

AMIT REGIME

NOTICE OF AMENDMENTS TO PRIMARY INVESTMENT BOARD (PIB) CONSTITUTION TO MAKE PIB COMPLIANT FOR AMIT REGIME PURPOSES

In 2016 new tax laws were introduced which established a new tax system for managed investment trusts known as the **AMIT Regime**.

The new tax laws prescribe that only managed investment trusts with particular characteristics may be subject to the AMIT Regime. A trust which falls within the AMIT Regime is referred to as an Attribution Managed Investment Trust (**AMIT**).

The AMIT Regime is intended to reduce complexity, increase certainty and minimise compliance costs for AMITs and their investors.

The Primary Investment Board (**PIB Scheme**) is a managed investment trust which can become an AMIT subject to making changes to its constitution in order to take advantage of the AMIT Regime.

5% of Members may call meeting if requested in writing prior to 23 May 2018

Generally speaking, changes to the PBI Scheme Constitution would require a special resolution at a general meeting of Members because the responsible entity will now be able to treat different classes of Members differently.

However, ASIC has provided a Class Order which permits responsible entities to change the constitutions of the AMIT by providing this notice to the Members on our website and giving Members 7 days to request a general meeting to be called for the purpose of considering the proposed amendments.

Primary will only be required to call the meeting if members holding at least 5% of the votes that may be cast on the resolution request the meeting on or before 23 May 2018. The requests must be made in writing and sent to our e-mail address at:

power@primarysecurities.com.au.

Changes to the Constitution proposed

The changes to the PBI Scheme Constitution include the following:

- (a) The insertion new definitions for the terms "AMIT", "AMIT Choice" and "Amit Regime".
- (b) Change to the definition of "Tax Act" to include references to the AMIT Regime.
- (c) The insertion of a new clause 20 and the consequent renumbering of the other clauses and references to the other clauses.
- (d) Insertion of Clause 20 giving power to Primary to apply the AMIT Regime or not;
- (e) Insertion of Schedule 2 setting out how the AMIT Regime is to be administered.

The amendments to the PIB Scheme Constitution are set out in the proposed 2018 Replacement Constitution and can be located by below this notice.

Clause 20 allows the responsible entity to make the AMIT Choice (that is, whether or not to apply the AMIT Regime to a particular Class in any given Financial Year in accordance with the provisions of the Schedule 2).

Schedule 2 sets out how the AMIT Regime is to be applied. In particular, Primary must issue an AMMA Statement which stands for "attribution managed investment trust member annual statement". The AMMA statement sets out the details for disclosure by trusts of tax information to resident and non-resident individuals to assist Members with the completion of their annual tax returns.

Following receipt of an AMMA Statement Members may object to the basis of the attribution of the Determined Trust Components (for example tax deferred and capital gains tax concession components of unit trust distributions).

If a Member does make an objection the Member must:

- (a) provide the Responsible Entity with written notice of the Member's intention to make an objection at least 5 business days prior to notifying the Commissioner of Taxation of its objection;
- (b) include, in the notice provided to the Responsible Entity, a summary of the reasons why the Member considers the attribution to be inappropriate;
- (c) provide to the Responsible Entity any information the Responsible Entity reasonably requests in order to assess the Member's objection or proposed objection; and
- (d) indemnify the Responsible Entity against all costs and liabilities incurred by the Responsible Entity as a result of the objection or proposed objection.

The result of any Member objections may be for the Responsible Entity to amend its attribution of the relevant Determined Trust Components.

In addition, the Responsible Entity is indemnified for any Tax payable as a result of the application of the AMIT Regime.

If you have any queries regarding the AMIT Regime please do not hesitate to telephone Primary Securities Ltd on 08 9430 5262.