

B2B Capital Pty Ltd

DUE DILIGENCE PROCEDURES

A comprehensive due diligence process will be conducted by B2B Capital ("The Manager") on each proposed Project to be considered by the Lenders prior to any commitment for funding. Specific Due Diligence by the Manager will depend on the circumstances of the Project but will include the following where applicable.

1. The Borrower

- An assessment of the capability of the Borrower, their experience and ability to complete/manage the Project and meet loan commitments, taking into account the Borrower's financial resources and relevant transaction history.
- An assessment of the financial position of all Guarantors.
- An assessment of the Financial Statements for the previous two years of the Borrower and Guarantors.
- An assessment of the 12-month forecast cash flow of the Group and their ability to service interest should this be necessary on completion of the Project.
- Copy of tax returns for the last two years for the Borrower and Guarantors or written evidence of a clear tax position from a suitably qualified accountant.

2. The Feasibility

- An assessment of the location and price point of the Project and the supply/demand dynamics of the Project supported by a site inspection.
- An assessment of the capability of the builder to meet a fixed-price and fixed-term building contract commitment having regard to this experience and financial capability.
- An independent quantity surveyor estimate of the forecast construction costs and duration supporting the Project feasibility.
- An assessment of all budgets to ensure they are suitable to meet the expectations of the Project.
- An assessment of the LVR on acquisition, on completion and at relevant stages throughout the Project.
- An assessment of the Project cash flow including relevant sensitivity analysis.

3. Valuation

- An independent valuation and market research report (if appropriate for the Project) supporting the Project Feasibility and/or Project Value. This report does not have to be specifically addressed to the Lender but should be for mortgage security purposes.
- The Valuer must be known and acceptable to the Manager.
- The Valuation must be less than six months old.

