
	Chad Mitchell Skelton		0466 185 552
	Reward Home Loan Australia Pty Ltd		0491 104 092
	TWWSI Pty Ltd ATF ABOUS Unit Trust	130 Victoria Street, Bunbury WA 6230	0418 921 649
Financial Year ending 30 June 2019	Pax Mortgages Pty Ltd	Level 7, 44 Miller Street, North Sydney NSW 2060	0425 333 282
	Debra Jane Hutchings	11 Brushbox Circuit, Twin Waters QLD 4564	0407 314 287
	Ocean Blue Finance Pty Ltd	3/5 Pacific Street, Main Beach QLD 4217	0405 667 547
	Jargernaut Pty Ltd	82 Carinyan Drive, Birkdale QLD 4159	0409 020 379
	Chad Mitchell Skelton	8 Croudace Street, Lambton NSW 2299	0466 185 552
	David Chalmers Russell	134 North Hill Drive, Robina QLD 4226	0427 269 216
	Scott Christopher Draper	38 Anzac Rd, Trafalgar VIC 3824	0419 537 369
	Melbourne Loans Pty Ltd	911 High Street, Reservoir VIC 3073	1300 656 267
	Consolidated Equity Services Pty Ltd	441 Elizabeth Street, Melbourne VIC 3000	0430 808 998
	Succeed Mortgage Pty Ltd	15 Kingsway Gardens, Canning Vale WA 6155	0405 133 334

Item 6.4(e) Franchise Agreement not extended:			
Relevant financial year	Name of franchisee	Location of franchise	Contact details
Financial Year ending 30 June 2021	Nil	Nil	Nil
Financial Year ending 30 June 2020	Nil	Nil	Nil
Financial Year ending 30 June 2019	Nil	Nil	Nil

Item 6.4(f) Franchise business bought back by franchisor:			
Relevant financial year	Name of franchisee	Location of franchise	Contact details
Financial Year ending 30 June 2021	Nil	Nil	Nil
Financial Year ending 30 June 2020	Nil	Nil	Nil
Financial Year ending 30 June 2019	Nil	Nil	Nil

Item 6.4(g) Franchise business acquired by franchisor after termination:			
Relevant financial year	Name of franchisee	Location of franchise	Contact details
Financial Year ending 30 June 2021	Nil	Nil	Nil
Financial Year ending 30 June 2020	Nil	Nil	Nil
Financial Year ending 30 June 2019	Nil	Nil	Nil

Schedule 3 - Item 10.1(j) - Supplier and Rebate Details

Name of Business providing rebate or financial benefit	Financial benefit/rebate shared directly or indirectly with franchisees	Rebate percentage
Nil	Nil	Nil

Schedule 4 - Items 13.2 and 13.4 – Details of site and territory history

Has the territory or site to be franchised in the previous 10 years, been subject to a previous franchise granted by the franchisor?

Note : Remove all text highlighted in blue except for the applicable option. Insert wording specific to each individual franchise where sections are highlighted in green

Option 1 : If it has been in the last 10 years use the following:

Yes. A territory that covers part of the Allocated Location has been subject to a franchise in the previous 10 years. Details including the circumstance in which the previous franchisee ceased to operate are as follows:

Site	Period in which it operated	Details including circumstances in which the previous franchisee ceased to operate
[insert]	Operated between ### to ###	[insert]

Option 2: If this transaction is a renewal or extension: Use option 1 and also add the following:

In addition to the information described above a territory that covers part of the Allocated Location has been subject to a franchise business operated by [INSERT] during the period ## to ##.

The franchise business was established by the current franchisee and will continue to be operated by the current franchisee pursuant to the current renewal of the franchise.

NB if the franchisee is a licensee converting then put details of this in this Schedule

Option 3: If this transaction is a transfer use Option 1 and also add the following:

In addition to the information described above a territory that covers part of the Allocated Location has been subject to a franchise business operated by [INSERT].

The franchise business is now being transferred by [INSERT] to [INSERT] pursuant to the business sale contract dated [INSERT] between the parties and on the terms of the attached Franchise Agreement.

Option 4: If never has been in last 10 years - delete options 1 - 3 and just use the following

The site has never been subject to a franchise granted by the franchisor in the last 10 years.

The site to be franchised has not been subject to a franchised business operated by a previous franchise granted by the franchisor or operated by the franchisor.

Schedule 5 - Item 14 - Tables of Payments

TABLE 1- ITEM 14.3- 14.5 TABLE OF ESTABLISHMENT COSTS

Establishment costs

14.3 Details of the range of costs to start operating the franchised business, based on current practice, for the following matters:

- (a) real property, including property type, location and building size;**
- (b) equipment, fixtures, other fixed assets, construction, remodelling, leasehold improvements and decorating costs;**
- (c) inventory required to begin operation;**
- (d) security deposits, utility deposits, business licences, insurance and other prepaid expenses;**
- (e) additional funds, including working capital, required by the franchisee before operations begin;**
- (f) other payments by a franchisee to begin operations.**

14.4 For item 14.3, the details for each payment must include:

- (a) description of the payment; and**
- (b) amount of the payment or the formula used to work out the payment; and**
- (c) to whom the payment is made; and**
- (d) when the payment is due; and**
- (e) whether the payment is refundable and, if so, under what conditions.**

The information for item 14.4 is set out in the table at item 14.5.

14.5 For item 14.4, if the amount of the payment cannot easily be worked out – the upper and lower limits of the amount.

The information on the following pages sets out the range of costs which are commonly encountered by a new franchisee when establishing a franchised business based on current practice.

This information is provided as a guide only and may not reflect cost you will incur.

*The information provided includes a number of assumptions which **WILL VARY** depending upon many factors dependent on the specific circumstances of each individual franchise; the franchisee's management skill, experience and business acumen; the existing assets of the franchise and local economic conditions and the suppliers.*

The assumptions are given to assist the franchisee's independent financial advisers to form their own view on the financial information and likely variances or additional costs in the context of the franchisee's specific circumstances.

Note all figures are exclusive of GST.

Expenditures	Description of payment	Amount of the payment or the formula used to work out the payment	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
(a) Real property (including property type, location, and building size)					
	The franchisee will need an office premises. The property type, location and building size is entirely decided by the franchisee. The franchisee may decide to rent or buy an office.	It is impossible to predict the amount of rent or formula for calculation of rent. Office rents vary greatly and depend on things such as office size, location and market conditions. Rents can vary from \$10,000 - \$350,000 per year or higher depending on size and location	As specified by the lessor. Normally, the lessor or its agent.	As specified by the lessor.	As specified by the lessor.
<p>Warning:</p> <p>The franchisor has no control over the amount of rental payments charged by, or the conduct of, property owners. There is a risk that a landlord may seek a revised rental payment that makes the operation of the business significantly less profitable or even not viable.</p> <p>In forming an opinion on the suitability of a site the franchisee should consider these risks. The franchisor makes no warranties as to the likelihood of the landlord granting any additional tenure beyond that expressly contained in the lease, or that the landlord will be reasonable in setting any rental payment for any additional period, dealing with relocation or otherwise managing the tenancy. These are factors beyond the control of the franchisor.</p>					
(b) Equipment, fixtures, other fixed assets, construction, remodelling, leasehold improvements, decorating costs					
	The franchisee will need office equipment such as desks, computers, telephones, printers and so on.	The cost to fit out an office will vary and will depend on size, location and personal choice.	As specified by the supplier.	As specified by the supplier.	As specified by the supplier.

	The office premises may require some construction, remodelling, leasehold improvements or decorating costs.	It is impossible to predict the cost of any remodelling and improvements . These costs will typically be determined by the condition of the office premises chosen by the franchisee.	As specified by the supplier.	As specified by the supplier.	As specified by the supplier.
(c) Inventory required to begin operation					
	Not applicable, the franchisee is not required to buy any inventory.	Not applicable	Not applicable	Not applicable	Not applicable
(d) Security deposits, utility deposits, business licences, insurance and other prepaid expenses					
These may vary greatly and will depend on things such as the size of the office, number of employees, the franchisee's previous claim history and so on.	Utility deposits for telephone and internet connections	Approximately \$200 - \$2,000	As specified by the supplier	When required by the supplier.	As determined by the supplier.
	Business name registration	Approximately \$40 - \$500 per annum	Australian Securities and Investments Commission (ASIC)	As specified by the relevant body, normally on registration.	As specified by the relevant body.
	Insurances	Approximately \$2,000 - \$50,000 per annum	As specified by the supplier	As specified by the supplier.	As specified by the supplier.
(e) Additional funds (including working capital, required by the franchisee before operations begin					
	Working capital	\$50,000 - \$500,000	Not applicable	Not applicable	Not applicable
(f) Other payments by a franchisee to begin operations					
	The franchisee's legal, accounting and business Advice fees.	\$2,000 - \$20,000	The franchisee's accountant, Business advisor and / or lawyer	As specified by the Franchisee's accountant, business advisor and /or lawyer.	As specified by the franchisee's accountant, Business advisor and / or lawyer.

	Stamp duty on the franchisee's office lease (Where applicable)	As specified by the revenue office of the relevant state or territory	As specified by the revenue office of the relevant state or territory	As specified by the revenue office of the relevant state or territory	As specified by the revenue office of the relevant state or territory
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TABLE 2 - ITEM 14.6 PAYMENTS TO THE FRANCHISOR OR ASSOCIATE OF THE FRANCHISOR OR COLLECTED BY THE FRANCHISOR FOR ANOTHER PERSON

Other payments

14.6 For each recurring or isolated payment payable by the franchisee to the franchisor or an associate of the franchisor or to be collected by the franchisor or an associate of the franchisor for another person:

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
Credit Representative Fee	Currently \$198.00 per month. This amount will increase annually by up to a maximum of 5%.	Franchisor	Throughout the first week of every month commencing on the Commencement Date of the Agreement	Not refundable
Connective Aggregation Fee	Currently \$300.00 per month.	Franchisor	Throughout the first week of every month commencing on the Commencement Date of the Agreement	Not refundable
Core Logic Marketing System Fee	Currently \$100.00 per month.	Franchisor	Throughout the first week of every month commencing 3 months from the Commencement Date of the Agreement	Not refundable
Outsourced Processing Fee	Currently \$395.00 per month.	Franchisor	Throughout the first week of every month commencing 3 months from the Commencement Date of the Agreement	Not refundable
Promotional Amount	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Costs of audit of franchisee's accounts	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
Administration fee on assignment of Franchise Agreement	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Merchant Fees	All Major Credit Cards (Diners Club not accepted). Typically between 0.5% to 2.0% of the transaction cost.	Franchisor	When paying any payment to the Company by applicable credit card	Not refundable

TABLE 3 - ITEM 14.7 PAYMENTS TO PERSONS OTHER THAN THE FRANCHISOR OR AN ASSOCIATE OF THE FRANCHISOR

14.7 For each recurring or isolated payment, that is within the knowledge or control of the franchisor or is reasonably foreseeable by the franchisor, that is payable by the franchisee to a person other than the franchisor or an associate of the franchisor:

- (a) a description of the payment;**
- (b) the amount of the payment or formula used to work out the payment;**
- (c) to whom the payment is made;**
- (d) when the payment is due;**
- (e) whether the payment is refundable and, if so, under what conditions.**

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
Accounting, bookkeeping and legal advice including advice sought before, during and after the franchise term	Typically a minimum of \$5,000 per annum but depends on supplier choice and extent of use.	Supplier	Throughout term of franchise	Not usually
Advertising & Marketing	Typically a minimum of \$10,000 per annum but depends on supplier choice and extent of use.	Supplier	Throughout term of franchise	Not usually
Banking and Finance costs including repayment of loans, interest fees and charges	Typically a minimum of \$1,000 per annum but depends on size of business. Inclusive of Merchant & Bank Fees, Finance & Government Charges	Bank or financier	Throughout term of franchise	Not usually
Utilities such as power Electricity, Gas & Water	Typically a minimum of \$5,000 per annum but depends on size of premises occupied.	Supplier	Monthly throughout term of franchise	Not usually
Franchisee's expenses during training	Typically a minimum of \$3,000 per annum but depends on travel requirements and number of employees.	Supplier	Before or during training	Not refundable
Freight	Typically a minimum of \$1,000 per annum but depends on	Supplier	Throughout term of franchise	Not usually

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
	supplier choice and extent of use.			
Insurance	Typically a minimum of \$5,000 per annum but depends on extent of insurance coverage.	Supplier	Annually	Not usually
Motor Vehicle expenses such as acquisition or finance costs, insurance, registration, fuel, servicing, maintenance and repairs.	Typically a minimum of \$20,000 per annum but depends on size of business and number of employees.	Supplier	Throughout term of franchise	Not usually
Costs of legal advisers acting on behalf of the Franchisor pursuant to the Franchise Agreement	Typically \$2,000 per annum but will vary depending upon the nature and extent of the work involved.	The Franchisor or the Franchisor's legal advisers	When incurred	Not refundable
Legal Fees and Duty upon Renewal	The Franchisor's costs of renewing the franchise including reimbursement of the Franchisor's legal fees and stamp duty.	Duty to the State Government Legal fees payable to the Franchisor's lawyers	At time of renewal	Not refundable
Printing, Stationery & Office supplies	Typically a minimum of \$100 per month depending on supplier choice and extent of use. Additional cost will be incurred if specific customer contact or promotional activities are engaged.	Supplier	Monthly throughout term of franchise and when incurred	Not usually
Postage	Typically a minimum of \$100.00 per month. Amount will vary significantly if any customer contact or promotional activities are	Supplier	Monthly throughout term of franchise and when incurred	Not usually

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
	engaged impacted by the number of customers, items being distributed and frequency of communication.			
Costs of participation in promotional activities	Typically a minimum of \$5,000 per annum but depends on office's level of involvement.	Promotional service providers	When incurred	Not refundable
Rental and outgoings on the premises	\$10,000.00 - \$350,000.00 per annum. This amount will vary significantly depending on the size and operations of the office.	The landlord	Monthly (or as otherwise directed by the landlord)	Not refundable
Payments required under lease	Up to \$25,000.00 per annum. This amount will vary significantly depending on the size and operations of the office.	The landlord	Monthly (or as otherwise directed by the landlord) or the terms of the lease	Not refundable
Property Make Good & Refurbishment	Typically a minimum of \$5,000 - \$20,000 but depends on specific clauses of property lease.	The landlord	Monthly (or as otherwise directed by the landlord) or the terms of the lease	Not refundable
Security monitoring	Typically a minimum of \$1,000 per annum. Difficult to estimate as depends on the supplier choice and extent of use.	Supplier	Monthly or as otherwise directed by supplier	Not refundable
Property Repairs & Maintenance	Typically a minimum of \$2,000 per annum but depends on age of premises.	The landlord	Monthly (or as otherwise directed by the landlord)	Not refundable
Telephone, Fax, Internet & Monitoring	\$100.00 - \$250.00 per month for Telephone & Fax costs difficult to determine due to varying size of business operations and extent of use.	Suppliers	Monthly or as otherwise directed by supplier	Not refundable

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
	<p>\$100.00 - \$200.00 per month. Internet costs difficult to determine due to varying size of business operations & extent of use.</p> <p>\$100.00 - \$250.00 per month Mobile Phone costs difficult to determine due to varying size of business operations & extent of use.</p> <p>\$150.00 - \$300.00 per quarter. Remote Monitoring service costs difficult to determine due to varying size of business operations & extent of use.</p>			
Travel, Meals & Entertainment	Typically a minimum of \$2,000 per annum but depends on office policies.	Suppliers	Throughout term of franchise	Not refundable
Salaries & Wages & payments to contractors	<p>Currently the minimum award wage payable for a full time, adult employee ranges between \$42,713 - \$60,471 depending on the employees' level of classification. Contracted Loan Writers remunerated on a commission only basis will generally receive between 50% - 80% of the upfront commission payable to the Franchisee, and between 0% - 80% of the trail commission payable to the Franchisee. Actual amounts will vary according to Franchisee's involvement in the operations of the</p>	employees	Monthly or as otherwise directed by franchisee	Not refundable

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
	business, number of team members employed, on a full time, part time, casual basis, or contractual basis, and how the Franchisee takes their wage as a salary or as drawings including / not including bonus and incentive schemes. Accruals for statutory entitlements such as Annual, Personal Carers (Sick) and Long Service Leave need to be estimated given number of employees and their contract terms.			
Superannuation	Varies according to the gross wages paid as per above and is currently calculated at nine and a half per cent (9.5%) of gross wages paid.	employees	Monthly or as otherwise directed by franchisee	Not refundable
Fringe Benefits Tax	Typically a minimum of \$3,000 but depends on number and value of benefits provided.	employees	Monthly or as otherwise directed by franchisee	Not refundable
Workers Compensation	Typically a minimum of \$1,000 but will vary according to state regulations, number of employees and contractors, salaries and wages paid for the preceding year and estimates payable for the ensuing year.	Insurance Provider	Monthly or as otherwise directed by franchisee	Not refundable
Amortisation	Typically from \$3,000 per annum upwards but this varies according to the business structure	N/A	N/A	Not refundable

Description of payment	Estimated amount or estimated low-high range or formula (excluding GST)	To whom the payment is made	When the payment is due	Whether refundable; if so, under what conditions
	nominated by the Franchisee.			
Depreciation	Typically upwards of \$2,000 per annum but this varies according to the business structure nominated by the Franchisee.	N/A	N/A	Not refundable
Interest Expense	Typically upwards of \$4,000 per annum but this varies according to the level of debt finance required by the Franchisee.	Financier	N/A	Not refundable
Repairs & Maintenance	Typically upwards of \$3,000 per annum but depends on premises and age of business assets.	Supplier	N/A	Not refundable

Schedule 6 - Item 22 – Changes in materially relevant facts (if any) and relevant information

There are no changes in materially relevant facts since the preparation date of this Disclosure Document.

The following are changes in materially relevant facts since the preparation date:

Relevant item 22 reference	Date of change in fact	Nature of materially relevant change
Nil	Nil	Nil

Schedule 7 - Item 18 – Term of agreement and arrangements to apply at the end of the Franchise Agreement

18.1 Details of arrangements to apply at the end of the Franchise Agreement, including:

(aa) the term of the franchise agreement; and

The term of the franchise agreement is five (5) years.

(a) whether the prospective franchisee will have an option to:

(i) renew the Franchise Agreement; or

(ii) enter into a new Franchise Agreement; and

(b) whether the prospective franchisee will be able to extend the term of the Franchise Agreement, and if so, the processes the franchisor will use to determine whether to extend the term of the Franchise Agreement are set out in the Table below.

Is the franchisee able to extend the term of the Franchise Agreement?	Yes. The franchisee may request the franchisor to agree to extend the Franchise Agreement however there is no express right to require the franchisor to extend the Franchise Agreement. It is a decision made by the franchisor in its absolute discretion.
If yes, the processes the franchisor will use to determine whether to extend the term of the Franchise Agreement.	<p>If the Franchise Agreement is expiring and does not contain an option to renew, then whether the franchisor is prepared to enter into a new agreement or extension is at the absolute discretion of the franchisor.</p> <p>The franchisee will have to meet the criteria and conditions set out in the end of term policy (if any) existing at the time of the proposed extension that outline the franchisor's then current end of term requirements. If no policy exists, the decision will be at the absolute discretion of the Franchisor.</p> <p>The terms of the new agreement will be on the standard terms and conditions used by the franchisor for new Franchisees at the relevant time.</p> <p>Under the Code, the franchisor is required to provide the franchisee with notice of its intention prior to the end of the term of the Franchise Agreement. That is a notice as to whether it intends to extend the term of the Agreement or enter into a new Agreement.</p>

	<p>Such notice will be given in accordance with the provisions and within the timeframes prescribed by the Code and based on the franchisors published policy on end of term arrangements.</p> <p>It is up to the absolute discretion of the franchisor to determine whether it is prepared to extend the term of the Franchise Agreement past the end of the term or grant a new agreement. There is no representation or assurance that it will commit post end of term date and nor is there any obligation on it to do so.</p> <p>The definition of Term in the Franchise Agreement includes the initial term and any period of holding over agreed to by the franchisor (refer to clause 3 of the Franchise Agreement). A holding over is NOT considered to be an extension of the Term of the Franchise Agreement</p>
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- (c) if the prospective franchisee will have an option to renew - whether the prospective franchisee will be entitled to compensation at the end of the Franchise Agreement if it is not renewed and, if so, how that compensation will be determined.

Does the franchisee have an option to renew	Yes.
Will the prospective franchisee be entitled to compensation at the end of the Franchise Agreement if it is not renewed and if so details of how that compensation will be determined.	<p>There is no obligation imposed on the franchisor to pay any amount to the franchisee at the end of the Franchise Agreement.</p> <p>For clarity there is no payment to a franchisee for goodwill or any repayment of the initial fee at the end of the Term.</p>

- (d) details of the arrangements that will apply to unsold stock, marketing material, equipment and other assets purchased when the Franchise Agreement was entered into, including:

- (i) whether the franchisor will purchase the stock, marketing material, equipment and other assets; and
- (ii) if the franchisor is to purchase the stock, marketing material, equipment and other assets - how prices will be determined.

The franchisor will not purchase the stock, marketing material, equipment or other assets. However, the franchisor does have a first right of refusal to purchase the trail commission of the franchised business during the term and for a period of 12 months after expiration or termination of the agreement.

- (e) **Whether the prospective franchisee will have the right to sell the business at the end of the Franchise Agreement?**

Normally at the end of the term of the Franchise Agreement there is no remaining term or right in of the Franchise Agreement to sell and the franchisor therefore does not normally allow the franchisee the right to sell it as a franchised business once the Franchise Agreement expires. The franchisee is entitled to sell the business assets (but not the franchise), subject to the franchisors first right of refusal.

- (f) **If the prospective franchisee will have the right to sell the business at the end of the Franchise Agreement – whether the franchisor has the first right of refusal, and how the market value will be determined.**

No the franchisee has no right to sell the business at the end of the term set out in the Franchise Agreement.

- (fa) **the prospective franchisee's rights relating to any goodwill generated by the franchisee (including, if the franchisee does not have a right to any goodwill, a statement to that effect); and**

Pursuant to clause 4.11(f) of the franchise agreement, the franchisee is not entitled to any goodwill.

- (g) **whether the franchisor will consider any significant capital expenditure undertaken by the franchisee during the Franchise Agreement, in determining the arrangements to apply at the end of Franchise Agreement?**

No. The franchisor will not consider any capital expenditure undertaken by the franchisee during the term of the Franchise Agreement.

- (h) **whether the franchise agreement includes a restraint of trade or similar clause.**

Yes, please refer to clause 17.3 of the franchise agreement.

18.2 Details of whether the franchisor has, in the last 3 financial years, considered any significant capital expenditure undertaken by franchisees, in determining the arrangements to apply at the end of Franchise Agreements between the franchisor and those franchisees.

Details of whether the franchisor has considered any significant capital expenditure undertaken by franchisees, in determining the arrangements to apply at the end of franchise agreements between the franchisor and those franchisees.	Financial year 2021	Financial year 2020	Financial year 2019
The franchisor has not considered any significant capital expenditure undertaken by franchisees in determining the arrangements to apply at the end of franchise agreements.	No	No	No

18.3 If the franchisee does not have the option to renew the Franchise Agreement, the following statement must be included in bold 12 point type:

~~**The franchisee does not have the option to renew the Franchise Agreement. At the end of the Franchise Agreement, the franchisor may, but does not have to, extend the term of the agreement. If the franchisor does not extend the term of the agreement, the Franchise Agreement ends and the franchisee no longer has a right to carry on the franchised business.**~~

18.4 If the franchisee cannot extend the term of the Franchise Agreement, the following statement must be included in bold 12 point type:

The franchisee cannot extend the term of the Franchise Agreement. At the end of the Franchise Agreement, the franchisor may, but does not have to, extend the term of the agreement. If the franchisor does not do so, the Franchise Agreement ends and the franchisee no longer has a right to carry on the franchised business.

18.5 If the franchisee:

- (a) does not have the option to renew the Franchise Agreement; and
- (b) cannot extend the term of the Franchise Agreement?

the following statement must be included in bold 12 point type:

~~The franchisee does not have the option to renew the Franchise Agreement and cannot extend the term of the Franchise Agreement. At the end of the Franchise Agreement, the franchisor may, but does not have to, extend the term of the agreement. If the franchisor does not extend the term of the agreement, the Franchise Agreement ends and the franchisee no longer has a right to carry on the franchised business.~~

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Annexure A - Franchising Code of Conduct

A copy of the *Competition and Consumer (Industry Codes-Franchising) Regulation 2014* (Cth) is attached.

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Annexure B - Franchise Agreement

A copy of the Franchise Agreement in the form in which it is to be executed is attached.

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Annexure C – Solvency Statement and Financial Reports (Last 2 Financial Years)

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Annexure D - Acknowledgement of receipt of Disclosure Document

Item 23: Statements required under Item 23:

The franchisee or prospective franchisee may keep this Disclosure Document.

The franchisee or prospective franchisee acknowledges receipt of this Disclosure Document by signing and completing the form below and returning it to the franchisor.

The franchisee acknowledges receipt from the franchisor of a copy of this Disclosure Document, current as at 21st September 2021, including the following annexures:

- (1) Annexure A - Franchising Code of Conduct;
- (2) Annexure B - Franchise Agreement;
- (3) Annexure C - Financial Reports;
- (4) Annexure D - Acknowledgement of receipt of Disclosure Document.

Please complete the table below and return one copy of the receipt to the franchisor. The franchisee may retain a copy of the receipt. The signing of the receipt does not oblige the franchisee to proceed with the acquisition of an LJ Hooker Home Loans franchise.

Signed by or on behalf of the franchisee or the prospective franchisee:	Sign Here: Sign Here:
Print full name of the actual franchisee or prospective franchisee that intends to enter into the agreement in full (including the name of any trust and its ACN or ABN):	Name: ACN/ABN:
Print full names and circle appropriate designation of person signing (<i>e.g. John Smith - Sole Director</i>)	Name: Designation: *Director/ Sole Director/ Partner/ Individual Trustee Name: Designation: *Director/ Secretary/ Partner/ Individual Trustee
Date of Receipt:	___/ ___/ 2021
Time of Receipt:	
Manner of Receipt: <i>(*Circle correct answer or insert other method)</i>	Received by: *Email/ Mail/ Courier/ Hand delivery or collection Other method:

<p>Consent to electronic communications between franchisee and franchisor.</p>	<p>Name:</p> <p>Designation: *Director/ Sole Director/ Partner/ Individual Trustee</p> <p>Name:</p> <p>Designation: *Director/ Secretary/ Partner/ Individual Trustee</p>
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[Note: If you are signing on behalf of a corporate franchisee then insert the names of the Directors signing and their office (e.g. Director or Sole Director) designation. If more than one Director or partner then all must sign.]