



Australian Government

Australian Government SME Recovery Loan Scheme

**Amending Deed (SME Recovery Loan
Scheme Guarantee)**

Dated 16 September 2021 and effective on and from the Scheme Expansion Date

The Commonwealth of Australia

Details

Date

This Amending Deed (SME Recovery Loan Scheme Guarantee) ("**Deed**") is dated 16 September 2021.

Parties

This Deed is made by:

1. **THE COMMONWEALTH OF AUSTRALIA** (the **Guarantor**)
IN FAVOUR OF
2. **THE BENEFICIARIES** being Participating Lenders to whom the Guaranteed Liabilities are from time to time owed (the **Beneficiaries**).

Context

This Deed is made in the following context:

- A. The Guarantor established the SME Recovery Loan Scheme (**Scheme**), an Australian Government initiative to support the flow of credit to SMEs.
- B. Under the Scheme, the Guarantor has provided guarantees to the Beneficiaries from the Effective Date, as set out in the Deed of Guarantee to support SME lending by Participating Lenders in accordance with the SME Recovery Loan Scheme Rules.
- C. In recognition of the continued economic impacts of the Coronavirus Pandemic, on and from the Scheme Expansion Date, the Guarantor proposes to make amendments to the Scheme Rules to extend the Scheme to provide support to all SMEs adversely economically affected by the Coronavirus Pandemic. These amendments are to be reflected in the Amended Scheme Rules.
- D. The amendment to the Deed of Guarantee in this Deed confirms that the Guarantee applies to Scheme-Backed Loans made in accordance with the Amended Scheme Rules.

General Terms

1 Interpretation

Unless the contrary intention appears, in this Deed terms have the meaning given to them in the Deed of Guarantee (including by way of incorporation), and otherwise the following meanings:

Amended Scheme Rules means the SME Recovery Loan Scheme Rules in respect of the Scheme as amended by the Guarantor on or immediately prior to the date of this Deed under and in accordance with Rule 11.2 of the SME Recovery Loan Scheme Rules.

Deed of Guarantee means the Deed of Guarantee dated 30 April 2021 in respect of the SME Recovery Loan Scheme made by the Guarantor in favour of the Beneficiaries.

2 Amendment

On and from the Scheme Expansion Date, Scheme Documents are amended as follows (where changes appear in underlined text (to show new text) and ~~strike-out text~~ (to show deleted text)):

- (a) the definition of “Guaranteed Liability” in clause 1.1.1 of the Deed of Guarantee is amended as follows:

Guaranteed Liability means, in respect of a JobKeeper Scheme-Backed Loan ~~or~~, a Recent Flood Scheme-Backed Loan or a COVID Scheme-Backed Loan as the case may be, the amount calculated using the following formula:

Guaranteed Percentage x (A – B)

where:

A is the Outstanding Principal Amount of the Scheme-Backed Loan, on the date of a Claim Trigger in respect of that Scheme-Backed Loan for an Eligible Borrower, provided that the Outstanding Principal Amount:

- (i) is limited to a maximum amount of \$5,000,000 plus any capitalised or accrued interest (or amount in the nature of interest) and any fees, charges or other amounts payable (including without limitation, break costs but excluding any capitalised enforcement costs) up to the date of the relevant Claim Trigger; and
- (ii) does not include any interest (or amount in the nature of interest) or fees, charges or other amounts payable that are capitalised or accrued beyond 3 months after the end of the term of the Scheme-Backed Loan; and

B is the remaining book value in the accounts (excluding the guarantee under this Deed) of the Participating Lender of the Scheme-Backed Loan after the Claim Trigger in respect of that Scheme Backed-Loan.

- (b) clause 2 of the Deed of Guarantee is amended as follows:

2 Guarantee in respect of JobKeeper Scheme-Backed Loans and COVID Scheme-Backed Loans

- 2.1.1 Subject to the terms of this Deed, if in respect of a JobKeeper Scheme Backed Loan or a COVID Scheme-Backed Loan a Claim Trigger occurs, the Guarantor irrevocably guarantees to that Beneficiary the payment of an amount equal to the Guaranteed Liability for that JobKeeper Scheme-Backed Loan or that COVID Scheme-Backed Loan.
- 2.1.2 The Guarantor undertakes in favour of the Beneficiaries that the Guarantor shall, upon receipt of a Beneficiary’s written claim made in accordance with clause 4.1.1 (“Claims”), pay to the Beneficiary an amount equal to the Guaranteed Liability in respect of that JobKeeper Scheme-Backed Loan or that COVID Scheme-Backed Loan.

2.1.3 In determining the amount of any payment to be made in order to satisfy its obligations under this clause 2, the Guarantor will be entitled to take into account, set off against, and deduct from, its proposed payment any amounts:

- (a) already paid by the Guarantor to the relevant Beneficiary in respect of the particular JobKeeper Scheme Backed Loan or COVID Scheme-Backed Loan; and
- (b) required to be repaid by the Beneficiary to the Guarantor in accordance with Rule 10.5 ("Reconciliation of Claim payments") of the SME Recovery Loan Scheme Rules.

3 Confirmation

3.1 Confirmation

The Guarantor confirms that, except as provided for in paragraph C ("Context") and clause 2 ("Amendment") of this Deed, no other amendments are to be made to the Scheme Documents.

3.2 Scheme Document

This Deed is a Scheme Document for the purposes of the Amended Scheme Rules.

4 Governing law

The law in force in New South Wales governs this document. Each party submits to the non-exclusive jurisdiction of the courts of that place.

EXECUTED as a Deed Poll

Signing page

Signed, sealed and delivered for and on behalf of the **COMMONWEALTH OF AUSTRALIA** by:



Signature of signatory authorised to grant the guarantee in respect of JobKeeper Scheme-Backed Loans and COVID Scheme-Backed Loans under section 5 of the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Act 2020* (Cth)



Signature of signatory authorised to grant the guarantee in respect of Recent Flood Scheme- Backed Loans under section 60 of the *Public Governance, Performance and Accountability Act 2013* (Cth)

Meghan Quinn

Print name

Meghan Quinn

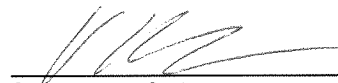
Print name

In the presence of:



Signature of witness

In the presence of:



Signature of witness

Vera Holenstein

Name of witness

Vera Holenstein

Name of witness

