

Questions on Notice to Permanent Custodians Limited ("PCL") – Senate Select Committee on Lending to Primary Production Customers

Reference is made to the email dated 27 November 2017, attaching the questions on notice to PCL ("**Notice**"), from the Senate Select Committee on Lending to Primary Production Customers ("**Senate Select Committee**") to PCL in respect of the above.

Unless otherwise defined in this letter, capitalised terms have the meanings given to them in the Notice.

Set out initially below is a summary explaining PCL's role as securitisation trustee, and how these types of transactions are structured and managed in the Australian finance industry. This is intended to assist in providing context to PCL's below responses to the Notice.

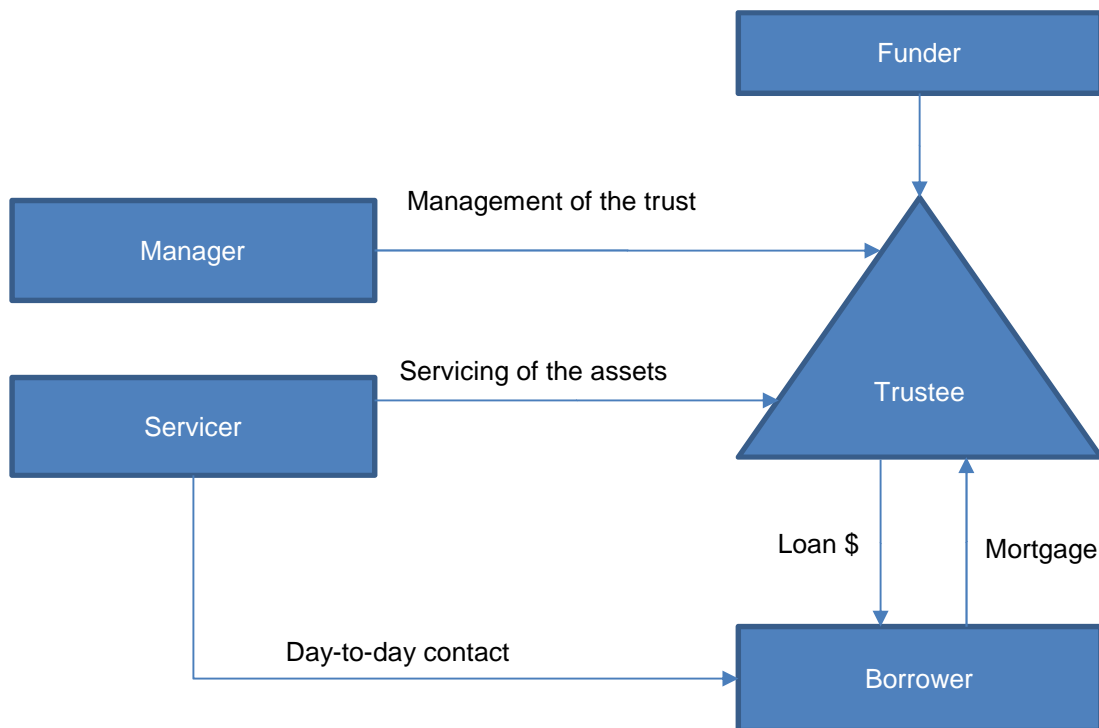
Background to PCL's role ("Transaction Summary")

1. The funding structure in respect of the loans referred to in the Notice is known as "securitisation". "Securitisation" is a common form of funding used by financial institutions at the wholesale lending level in the Australian finance industry. In a typical securitisation structure, the lender-of-record for a loan is a professional trustee company that holds legal title to the relevant assets (that is, it is the party named as the lender on the loan documentation, and the mortgagee on any applicable mortgage) - but the funding for that loan is provided by another party, who is often also the ultimate beneficiary of the structure, and the responsibility for the day-to-day contact with the relevant borrowers of the underlying loans is outsourced by contract to another party.
2. In 2005, Landmark Operations Limited ("**Landmark**") established a securitisation program known as the RURAL Program (the "**RURAL Program**"), which initially established two trusts:
 - a. the 'RURAL Warehouse Trust No. 1'; and
 - b. the 'RURAL Loan CP Warehouse Trust',(each, a "**Landmark Trust**").
3. The key document in respect of the RURAL Program was a master trust deed dated 15 November 2005 (as amended, modified and/or supplemented from time to time, the "**Master Trust Deed**"), pursuant to which:
 - a. PCL was appointed as trustee ("**Trustee**") of the trusts (each, a "**Trust**") established under the RURAL Program, including the Landmark Trusts;
 - b. PCL is the legal owner of the loans, or the 'lender-of-record', under the RURAL Program;
 - c. so far as PCL is aware, the funders of the loans were Australia and New Zealand Banking Group Limited ("**ANZ**"), Rabobank Australia Limited ("**Rabobank**"), Aurora Securitisation Pty Limited, and AWB Commercial Funding Limited (at various times); and
 - d. the beneficiary of the Trust was Landmark Operations Limited.
4. However, as is customary with these transactions in the Australian finance industry, the Trustee contractually outsources certain functions to third parties. In the case of each Trust:
 - a. a manager ("**Manager**") is appointed to manage the Trust, and provide directions to the Trustee in respect of the operation of each Trust. The Trustee is required to act in accordance with the directions of the Manager (with very limited exceptions); and
 - b. a servicer ("**Servicer**") is engaged to service the loans comprised in the assets of the Trust ("**Assets**"). This includes managing the day-to-day relationship and interactions with the underlying borrowers.

As is typical in the Australian finance industry for transactions of this nature, PCL as Trustee relies on the professional expertise of the Manager and the Servicer to perform all required duties in connection with managing and servicing the Assets.

The Manager and the Servicer are not delegates nor agents of the Trustee – they are merely service providers to the securitisation structure.

5. A diagrammatic representation of a typical securitisation structure of this nature is set out below.



6. Landmark acted as the Servicer of the Landmark Trusts until 2010, when the loans held within the Landmark Trusts were sold. Upon completion of this sale:
- all loans then existing in the Landmark Trusts were transferred into a new Trust established under the Master Trust Deed called the 'ANZ RURAL Trust No. 1' ("**ANZ Trust**");
 - PCL was appointed as trustee of the ANZ Trust, and in that capacity, PCL continued to hold the legal title to the loans comprised in the ANZ Trust – funding was provided by certain funders to PCL in order to fund this acquisition; and
 - ANZ was appointed as the Manager and the Servicer of the ANZ Trust.
7. Accordingly, with the ANZ Trust (similar to the arrangements reflected in the Landmark Trusts):
- PCL (as Trustee of the ANZ Trust) is required to act in accordance with the directions of ANZ as Manager; and
 - ANZ as Servicer has all day-to-day dealings with the underlying borrowers.

In this regard, a new document was entered into between, among others, PCL (as Trustee) and ANZ (as Manager and Servicer) to document the services which the Trustee, the Manager and the Servicer would perform in relation to the ANZ Trust.

8. Loans under the ANZ Trust may have been refinanced by ANZ from time to time. It is expected that borrowers choosing to refinance with ANZ would have received new loan documentation from ANZ setting out the terms of their refinanced loans. PCL would not be involved in the refinancing of such loans (other than executing any necessary mortgage release documentation, which would occur after the relevant borrower has refinanced and signed up with the new lender). Borrowers would liaise directly with the Servicer and the new lender. ANZ (as new lender) would manage the day-to-day interaction with these borrowers. PCL would have ceased to be the

lender-of-record and such loans would have been taken out of the ANZ Trust.



Senator Fraser Anning

Senator for Queensland

QUESTIONS ON NOTICE TO PERMANENT CUSTODIANS LIMITED (PCL) (ACN 001 426 384)

Q1.

- (i) *What role and purpose did PCL perform in relation to the Rural Program (RP) as defined in the Master Trust Deed (MTD), dated the 15th November 2005.?***

Please see the Transaction Summary.

- (ii) *Was PCL ever the true mortgagee of the borrower or only lender of record?***

PCL has interpreted the reference to 'true mortgagee' to mean the party that was the ultimate source of funding to the borrowers in the RURAL Program - in which case the answer is "no". PCL was the lender of record in relation to the loans under the RURAL Program, and was recorded on title as mortgagee (as explained in the Transaction Summary above). However, funding was provided by financiers to PCL as Trustee, in order for PCL to in turn fund the underlying borrowers.

- (iii) *Did the directors of PCL understand their obligations as trustee for the RP as defined in the Master Trust Deed ?***

Yes.

Q2. *Did PCL as trustee have any legal standing to commence any action against (Borrowers) of the CP warehouse trust no 1 (Landmark Trust) ?*

Yes. As lender of record and mortgagee, PCL had legal standing to commence any action against the borrowers if and when the borrowers defaulted on their obligations under their respective loan agreement.

However, as Trustee, PCL does not initiate legal proceedings on its own volition to enforce/recover assets. Instead, the Servicer initiates such enforcement legal proceedings on behalf of and in the Trustee's name.

This is typical in the Australian loan origination and securitisation industry: servicers initiate and manage legal proceedings on behalf of trustees to recover and protect the trust assets when a borrower defaults on its obligations under the loan agreement. In this regard, and in accordance with the transaction documents for the Landmark Trust, there are powers of attorney granted by PCL to certain individuals at the Servicer of the Landmark Trust empowering them to, among other things (broadly) (i) do anything and sign any document to enforce the terms of any document related to the Landmark Trust, (ii) commence, prosecute, defend, discontinue, compromise or settle any action, suit or proceeding relating to such enforcement, and (iii) do anything and sign any document dealing with any property (or any interest in any property) arising out of or in connection with any document related to the Landmark Trust.

Q3. *Could PCL as Trustee directly accept payments for any damages awarded with costs through any legal win in any court in Australia?*

Yes, however please see our response above to Q2.

Q4. What is meant when PCL states that "PCL is Lender of record only?" Please explain in full.

With regard to the loans originated by Landmark under the RURAL Program, these loans were originated in PCL's name from day one (i.e. PCL was named as the lender-of-record and mortgagee from the commencement of the loans). This is reflected in the terms and conditions of the loans.

As noted in the background above, in a typical securitisation structure, the lender of record for a loan is a professional trustee company (which would be PCL in this case) that holds legal title to the relevant assets, but the funding for that loan is provided by another party. The responsibility for the day-to-day contact with the relevant borrowers of the underlying loans is outsourced by contract to another party (which would be the Servicer in this case).

Q5. Was PCL trustee of both trusts? (Landmark CP Warehouse trust no1 & ANZ trust no 1) Did the Rural Program in the ANZ Rural Trust No 1 give monthly reports to the trustee?

In respect of the first part of the query - as noted in the background above, PCL was trustee for each of:

- a. the Landmark Trusts; and
- b. the ANZ Trust.

In respect of the second part of the query – ANZ provides monthly reports which relate to collections of principal and interest received from the borrowers and management of the trust by the Manager. As is typical in the Australian finance industry for transactions of this nature, PCL as Trustee relies on the professional expertise of the Manager and the Servicer to perform all required duties in connection with managing and servicing the Assets.

Accordingly, the query concerns matters handled by the Servicer and/or the Manager, and are not matters in which PCL is involved. Accordingly, you may wish to contact the current Servicer and/or Manager, ANZ, directly for more information.

Q6.

(i) Is PCL a party to the Special Purpose Deeds which are tabloid in the MTD?

PCL does not understand the reference to the 'Special Purpose Deed' as this is not referenced in the Master Trust Deed.

(ii) If not how is the trustee "acquiring" these loans?

As noted in the Transaction Summary, with regard to the loans originated by Landmark under the RURAL Program, these loans were originated in PCL's name from day one (i.e. PCL was named as the lender-of-record from the commencement of the loans – the loans were not "acquired" by PCL).

The transactions referenced in 2010 merely changed the trust on whose behalf PCL holds the loans.

Q7.

(i) Can PCL provide the Transfer Proposal Documentation which was effected on 25/2/10, which truly documents the Transfer of Assets to the new Anz trust to obtain the Legal ownership?

PCL is unable to provide the Transfer Proposal Documentation as is it subject to confidentiality.

(ii) What date did PCL receive the transfer price from ANZ Bank?

As far as PCL is aware, the completion date for the sale was 1 March 2010.

Q8. Did ANZ Bank ever purchase the individual trust loans from PCL as Trustee of the Landmark CP Warehouse Trust No 1?

Please see the Transaction Summary, section 6.

Q9. Is ANZ Bank a secured creditor or a beneficiary of the ANZ Rural Trust?

ANZ is both a secured creditor of, and the beneficiary of, the ANZ Trust.

Q10. Clause 16.2 of the MTD assignment as defined in the trust deed required the written consent of all parties which included the borrowers. Could PCL provide a copy of the consents given by the funders and/or the investors as required by the MTD mandatory clause?

This question is not clear to PCL – clause 16.2 of the MTD relates to amendments to transaction documents, not assignments. In any event, PCL considers that the provision of any consents would be subject to confidentiality restrictions

Q11. Request for PCL to provide a true copy of the documentation in the Transfer Proposal Deed which clearly shows at what date and time the assets transferred from the Landmark trust to the ANZ Bank trust, including the recorded consideration.

Please see our response in Q7(i).

Q12.

(i) Was PCL aware of ANZ Bank and/or Agents' actions as manager and servicer in recovering securities from the original Landmark trusts?

Please see the Transaction Summary.

As this question seeks information on activity that involves the Servicer and Manager, and not PCL, you may wish to contact ANZ directly for more information.

(ii) if yes, why did PCL as trustee of the old Landmark Rural trust allow the new Manager/Servicer (ANZ Bank) to re-write the mortgages onto new ANZ Bank Letters of offer with new terms and conditions prior to the borrowers next annual review and allow the ANZ Bank to sell up the securities within weeks? Please explain fully.

Please see our response in Q12(i).

(iii) Did PCL at all material times post 2008 have knowledge of ANZ bank's involvement in the new Rural Program (ANZ Trust No 1)?

PCL was approached by ANZ, to act as Trustee of the ANZ Trust, for the first time around 1 February 2010.

(iv) Why did PCL allow borrowers to be placed into the lending services of the ANZ Bank when they were never in the lending services of the former Landmark facility?

Please see our response in Q12(i).

(v) Why did PCL as trustee not step in to protect the borrower from the aggressive tactics of the new Manager and servicer as PCL had an obligation to protect the assets of the old Landmark Trust?

As trustee of the Landmark Trust (and of any securitisation trust, for that matter) PCL protects the assets of the trust by complying with its obligations under the transaction documents and following direction from the relevant manager, servicer and beneficiaries of the trust (which PCL has done). In addition, as trustee of the Landmark Trust (and of any securitisation trust, for that matter), PCL would not have any visibility of the refinancing occurring at the borrower's level. Borrowers individually approach lenders to refinance their loans. Securitisation trustees are not involved in such refinancing at the borrowers level.

- (vi) ***Did PCL lawfully transfer all the assets from the Landmark existing trusts to the new ANZ Trust or only some of the assets in the original trust?***

PCL received the usual legal opinions which are typically provided by top-tier law firms in securitisation deals of this type. The terms of these opinions are subject to confidentiality.

- (vii) ***Did ANZ purchase 100% of the assets from Rabo Bank and/or any of Rabo's entities from the Landmark Trusts or any other financier /Investor involved within those trusts?***

Please see the Transaction Summary.

As this question seeks information on activity that involves ANZ and/or any Rabo Bank entities, and not PCL, you may wish to contact ANZ or Rabo Bank directly for more information.

- (viii) ***if yes , how did PCL deal with the shared security interest in relation to certain trusts which are funded by a number of funders secured by the same asset?***

Please see our response above in Q12(vii).

- (ix) ***Request PCL to provide the valuations of the Landmark Rural Loan Book to establish the commercial market price from tenders of other financiers.***

Please see our response above in Q12(vii).

- (x) ***if the above request cannot be provided, could PCL provide the valuations that were undertaken to establish the value of each loan and how it derived the valuations to derive the sale price of the Trusts (market value).***

Please see our response above in Q12(vii).

- (xi) ***Please explain the reasoning behind the seven (7) amendments to the primary Supplemental Deed which was created on the 30th November 2005- 1st July 2009.***

As noted in the background above, PCL (as Trustee of the ANZ Trust) is required to act in accordance with the directions of ANZ as Manager (including entering into certain agreements).

As this question seeks information on activity that involves the Manager, and not PCL, you may wish to contact ANZ directly for more information.

Q13.

- (i) ***Did ANZ Bank become the sole funder of the Rural Program prior to the purchase of the Landmark Loan Book on the 8th December 2009?***

So far as PCL is aware, ANZ, Rabobank Australia Limited ('Rabobank'), Aurora Securitisation Pty Limited, and AWB Commercial Funding Limited were (at various times) funders of the RURAL Program.

- (ii) ***If so yes, how could the ANZ bank purchase the loans when they already funded the loans.***

Please see our response in Q13(i).

- (iii) ***Why did PCL allow ANZ Bank to take all the books and records of the Landmark loan book and not provide the borrower the opportunity to pay out and exit the Landmark facilities through PCL?***

When assets of the RURAL Program loans were transferred to the ANZ Trust in 2010, there was no change to the legal ownership of the loans as legal title to the loans remained with PCL, although it now held the loans as Trustee for the ANZ Trust, rather than the Landmark Trusts.

As far as the borrowers were concerned, the lender of record in respect of the loans did not change. At the wholesale level, the loans were transferred to another trust structure (i.e. the ANZ Trust), but this did not change any provisions of any borrower's loan.

Pursuant to the terms of the sale from Landmark to ANZ, (i) ANZ and Landmark were required to agree the form of a letter to Landmark's customers (being the borrowers) for the purpose of notifying them of the transfer of their loans from the Landmark Trust to the ANZ Trust (notwithstanding that there was no change to the lender-of-record), and (ii) either ANZ or Landmark was required to send this letter to Landmark's customers as soon as reasonably practicable after the completion of the sale. The purpose of this letter was to let the borrowers know of certain administrative changes (e.g. changed direct debit forms for payment, and that ANZ would take over as Servicer). As previously noted, there was no change to the legal title of the loans.

PCL had no involvement in settling the form of these letters, or in their distribution to borrowers. Accordingly, you may wish to contact ANZ and/or Landmark directly for more information.

Q14. PCL have admitted that as trustee of the RP they were lender of record only. If this is right, then how does PCL become the Mortgagee and commence action to recover the assets of a borrower when clearly all the loans were securitised and sold to investors?

Please see our response in Q1, Q2 and the Transaction Summary.

Q15.

(i) Did PCL as Mortgagee ever advance or physically Lend money to the Borrowers?

PCL, in its capacity as Trustee, is the lender of record to each borrower.

(ii) Was PCL as trustee the legal secured owner of the assets?

PCL has interpreted the reference to 'legal secured owner' as 'legal owner' of the Assets, in which case the answer is "yes".

(iii) Who were the investors of the Landmark Rural Program?

Please see our response in Q13.

Q16.

(i) Why did PCL as Lender, only have funding for 12 months and have the Servicer (Landmark) offer interest only loans for 22 years or more?

As noted in the background and our responses above, PCL's role is only as Trustee in relation to the Trusts and PCL is required to act in accordance with the directions of the Manager. This type of securitisation deal is not structured by the trustees (such as PCL). Trustees, like PCL, only offer a service to the overall securitisation structure.

The reference to "have the Servicer (Landmark) offer interest only loans for 22 years or more" is not clear to PCL. Servicers do not offer loans – they merely service the relevant loan portfolio.

In any event, as this question seeks information on activity that involves the Manager, and the Servicer, and not PCL, you may wish to contact Landmark directly for more information.

- (ii) ***Did PCL have a legal right to the assets of the borrower in relation to the existing Landmark Loan book considering investors may have held shared securities in the asset of that trust?***

As noted in the background above, with regard to the loans originated by Landmark under the RURAL Program, these loans were originated in PCL's name from day one (i.e. PCL was named as the lender-of-record from the commencement of the loans) and PCL was the legal owner of the loans under the RURAL Program.

The reference to investors having held "shared securities in the asset of that trust" is not clear to PCL.

- (iii) ***Did PCL ever face difficulties in rolling over the CP Warehouse facilities due to the Manager being listed as a troubled company in 2006?***

As noted in the background and our responses above, PCL's role is only as Trustee in relation to the Trusts and PCL is required to act in accordance with the directions of the Manager. The Manager is responsible for managing the Trust. As is typical in the Australian finance industry for transactions of this nature, PCL as Trustee relies on the professional expertise of the Manager to perform all required duties in connection with the managing the Assets.

As this question seeks information on activity that involves the Manager, and not PCL, you may wish to contact Landmark directly for more information.

Q17.

- (i) ***Did PCL have a Australian registered lending license to advance funds to the borrower prior to the 8th December 2009?***

PCL held all necessary licences to undertake its activities at all applicable times.

- (ii) ***Why did almost all of the Landmark Rural Managers leave ANZ Bank in late February/March 2010? Did they leave voluntarily or were they told or encouraged to leave?***

As this question seeks information on activity that involves ANZ, and not PCL, you may wish to contact ANZ and/or Landmark directly for more information.

Q18. *On or about the 31 March 2010, Directors of PCL created a Power of Attorney (POA) in favour of ANZ bank's employees over the New ANZ Rural Trust No 1. Could this (PoA) granted in favour of the new ANZ Trust No 1 have power to deal with assets in the old Landmark trust?*

In February 2010 the Landmark Trust assets were transferred to the ANZ Trust (as explained in the Transaction Summary above). ANZ was the servicer of the ANZ Trust and ANZ, and also individual officers of ANZ, were granted power of attorney from PCL (as Trustee of the ANZ Trust) to act on its behalf regarding the lending, including in relation to enforcement of the loans and any legal proceedings.

- (i) ***Why did PCL allow borrowers to sign new letters of offer with ANZ Bank without notice and under a false instrument?***

As noted in the background and our responses above, PCL's role is only as lender-of-record and Trustee in relation to the Trusts. PCL, as is the case with securitisation trustees in general, is not involved in any borrower's refinancing, and therefore PCL was

not aware of any refinancing conducted by borrowers. PCL has no role in respect of the decision of any borrower as to whether to refinance its loans.

PCL does not understand the reference to 'false instrument'.

- (ii) ***Did PCL consent to ANZ Bank and its agents to deal with Landmark borrowers prior to the 31st March 2010?***

See our response to Q18(i).

Q19.

- (i) ***Could the General Power of Attorney granted in favour of ANZ Bank, dated the 31st March 2010, legally sell assets from the original Landmark Trust (CP Warehouse trust No 1), which Landmark was the Servicer prior to 1 March 2010?***

Please see the Transaction Summary.

- (ii) ***Why was Landmark removed as the servicer of the Landmark Rural Program?***

As noted in the background above, Landmark acted as the Servicer of the Landmark Trusts until 2010 when the assets of the Landmark Trusts were sold to ANZ. Upon completion of Landmark's sale to ANZ:

- (a) all loans then existing in the Landmark Trusts were transferred into the ANZ Trust;
- (b) PCL was appointed as trustee of the ANZ Trust, and in that capacity, PCL retained legal title to the loans comprised in the ANZ Trust; and
- (c) ANZ was appointed as the Manager and the Servicer of the ANZ Trust.

As this question seeks information on activity that involves the Servicer, and not PCL, you may wish to contact Landmark / ANZ directly for more information.

- (iii) ***Why was Landmark as servicer unable to give payouts as at 1 March 2010?***

Please see the Transaction Summary. ANZ became Servicer of the ANZ Trust in 2010.

Q20.

- (i) ***Could PCL have had any knowledge and/or engage or instruct lawyers to represent PCL as trustee in any court proceeding without the involvement of the manager and or servicer related to the CP warehouse trust No 1 (Landmark) being the ANZ Bank?***

Please see our response to Q2. In addition, please note that ANZ was neither the Manager nor the Servicer of the Landmark Trust.

- (ii) ***Did PCL ever default a borrower under the Landmark Trusts prior to 2011.***

As noted in the Transaction Summary above, PCL is the legal owner of the loans, or the 'lender-of-record', under the RURAL Program, while the Servicer is the day-to-day point of contact with the underlying borrowers.

The Servicer is responsible for servicing the loans comprised in the assets of the Trust, including managing the day-to-day relationship with the underlying borrowers and interacting with the borrowers and for providing information to the borrowers on their loans.

Accordingly, as the query concerns matters handled by the Servicer, and are not matters on which PCL is directly involved, you may wish to contact Landmark and ANZ, directly for more information.

Q21.

- (i) ***Did AWB Services as Manager to the MTD ever default under the terms as defined in the MTD for the Rural Program prior to 8th December 2009?***

So far as PCL is aware, no.

- (ii) ***Did PCL have any records including budgets from the Servicer in relation to the borrower's businesses?***

Please see to response in Q20(ii).

Q22.

- (i) ***Could PCL ratify as trustee of the CP warehouse trust no 1 to any liability of a nominated attorney?***

The question is not clear, and as such PCL cannot provide a response.

- (ii) ***Did Landmark as servicer under perform as servicer of the RP and in accordance to their obligations as defined in the Master Trust Deed?***

The question is not clear, and as such PCL cannot provide a response.

Q23. *Could PCL in its own capacity seize assets of the existing Landmark trust which was held on record only?*

Please see our response to Q2.

Q24.

- (i) ***How could PCL as trustee allow the new Manager/Servicer to sign new letters of offers and require the total loan to be paid within weeks to ANZ Bank and not to PCL as trustee?***

Please see the Transaction Summary.

- (ii) ***Did PCL instruct the Manager and Servicer to re-write the facilities in order for assets to be liquidated within weeks of signing?***

As noted in the background above, PCL (as Trustee of the ANZ Trust) is required to act in accordance with the directions of ANZ as Manager (including entering into certain agreements).

As this question seeks information on activity that involves the current Manager and Servicer, and not PCL, you may wish to contact ANZ directly for more information.

Q25.

- (i) ***Does PCL hold legal title to funds held on account by ANZ Bank in the Rural Warehouse Trust No 1, dated 26th September 2007?***

As trustee of each applicable Trust, PCL held at the relevant time legal title all assets of the Trust.

- (ii) ***If yes ,does PCL receive beneficial interests in from these accounts?***

Please see the Transaction Summary, and the responses to Q4 and Q25(i).

Also, PCL acts as Trustee on behalf of the beneficiaries (i.e. the unitholders) of the relevant Trust, and would have held all assets of the relevant Trust on trust for the beneficiaries of the relevant Trust.

Q26. *Please explain in detail how PCL can enforce any rights belonging to the account holder of the trusts in relation to the Rural Program.*

Please see our response in Q2.

Q27. *Could you explain why PCL as Lender of record allowed the ANZ Bank to sue in PCL's name as the Mortgagee?*

Please see our response in Q2.

Q28. PCL was trustee for the CP Warehouse Trust No 1, and as such who were the entities that purchased the securitised loans?

Please see the Transaction Summary.

Q29.

(i) Could PCL ratify against the actions of ANZ Bank and their actions in recovering the assets to the (Landmark Trust)?

The question is not clear, and as such PCL cannot provide a response.

(ii) Could PCL ratify for any actions in regards to the obligations to the ANZ Bank and/or its authorised agents as defined in the POA?

The question is not clear, and as such PCL cannot provide a response.

Q30.

(i) Provide the list of funders of the Landmark trusts?

Please see our response to Q13(i)

(ii) Did those funders have a lending license?

As this question seeks information on licences held by the funders, and not PCL, you may wish to contact the funders directly for more information.

(iii) what role did Permanent Nominees play in the Rural Program prior to 2005?

PCL is not aware of this entity or the role of Permanent Nominees in the RURAL Program prior to 2005.

Q31.

(i) As at the 1st march 2010, did all the assets as defined in MTD comply with section 6 (Transferring Assets) of the MTD ?

As this question seeks information on activity that involves the Manager, and not PCL, you may wish to contact ANZ directly for more information.

(ii) Did those assets transfer to the New Trust and was consent given by the funders at the time?

In response to the first part of the question in respect of the transfer of assets to the ANZ Trust - as noted in the background above, on completion of Landmark's sale to ANZ, all loans then existing in the Landmark Trusts were transferred into the ANZ Trust.

In response to the second part of the question in respect of consent given by the funds – any necessary consents would have been obtained by the Manager. Accordingly, as this question seeks information on activity that involves the Manager, and not PCL, you may wish to contact Landmark directly for more information.

Q32.

(i) Did ANZ give monthly reports to PCL of the assets being sold that belonged to the old trust as required under the Trust Deeds?

Please see our response in Q5.

(ii) Please provide the copies for viewing.

Please see our response in Q32(i).

Q33. Who was the legal owner of assets of the old Landmark Trust?

Please see the Transaction Summary.

Q34. Did the Manager (AWB Services) ever default under the MTD.?

Please see our response in Q21.

Q35. How much notice was PCL given prior to ANZ purchasing the loan book?

PCL was approached by ANZ, to act as Trustee of the ANZ Trust, for the first time around 1 February 2010. ANZ became the ultimate beneficiary of the ANZ Trust – please see the Transaction Summary.)

Q36. PCL granted power of attorney to ANZ Bank and their employees to approach borrowers to purchase their farms. Please explain why PCL needed to have PoA to act on behalf of PCL?

Powers of attorney were granted to ANZ as Servicer of the ANZ Trust to service the loans.

Q37.

(i) Why did PCL sell properties on a walk-in, walk-out, as-is, where-is basis?

Please see our response to Q12(i).

(ii) PCL held court judgements in its favour. Please explain as to why PCL refused to receive payment to extinguish the judgement debt as the directors of PCL stated that there was no debt owing to PCL?

Please see our response to Q12(i).

(iii) Please explain as to why when monies were advanced, the proceeds were taken by the ANZ Bank and not paid direct to PCL? .

Please see our response to Q12(i).

Q38. Did ANZ Bank have Legal ownership by transfer proposal effecting 25th February 2010 to the extent that they were held in an original trust?

Please see the Transaction Summary.

When the assets of the Landmark Trusts were transferred to the ANZ Trust in 2010, there was no change to the legal ownership of the loans as legal title to the loans remained with PCL, as lender of record - although PCL then held the loans as Trustee for the ANZ Trust, rather than the Landmark Trusts. The lender-of-record in respect of the loans did not change.

Q39. PCL is requested to provide proof of stamp Duty re the sale to ANZ Bank relating to the Mortgages.

The question is not clear, and as such PCL cannot provide a response. (ANZ has not acquired any loan book – ANZ is only the beneficiary of the ANZ Trust.)

Q40.

(i) Please demonstrate where Mr William Forman and Mr Roland Davis of the ANZ Bank were authorised individuals by PCL to deal with assets of the original Landmark Trusts.

Please see our response to Q18.

(ii) Did Mr Foreman and/or Mr Davis ever have authority to commence an action against a borrower who did not sign over to ANZ Bank's new terms and conditions on behalf of PCL of the Landmark Trust?

Please see our response to Q18.

Given that this question also relates to Landmark's loan book and the subsequent sale thereof to ANZ, you may wish to contact Landmark and/or ANZ directly for more information.

Q41.

- (i) If PCL is the Lender of Record, which funds do they hold legal title to?**
Please see the Transaction Summary.
- (ii) Who then is the real lender to the Rural Program?**
Please see the Transaction Summary.

Q42. Request for PCL provide copies of the memorandum of common provisions of the Landmark Rural Trust.

As noted in the background and our responses above, PCL's role is only as Trustee in relation to the Trusts. With respect to the loans and associated mortgages, the Servicer is contractually responsible for servicing the Assets (including any monitoring of the status of mortgages held as part of the Assets of the Trusts). As is typical in the Australian finance industry for transactions of this nature, PCL as Trustee relies on the professional expertise of the Servicer to perform all required duties in connection with the servicing the Assets.

As this question seeks information on activity that involves the Servicer, and not PCL, you may wish to contact Landmark / ANZ directly for more information.

Q43.

- (i) Did PCL, as trustee for the Landmark Trust, obtain consent from the borrower to transfer and/or sell assets from the Landmark Trust as required by section 12.2 in the Seventh Amended Supplemental Deed dated 1st July 2009 and as defined in the Landmark General Terms and Conditions 2007 at 15.6 (assignment)?**
This question is not clear to PCL. Clause 12.2 of the Seventh Amended Supplemental Deed references the "Collections trust". Clause 15.6 of the Landmark General Terms and Conditions does not require the consent of any party to the sale of applicable assets.
- (ii) Please provide examples of such consent.**
No such consent is required by such clauses.