BRANSGROVES REPORTING GROUP

Borrower & Guarantor DD & VOI Policy

Document	Borrower / Guarantor Due Diligence & Verification of Identity Policy
Effective date	2 August 2026
Approved by	Matthew Bransgrove — Director and AML/CTF Compliance Officer
Review	Annually, or on material change (new counterparty type, structure or regulatory update)

Background

1. Bransgroves Lawyers P/L and Private Mortgage Holdings P/L:

    a. share the same owners and directors;

    b. form part of a reporting "Group" for the purposes of AML/CTF.

2. Bransgroves Lawyers P/L is an incorporated legal practice which specialises in acting for lenders on real property mortgage transactions (never for borrowers).

3. Private Mortgage Holdings P/L acts as bare trustee and lender of record for certain lender clients of Bransgroves Lawyers P/L, as described in the counterpart Group program document entitled **Lender Client Due Diligence & Verification of Identity Policy**.

4. This document sets out the Group's risk-based approach to due diligence (DD) and verification of identity (VOI) for **borrower / mortgagor parties** under:

    a. the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) as amended (the Act) and the AML/CTF Rules 2025 (the Rules); and

    b. the ARNECC Model Participation Rules (Version 7), including the Schedule 8 Verification of Identity Standard (safe harbour), and the Model Operating Requirements as given force in each State and Territory by the Electronic Conveyancing National Law and the participation rules declared by the relevant Registrar.

5. The Group's risk-based approach to customer due diligence and verification of identity for **mortgagee / lender clients** is:

    a. outside the scope of this document;

    b. set out in the counterpart Group program document entitled **Lender Client Due Diligence & Verification of Identity Policy**.

6. The Group never acts for borrowers. Borrowers, mortgagors and guarantors are counterparties, not clients. Primary identification and witnessing is performed by the borrower's own solicitor (or authorised identity verifier), while the Group undertakes oversight, risk assessment, screening and reliance checks.

7. The procedures in this policy are performed by the firm both for its own matters and on behalf of Private Mortgage Holdings Pty Ltd, and discharge PMH's customer due diligence obligations in respect of borrowers to whom PMH provides loan services as lender of record.

Borrower / Mortgagor Parties

8. This policy applies to the following parties ("Borrower Parties"):

    a. borrowers;

    b. guarantors;

    c. directors, shareholders and beneficial owners of a, b or c, where the party is a company or trustee.

Risk assessment

9. The transactions the Group acts on always involve:

    a. first or subsequent mortgages over Australian real property;

    b. domestic funding sources;

    c. commercial (not Code-regulated) purposes;

    d. borrowers and guarantors who receive independent legal advice and are identified, and witnessed executing the security documents, as part of that advice;

    e. settlement by PEXA or bank transfer — no cash is accepted in any circumstances.

10. Low-risk indicators (typical cases) are:

    a. Australian resident / citizen borrowers and guarantors;

    b. standard commercial or investment lending secured by registered mortgage;

    c. funding sourced from the Group's own lender clients;

    d. clear identification and witnessing by the borrower's solicitor.

11. All mortgage instruments used by the Group contain all contractual elements on their face (interest rate, principal, term, special conditions), which consequently form part of the permanent public record through the state Torrens registries, creating a transparent, publicly available, permanent audit trail which provides a strong deterrent to misuse of the transactions for the purposes of ML/TF.

12. The borrower segment presents a greater diversity of profiles than the lender segment. Accordingly we assess the **overall risk rating for this segment: Low to Medium.**

13. Consequentially standard reliance procedures are applied unless a trigger for enhanced due diligence arises.

Identification — reliance on the borrower's solicitor

14. We only act on transactions where each borrower and guarantor receives independent legal advice and is identified, and witnessed executing the security documents, as part of that process.

15. We provide the borrower's solicitor with our standard Borrower Identification & Witnessing Request letter (or checklist) outlining the required documents and process.

16. The borrower's solicitor (or approved identity verifier) must:

    a. verify the identity of each Borrower Party using reasonable steps, preferably meeting the ARNECC Schedule 8 safe-harbour standard (face-to-face sighting of original Category 1–3 documents, such as Australian passport plus driver licence, or equivalent) — digital / video verification is acceptable if it meets AUSTRAC and ARNECC "reasonable steps" requirements;

b. witness execution of all mortgage, guarantee and related documents (including any Client Authorisation for PEXA), on their own system where electronic.

17. The following must be provided to us before settlement:

    a. certified copies (or clear scans) of the identity documents used for verification;

    b. a signed declaration of identity (or equivalent) from the identity verifier confirming they sighted original documents and verified the person;

    c. the witnessed mortgage / security documents;

    d. any additional information requested for due diligence (for example, source of funds / equity details).

18. Reliance on the borrower's solicitor is reliance on a third party that is itself a reporting entity under the Act (or an authorised identity verifier operating to ARNECC standards). We obtain and retain the identification records relied on and record the reliance decision on the file. Responsibility for customer due diligence remains with the relying reporting entity notwithstanding the reliance.

Due diligence

19. In addition to the identification received under reliance, Borrower Parties are identified, in the case of:

    a. individuals: full name, date of birth, residential address and contact details, checked against the identity documents provided;

    b. companies: by performing an ASIC search, including directors and shareholders;

    c. trusts: by obtaining a trust deed or trust deed extract.

20. The purpose of the loan and the source of any deposit / equity contribution is recorded.

Screening

21. Borrower Parties are searched:

    a. against the DFAT Consolidated List (Open Sanctions.org search)

    b. via Google All and Google News for PEP status and adverse media (documented).

22. Our oversight and reliance checks include:

    a. review of the identity documents provided for consistency with the transaction details (name, address and date of birth against the loan application);

    b. confirmation that the borrower’s solicitor holds a current practising certificate (where practical);

23. We may require further verification directly from a Borrower Party if reliance is inadequate or red flags exist.

24. We monitor for material changes throughout the matter (for example, unexpected changes to parties or funding). Prior VOI / due diligence completed within the last 2 years may be relied upon if there has been no material change in circumstances.

Triggers for enhanced due diligence

25. We move to enhanced due diligence if any of the following appear:

    a. a non-Australian resident, foreign passport or offshore element;

    b. sanctions match (not countenanced);

    c. PEP (usually not countenanced);

    d. unusual or complex ownership structure (for example, multiple layers of trusts);

    e. source of funds unclear, or involving cash (not countenanced), unexplained third parties or cryptocurrency;

    f. borrower profile inconsistent with the loan size or purpose;

    g. rapid refinancing or multiple recent loans; or any suspicion of structuring, evasion or unusual urgency.

26. Enhanced due diligence requires Matthew Bransgrove approval and is documented on the file, and may include:

    a. a direct video call or face-to-face meeting with the Borrower Party;

    b. independent verification of source of wealth / funds through third-party references e.g. accountant;

    c. heightened transaction monitoring and file notation.

PEXA and electronic lodgement

27. As the lender's Subscriber we rely on the borrower's solicitor's VOI and Client Authorisation for mortgagor signing rights.

28. All parties must hold valid Client Authorisations before electronic signing or lodgement.

Procedures

29. Our procedures include:

    a. Onboarding: reliance documentation is recorded against the matter, with the risk assessment and any enhanced due diligence trigger, investigation and rationale for resolution recorded using the Certification as to Title.

    b. Records: all identity document copies, declarations, reliance file notes, risk assessments and related correspondence are retained for at least 7 years from the end of the matter, stored securely in accordance with the firm's privacy and data protection policies.

    c. Staff training: all fee earners and support staff complete AML/CTF training on induction and annually (CPD-aligned), with emphasis on borrower reliance procedures and red-flag identification.

    d. Reporting: suspicious matter reports to AUSTRAC where required, within the timeframes in the Group AML/CTF Program, preserving legal professional privilege where applicable.

    e. Review: this policy is part of the Group AML/CTF Program and is reviewed annually with it.

Responsibility and acknowledgment

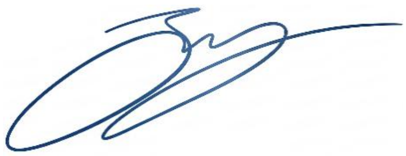
30. AML/CTF Compliance Officer: Matthew Bransgrove — ultimate day-to-day responsibility for the program.

31. Partners: oversight of matters handled by their teams.

32. All staff report concerns immediately to Matthew Bransgrove or their supervising Partner.

33. Each principal and staff member acknowledges this policy in writing in the Staff Acknowledgment Register on induction and on each material revision.

Signed by the sole director of Bransgroves Lawyers Pty Ltd and Private Mortgage Holdings Pty Ltd:



____

Matthew Bransgrove — Director, AML/CTF Compliance Officer Date 2 August 2026