# INFORMATION MEMORANDUM

**Perpetual Corporate Trust Limited**
(ABN 99 000 341 533) as trustee of the
**AFG 2020-1 TRUST** in respect of **SERIES 2020-1**

Definitions of defined terms used in this Information Memorandum are contained in the Glossary.

| | Aggregate Initial Invested Amount | Initial Interest Rate | Rating (S&P / Fitch) |
|---|---|---|---|
| **Class A1-S Notes** | **AUD230,000,000** | **Bank Bill Rate (1 month) + 0.95%** | **AAA(sf)/AAAsf** |
| **Class A1-L Notes** | **AUD382,500,000** | **Bank Bill Rate (1 month) + 1.45%** | **AAA(sf)/AAAsf** |
| **Class AB Notes** | **AUD49,000,000** | **Bank Bill Rate (1 month) + 2.05%** | **AAA(sf)/AAAsf** |
| **Class B Notes** | **AUD20,400,000** | **Bank Bill Rate (1 month) + 2.50%** | **AA(sf)/Not rated** |
| **Class C Notes** | **AUD7,600,000** | **Bank Bill Rate (1 month) + 3.20%** | **A(sf)/Not rated** |
| **Class D Notes** | **AUD4,200,000** | **Bank Bill Rate (1 month) + 4.10%** | **BBB(sf)/Not rated** |
| **Class E Notes** | **AUD2,800,000** | **Bank Bill Rate (1 month) + 6.50%** | **BB(sf)/Not rated** |
| **Class F Notes** | **AUD3,500,000** | **Not disclosed** | **Not rated** |

**Arranger, Joint Lead Manager and Dealer**
National Australia Bank Limited
(ABN 12 004 044 937)

**Joint Lead Manager and Dealer**

Australia and New Zealand Banking Group Limited
(ABN 11 005 357 522)

This Information Memorandum is dated 30 July 2020

**Purpose**

This Information Memorandum ("**Information Memorandum**") has been prepared solely in connection with the AFG 2020-1 Trust in respect of Series 2020-1 (the "**Series**"). This Information Memorandum relates solely to a proposed issue of Class A1-S Notes, Class A1-L Notes, Class AB Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes (together, the "**Offered Notes**") by the Issuer. This Information Memorandum does not relate to, and is not relevant for, any other purpose than to assist the recipient to decide whether to proceed with a further investigation of the Offered Notes. This Information Memorandum contains information relating to the Class F Notes (which are to be issued on the Closing Date to AFGS) and the Redraw Notes (which may be issued by the Issuer in certain circumstances after the Closing Date). Class F Notes and Redraw Notes are not Offered Notes for the purposes of this Information Memorandum. No invitation for subscriptions for Class F Notes or Redraw Notes is being made by this Information Memorandum.

This Information Memorandum is not intended to provide the sole basis of any credit or other evaluation and it does not constitute a recommendation, offer or invitation to purchase the Offered Notes by any person.

Potential investors in the Offered Notes should read this Information Memorandum and the Transaction Documents and, if required, seek advice from appropriately authorised and qualified advisers prior to making a decision whether or not to invest in the Offered Notes.

This Information Memorandum contains only a summary of the terms and conditions of the Transaction Documents, the Trust and the Series. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information. With the approval of the Manager, a copy of the Transaction Documents for the Series may be inspected by potential investors or Noteholders in respect of the Trust at the office of the Manager on a confidential basis, by prior arrangement during normal business hours.

**No guarantee and Offered Notes are not deposits**

The Offered Notes will be the obligations solely of Perpetual Corporate Trust Limited in its capacity as trustee of the Trust in respect of the Series and do not represent obligations of or interests in, and are not guaranteed by, Perpetual Corporate Trust Limited in its personal capacity or as trustee of any other trust, series or any affiliate of Perpetual Corporate Trust Limited. AFG Securities Pty Ltd ("**AFGS**"), its Related Entities and their respective affiliates do not in any capacity stand behind the performance of or guarantee the Offered Notes.

The Offered Notes do not represent deposits with, or any other liability of, National Australia Bank Limited ("**NAB**") (in any capacity, including without limitation in its capacity as the Arranger, Joint Lead Manager, Dealer and Liquidity Facility Provider), or any of its Related Entities. The Offered Notes also do not represent deposits with, or any other liability of, Australia and New Zealand Banking Group Limited ("**ANZ**") (in any capacity, including without limitation in its capacity as Joint Lead Manager and Dealer), or any of its Related Entities. None of NAB, ANZ or any of their respective Related Entities or their respective affiliates guarantees or is otherwise responsible for the payment of interest or the repayment of principal due on the Offered Notes, the performance of the Offered Notes or the Series Assets or any particular rate of capital or income return on the Offered Notes.

The holding of Offered Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Investors should carefully consider the risk factors set out in Section 3 ("Risk Factors").

**Responsibility for information contained in this Information Memorandum**

None of the Issuer, the Security Trustee, the Servicer, the Standby Servicer, the Originator, the Liquidity Facility Provider, any Counterparty, the Arranger, the Dealers or the Joint Lead Managers have authorised or caused the issue of this Information Memorandum (and expressly disclaim any responsibility for any information contained in this Information Memorandum) and none of them has separately verified the information contained in this Information Memorandum except, in each case,

with respect to the information for which they are expressed to be responsible in this Information Memorandum (if any).

The Manager accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Manager (and the Manager has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Manager, the Issuer, the Security Trustee, the Originator, the Servicer, the Standby Servicer, the Liquidity Facility Provider, any Counterparty, the Arranger, the Dealers, the Joint Lead Managers, S&P and Fitch or their respective Related Entities or any person affiliated with any of them (each a "**Relevant Person**") as to the accuracy or completeness of any information contained in this Information Memorandum (except, in each case, as expressly stated in this Information Memorandum) or any other information supplied in connection with the Offered Notes or their distribution.

Each person receiving this Information Memorandum acknowledges that such person has not relied on any Relevant Person in connection with its investigation of the accuracy of the information in this Information Memorandum or its investment decisions.

No person has been authorised to give any information or to make any representations other than as contained in this Information Memorandum and the documents referred to in this Information Memorandum in connection with the issue or sale of the Offered Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Relevant Person.

This Information Memorandum has been prepared by the Manager based on information available to it and the facts and circumstances existing as at 30 July 2020 ("**Preparation Date**"). The Manager has no obligation to update this Information Memorandum after the Preparation Date having regard to information which becomes available, or facts and circumstances which come to exist, after the Preparation Date.

Neither the delivery of this Information Memorandum nor any sale made in connection with this Information Memorandum shall, under any circumstances, create any implication that there has been no change in the affairs of the Trust or the Issuer since the Preparation Date or the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Offered Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing such information.

No Relevant Person undertakes to review the financial condition or affairs of the Trust or the Series during the life of the Offered Notes or to advise any investor or potential investor in the Offered Notes of any changes in, or matters arising or coming to their attention which may affect, anything referred to in this Information Memorandum.

It should not be assumed that the information contained in this Information Memorandum is necessarily accurate or complete in the context of any offer to subscribe for, or an invitation to subscribe for, or buy any of, the Offered Notes at any time after the Preparation Date, even if this Information Memorandum is circulated in conjunction with the offer or invitation.

**No financial product advice; investors should make their own enquiries**

Neither this Information Memorandum nor any other information supplied in connection with the Offered Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any Relevant Person that any recipient of this Information Memorandum, or of any other information supplied in connection with the Offered Notes, should purchase any of the Offered Notes. Each investor contemplating purchasing any of the Offered Notes should make its own independent investigation of the Issuer, the Trust, the Series Assets and the Offered Notes and each investor should seek its own tax, accounting and legal advice as to the

consequence of investing in any of the Offered Notes. No Relevant Person accepts any responsibility for, or makes any representation as to the tax consequences of investing in the Offered Notes.

Each of NAB and ANZ (in any capacity) have no responsibility to or liability for and do not owe any duty to any person who purchases or intends to purchase the Offered Notes, including without limitation, in respect of the preparation and due execution of the Transaction Documents.

**Limited recourse and series segregation**

The Offered Notes issued by the Issuer are limited recourse instruments and are issued only in respect of the Trust, as it relates to the Series.

All claims against the Issuer in relation to the Offered Notes may, except in limited circumstances, be satisfied only out of the Series Assets secured under the General Security Deed, and are limited in recourse to distributions with respect to such Series Assets from time to time.

The Series Assets are not available in any circumstances to meet any obligations of the Issuer in respect of any Other Trust or any Other Series and if, upon enforcement of the General Security Deed, sufficient funds are not realised to discharge in full the obligations of Issuer in respect of the Series, no further claims may be made against the Issuer in respect of such obligations and no claims may be made against any assets in respect of any Other Trust or any Other Series or, except in in circumstances of fraud, negligence or wilful default by the Issuer, any of the personal assets of the Issuer.

**No disclosure under Corporations Act**

This Information Memorandum is not a "Product Disclosure Statement" or a "Prospectus" for the purposes of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission ("**ASIC**"). Nor will any disclosure document (as defined in the Corporations Act) be lodged with ASIC in respect of the Offered Notes. This Information Memorandum has not been prepared specifically for investors in Australia and is not required to, and does not, contain all of the information which would be required in a disclosure document. Accordingly, a person may not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Offered Notes, or distribute this Information Memorandum where such offer, issue or distribution is received by a person in the Commonwealth of Australia, its territories or possessions ("**Australia**"), except if:

(a) either:

(i) the amount payable by the transferee in relation to the relevant Offered Notes is $500,000 or more (or its equivalent in an alternate currency, and in either case, disregarding moneys lent by the offeror or its associates); or

(ii) the offer is to a professional investor for the purposes of section 708 of the Corporations Act; or

(iii) the offer or invitation to the transferee is otherwise an offer or invitation that does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act; and

(b) the offer or invitation does not constitute an offer to a "retail client" under Chapter 7 of the Corporations Act (including, without limitation the financial services licensing requirements of the Corporations Act); and

(c) the offer or invitation complies with all applicable laws, regulations and directives; and

(d) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

**Disclosure of interests**

Each Relevant Person discloses with respect to itself that it, in addition to the arrangements and interests it will or may have with respect to the Originator, the Manager, the Servicer, the Disposing Trustee and Perpetual Corporate Trust Limited in its capacity as trustee of the Trust in respect of the Series and as Standby Servicer in respect of the Series (together, the "**Group**"), as described in this Information Memorandum (the "**Transaction Document Interests**") it, its Related Entities or associates and their respective officers and employees:

(a) may from time to time, be a Noteholder or have pecuniary or other interests with respect to the Offered Notes and they may also have interests relating to other arrangements with respect to a Noteholder or an Offered Note; and

(b) may receive fees, brokerage and commissions or other benefits, and act as principal with respect to any dealing with respect to any Offered Notes,

(the "**Note Interests**").

Each purchaser of Offered Notes acknowledges these disclosures and further acknowledges and agrees that:

(a) each Relevant Person and each of its respective related bodies corporate, their respective Related Entities and their respective directors, officers and employees (each a "**Relevant Entity**") will or may from time to time have the Transaction Document Interests and may from time to time have the Note Interests and is, and from time to time may be, involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research (the "**Other Transactions**") in various capacities in respect of any Relevant Person or any other person, both on the Relevant Entity's own account and for the account of other persons (the "**Other Transaction Interests**"); and

(b) each Relevant Entity in the course of its business (whether with respect to the Transaction Document Interests, the Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Relevant Entity; and

(c) to the maximum extent permitted by applicable law, the duties of each of the Arranger, the Dealers, the Joint Lead Managers, any Counterparty and the Liquidity Facility Provider (the "**Finance Parties**") and each of their Related Entities, directors and employees in respect of the Offered Notes are limited to the contractual obligations of the Finance Parties to the Manager and Perpetual Corporate Trust Limited in its capacity as trustee of the Trust in respect of the Series as set out in the relevant Transaction Documents and, in particular, no advisory or fiduciary duty is owed to any person; and

(d) a Relevant Entity may have or come into possession of information not contained in this Information Memorandum regarding any member of the Group that may be relevant to any decision by a potential investor to acquire the Offered Notes and which may or may not be publicly available to potential investors ("**Relevant Information**"); and

(e) to the maximum extent permitted by applicable law, no Relevant Entity is under any obligation to disclose any Relevant Information to any potential investor and this Information Memorandum and any subsequent course of conduct by a Relevant Entity should not be construed as implying that the Relevant Entity is not in possession of such Relevant Information; and

(f) each Relevant Entity may have various potential and actual conflicts of interest arising in the course of its business including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against a member of the Group arising from the Transaction Document Interests (for example, by a dealer, a joint lead manager, an arranger, a liquidity facility provider or an interest rate swap provider) or from an Other Transaction may affect the ability of the Group member to perform its obligations in respect of the Offered Notes. In addition, the existence of the Transaction

Document Interests or Other Transaction Interests may affect how a Relevant Entity in another capacity (for example, as a Noteholder) may seek to exercise any rights it may have in that capacity. These interests may conflict with the interests of a Relevant Person, potential investor or a Noteholder and a Relevant Person, potential investor or a Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Entity is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests and may otherwise continue to take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders, potential investors or the Group and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

**Selling restrictions**

The distribution of this Information Memorandum and the offering or sale of the Offered Notes in certain jurisdictions may be restricted by law. The Relevant Persons do not represent that this Information Memorandum may be lawfully distributed, or that the Offered Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by any Relevant Person that would permit a public offer of the Offered Notes in any country or jurisdiction where action for that purpose is required.

Accordingly, the Offered Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any information memorandum, private placement memorandum, prospectus, form of application, advertisement or other offering material may be issued or distributed or published in any country or jurisdiction, except in circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Information Memorandum comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. In particular, see Section 14 ("Subscription and Sale").

**Section 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) Notification**

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Offered Notes are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Notice to European Economic Area and United Kingdom investors**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Offered Notes has led to the conclusion that:

(a) the target market for the Offered Notes is eligible counterparties and professional clients only, each as defined in directive 2014/65/EU (as amended, "**MiFID II**"); and

(b) all channels for distribution of the Offered Notes to eligible counterparties and professional clients are appropriate.

Any distributor subject to MiFID II subsequently offering, selling or recommending the Offered Notes should take into consideration the manufacturer's target market assessment; however a distributor is responsible for undertaking its own target market assessment in respect of the Offered Notes (by either adopting or refining the distributor's target market assessment) and determining appropriate distribution channels.

The Offered Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom. For these purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Notes.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Offered Notes or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the Offered Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPS Regulation.

See Section 14 ("Subscription and Sale") for further details.

**Offshore Associates**

Offered Notes issued pursuant to this Information Memorandum must not be purchased by an Offshore Associate of the Issuer other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Offered Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered scheme.

An Offshore Associate of the Issuer means an associate (as defined in s128F of the Income Tax Assessment Act 1936 (Cth)) of the Issuer that is either a non-resident of Australia that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside of Australia.

**EU Due Diligence and Retention Rules**

On the Closing Date and thereafter for so long as any Offered Notes remain outstanding, AFGS will, as an originator, as such term is defined for the purposes of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (as amended, the "**EU Securitisation Regulation**") and certain related regulatory technical standards, implementing technical standards and official guidance (together with the EU Securitisation Regulation, the "**EU Due Diligence and Retention Rules**"), as in effect on the Closing Date, agree to retain a material net economic interest of not less than 5% in this securitisation transaction in accordance with the EU Due Diligence and Retention Rules (the "**EU Retention**").

As at the Closing Date, the EU Retention will be in the form of a pro-rata retention in each of the tranches sold or transferred to investors as provided in option (a) of Article 6(3) of the EU Securitisation Regulation (as in effect on the Closing Date), and will be comprised by AFGS holding 100% of the shares in the Retention Vehicles, which will between them hold not less than 5% of the aggregate Invested Amount of the Class A1-S Notes, the Class A1-L Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. Any change in the manner in which the EU Retention is held will be notified to the Noteholders. For further details, see Section 2.4 ("EU Due Diligence and Retention Rules").

In addition, AFGS and each Retention Vehicle will give certain other representations, warranties and undertakings with respect to the EU Due Diligence and Retention Rules, all in the manner, and on the

terms, summarised in Section 2.4 (“EU Due Diligence and Retention Rules”). In particular, prospective investors should be aware that AFGS will give certain undertakings as regards the transparency requirements under Article 7 of the EU Securitisation Regulation, and that such undertakings will be subject to certain conditions and limitations, as described in Section 2.4 (“EU Due Diligence and Retention Rules”).

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the requirements of the EU Due Diligence and Retention Rules (and any implementing rules in relation to a relevant jurisdiction); (ii) as to whether AFGS’s exposure to the Retention Vehicles and their holding (together with AFGS) of Retention Notes satisfies the EU Due Diligence and Retention Rules; (iii) as to the potential implications of any financing entered into in respect of the Retention Notes (as described in Section 2.4 (“EU Due Diligence and Retention Rules”)); and (iv) as to the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors, for the purposes of complying with the EU Due Diligence and Retention Rules. For further information, see Section 2.4 (“EU Due Diligence and Retention Rules”).

**Japan Due Diligence and Retention Rules**

On 15 March 2019 the Japanese Financial Services Agency (“**JFSA**”) published new due diligence and risk retention rules under various Financial Services Agency Notices in respect of Japanese banks and certain other financial institutions (“**Japan Due Diligence and Retention Rules**”). The Japan Due Diligence and Retention Rules became applicable to such Japanese financial institutions from 31 March 2019.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the Japan Due Diligence and Retention Rules; (ii) as to the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors and (iii) as to their compliance with the Japan Due Diligence and Retention Rules in respect of the transactions contemplated by this Information Memorandum.

For further details, see Section 2.5 (“Japan Due Diligence and Retention Rules”).

**Repo-Eligibility**

The Manager intends to make an application to the Reserve Bank of Australia (“**RBA**”) for the Class A1-S Notes, the Class A1-L Notes and the Class AB Notes to be “eligible securities” (or “repo eligible”) for the purposes of repurchase agreements with the RBA.

The criteria for repo eligibility published by the RBA require, among other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A1-S Notes, the Class A1-L Notes and the Class AB Notes in order for the Class A1-S Notes, the Class A1-L Notes and the Class AB Notes to be (and to continue to be) repo-eligible.

No assurance can be given that the application by the Manager for the Class A1-S Notes, the Class A1-L Notes and the Class AB Notes to be repo eligible will be successful, or that the Class A-S Notes, the Class A1-L Notes and the Class AB Notes will continue to be repo eligible at all times even if they are eligible in relation to their initial issue. For example, subsequent changes by the RBA to its criteria could affect whether the Class A-S Notes, the Class A1-L Notes and the Class AB Notes continue to be repo-eligible.

If the Class A1-S Notes, the Class A1-L Notes and the Class AB Notes are repo-eligible at any time, Noteholders should be aware that relevant disclosures may be made by the Manager to investors and potential investors in Class A1-S Notes, the Class A1-L Notes and the Class AB Notes from time to time in such form as determined by the Manager as it sees fit (including for the purpose of complying with the RBA’s criteria).

**Credit Ratings**

There are references in this Information Memorandum to ratings. A rating is not a recommendation to buy, sell or hold securities, nor does it comment as to principal prepayments, market price or the suitability of securities for particular investors. A rating may be changed, suspended or withdrawn at any time by the relevant Rating Agency.

Ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

The credit ratings of the Offered Notes should be evaluated independently from similar ratings on other types of notes or securities. A rating does not address the market price or the suitability for a particular investor of the Offered Notes.

**TABLE OF CONTENTS**

## 1 SUMMARY – PRINCIPAL TERMS OF THE OFFERED NOTES

*This table provides a summary of certain principal terms of the Offered Notes issued in respect of the Trust. This summary is qualified by the more detailed information contained elsewhere in this Information Memorandum.*

| | **Class A1-S Notes** | **Class A1-L Notes** | **Class AB Notes** | **Class B Notes** | **Class C Notes** | **Class D Notes** | **Class E Notes** |
|---|---|---|---|---|---|---|---|
| Denomination | AUD | AUD | AUD | AUD | AUD | AUD | AUD |
| Aggregate Initial Invested Amount | $230,000,000 | $382,500,000 | $49,000,000 | $20,400,000 | $7,600,000 | $4,200,000 | $2,800,000 |
| Initial Invested Amount per Offered Note | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 | $1,000 |
| Issue price | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Interest frequency | Monthly | Monthly | Monthly | Monthly | Monthly | Monthly | Monthly |
| Payment Dates | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020 | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020 | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020 | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020 | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020 | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020 | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020 |
| Interest Rate | Bank Bill Rate (1 month) + Margin + (from the Step-up Margin Date) Step-Up Margin | Bank Bill Rate (1 month) + Margin + (from the Step-up Margin Date) Step-Up Margin | Bank Bill Rate (1 month) + Margin + (from the Step-up Margin Date) Step-up Margin | Bank Bill Rate (1 month) + Margin | Bank Bill Rate (1 month) + Margin | Bank Bill Rate (1 month) + Margin | Bank Bill Rate (1 month) + Margin |
| Margin | 0.95% | 1.45% | 2.05% | 2.50% | 3.20% | 4.10% | 6.50% |
| Note Step-Up Margin | 0.50% | 0.50% | 0.50% | Not applicable | Not applicable | Not applicable | Not applicable |
| Day count fraction | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) | Actual/365 (Fixed) |
| Business Day Convention | Following | Following | Following | Following | Following | Following | Following |
| Maturity Date | The Payment Date in January 2052 | The Payment Date in January 2052 | The Payment Date in January 2052 | The Payment Date in January 2052 | The Payment Date in January 2052 | The Payment Date in January 2052 | The Payment Date in January 2052 |
| Ratings | | | | | | | |
| • S&P | AAA(sf) | AAA(sf) | AAA(sf) | AA(sf) | A(sf) | BBB(sf) | BB(sf) |
| • Fitch | AAAsf | AAAsf | AAAsf | Not Rated | Not Rated | Not Rated | Not Rated |
| Governing law | New South Wales | New South Wales | New South Wales | New South Wales | New South Wales | New South Wales | New South Wales |
| Form of Notes | Registered | Registered | Registered | Registered | Registered | Registered | Registered |
| Listing | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| Clearance | Austraclear / Euroclear / Clearstream, Luxembourg | Austraclear / Euroclear / Clearstream, Luxembourg | Austraclear / Euroclear / Clearstream, Luxembourg | Austraclear / Euroclear / Clearstream, Luxembourg | Austraclear / Euroclear/ Clearstream, Luxembourg | Austraclear / Euroclear / Clearstream, Luxembourg | Austraclear / Euroclear / Clearstream, Luxembourg |
| ISIN | AU3FN0054920 | AU3FN0054938 | AU3FN0054946 | AU3FN0054953 | AU3FN0054961 | AU3FN0054979 | AU3FN0054987 |
| Common Code | 220186083 | 220186113 | 220186148 | 220186423 | 220186440 | 220186474 | 220186512 |

## 2 GENERAL

*This summary highlights selected information from this Information Memorandum and does not contain all of the information that you need to consider in making your investment decision. All of the information contained in this summary is qualified by the more detailed explanations in other parts of this Information Memorandum and by the terms of the Transaction Documents.*

### 2.1 Summary – Transaction Parties

| | |
|---|---|
| Trust | AFG 2020-1 Trust |
| Series | Series 2020-1 |
| Issuer | Perpetual Corporate Trust Limited (ABN 99 000 341 533) in its capacity as trustee of the Trust and in respect of the Series |
| Manager | AFG Securities Pty Ltd (ABN 90 119 343 118) |
| Originator | AFG Securities Pty Ltd (ABN 90 119 343 118) |
| Servicer | AFG Securities Pty Ltd (ABN 90 119 343 118) |
| Standby Servicer | Perpetual Corporate Trust Limited (ABN 99 000 341 533) |
| Security Trustee | P.T. Limited (ABN 67 004 454 666) in its capacity as trustee of the AFG 2020-1 Trust – Series 2020-1 Security Trust |
| Registrar | The Issuer |
| Liquidity Facility Provider | National Australia Bank Limited (ABN 12 004 044 937) |
| Arranger, Joint Lead Manager and Dealer | National Australia Bank Limited (ABN 12 004 044 937) |
| Joint Lead Manager and Dealer | Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) |
| Residual Income Unitholder | AFG Securities Pty Ltd (ABN 90 119 343 118) |
| Residual Capital Unitholder | AFG Securities Pty Ltd (ABN 90 119 343 118) |
| Rating Agencies | S&P Global Ratings Australia Pty Ltd (ABN 62 007 324 852) and Fitch Australia Pty Ltd (ABN 93 081 339 184) |
| Mortgage Insurers | Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305) and QBE Lender's Mortgage Insurance Limited (ABN 70 000 511 071) |

### 2.2 Summary – Transaction

| | |
|---|---|
| Closing Date | 30 July 2020, or such other date notified by the Manager to the Issuer. |
| Cut-Off Date | 15 June 2020. |
| Eligibility Criteria | See Section 5.2 ("Eligibility Criteria for Series Receivables"). |
| Payment Dates | The 10th day of each month, subject to the Business Day Convention. The first Payment Date occurs on 10 September 2020. |

| | |
|---|---|
| Determination Date | The day which is 3 Business Days prior to each Payment Date. |
| Call Option Date | Each Payment Date occurring on or following the earliest to occur of:<br>(a) the Date Based Call Option Date; and<br>(b) the Payment Date following the first Determination Date on which the aggregate Invested Amount of all Offered Notes is less than 25% of the aggregate Initial Invested Amount of all Offered Notes on the Closing Date. |
| Step-Down Conditions | The Step-Down Conditions are satisfied on a Payment Date if:<br>(a) the Payment Date is before the first Call Option Date;<br>(b) the Payment Date occurs on or after the day which is 2 years after the Closing Date;<br>(c) the Subordinated Note Percentage as at the Determination Date immediately preceding that Payment Date is at least 25.0%;<br>(d) the Average Arrears Ratio on the Determination Date immediately preceding that Payment Date is less than or equal to 2.0%; and<br>(e) there are no unreimbursed Carryover Charge-Offs in respect of any Class of Notes as at the Determination Date immediately preceding that Payment Date. |
| Derivative Contract | As at the Closing Date, there will be no Derivative Contract (and therefore no Counterparty) in respect of the Series. A Derivative Contract may be entered into by the Issuer after the Closing Date (including in the circumstances described in Section 5.7 (“Fixed Rate Housing Loans”)) only if a Rating Notification has been provided. |
| Reimbursement Agreement | As at the Closing Date, there will be no Reimbursement Agreement in respect of the Series. A Reimbursement Agreement may be entered into by the Issuer at any time after the Closing Date, provided that the Trust Manager must not direct the Issuer to enter into a Reimbursement Agreement unless:<br>(a) the amount required to be paid by the Issuer under that Reimbursement Agreement as a Liquidity Support Reimbursement Amount in respect of each Payment Date in accordance with Section 11.12 (“Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)”) does not exceed the amount that would otherwise be available for application in accordance with Section 11.12(x) (“Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)”) if no Liquidity Support Reimbursement Amount were payable on that Payment Date; and<br>(b) the Trust Manager has given a Rating Notification in respect of the entry into that Reimbursement |

Agreement.

### 2.3 General Information on the Notes

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|---|---|
| Type | The Notes are multi-class, asset backed, secured, limited recourse, amortising, floating rate debt securities and are issued with the benefit of, and subject to, the Master Trust Deed, the General Security Deed, the Issue Supplement, the Note Deed Poll and the other Transaction Documents. |
| Classes | The Notes will be divided into 9 classes: Class A1-S Notes, Class A1-L Notes, Class AB Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Redraw Notes. |
| Offered Notes | The Class A1-S Notes, Class A1-L Notes, Class AB Notes, Class B Notes, Class C Notes, the Class D Notes and the Class E Notes comprise the Offered Notes. This Information Memorandum relates solely to a proposed issue of the Offered Notes by the Issuer. |
| Additional Notes and Series | The Issuer will issue the Class F Notes on the Closing Date to AFGS. The aggregate Initial Invested Amount of the Class F Notes will be A$3,500,000. The Class F Notes will not be rated.<br><br>The Issuer may not issue any further Notes after the Closing Date other than Redraw Notes in the circumstances described in Section 5.8 (“Redraws and Further Advances”).<br><br>No series in respect of the Trust will be created other than the Series. |
| Rating | The Offered Notes will initially have the rating specified in Section 1 (“Summary – Principal Terms of the Offered Notes”).<br><br>The rating of the Offered Notes should be evaluated independently from similar ratings on other types of notes or securities. A rating is not a recommendation to buy, sell or hold securities, nor does it comment as to principal prepayments, market price or the suitability of securities for particular investors. A rating may be changed, suspended or withdrawn at any time by the relevant Rating Agency. |
| Call Option | The Manager may (at its option) direct the Issuer to redeem all, but not some only, of the outstanding Notes on a Call Option Date.<br><br>The Notes will be redeemed by the Issuer at the Redemption Amount for those Notes.<br><br>The Issuer, at the direction of the Manager, must give at least 10 days’ notice to the Noteholders of its intention to exercise its option to redeem the Notes on a Call Option Date. |
| Early Redemption | If a law requires the Issuer to withhold or deduct an amount in respect of Taxes (excluding any FATCA Withholding Tax) from a payment in respect of a Note, then the Manager may (at its option) direct the Issuer to redeem all (but not some only) of the Notes by paying to the Noteholders the Redemption |

| | |
|---|---|
| | Amount for the Notes.<br><br>The Issuer must give at least 10 days' notice to the relevant Noteholders of its intention to redeem the Notes. |
| Form of Notes | The Notes will be in uncertificated registered form and inscribed on a register maintained by the Issuer in Australia. |
| Listing | The Notes have not been, and are not intended be, admitted to listing or to trading on any stock exchange. |

## 2.4 EU Securitisation and Due Diligence Rules

European Union ("**EU**") legislation comprising Regulation (EU) 2017/2402 (as amended, the "**EU Securitisation Regulation**") and certain related regulatory technical standards, implementing technical standards and official guidance (together, the "**EU Due Diligence and Retention Rules**") imposes certain restrictions and obligations with regard to securitisations (as such term is defined for purposes of the EU Securitisation Regulation). The EU Due Diligence and Retention Rules are in force throughout the EU (and the EU Securitisation Regulation is expected also to be implemented in the non-EU member states of the European Economic Area) in respect of securitisations the securities of which were issued (or the securitisation positions of which were created) on or after January 1, 2019. In addition, notwithstanding that the United Kingdom is no longer a member of the EU, the EU Securitisation Regulation continues to apply in the United Kingdom, pursuant to the withdrawal agreement between the EU and the United Kingdom, for the duration of the transition period (i.e. until 31 December 2020, unless such period is extended).

The EU Due Diligence and Retention Rules impose certain requirements (the "**EU Transaction Requirements**") with respect to originators, original lenders, sponsors and securitisation special purpose entities ("**SSPEs**") (as each such term is defined for the purposes of the EU Securitisation Regulation). Although the EU Securitisation Regulation does not so state (and therefore there is no certainty on this point), on the basis of certain provisions of the EU Securitisation Regulation and other considerations, certain market participants take the view that the EU Transaction Requirements are not intended to apply directly to an originator, sponsor, original lender or SSPE that is neither established in the EU or the United Kingdom nor subject to specified financial regulation in the EU or the United Kingdom.

The EU Transaction Requirements include provision with regard to, amongst other things:

(a) a requirement under Article 6 of the EU Securitisation Regulation that the originator, the original lender or the sponsor of a securitisation commits to retain, on an ongoing basis, a material net economic interest in the relevant securitisation of not less than 5% in respect of certain specified credit risk tranches or asset exposures (the "**EU Retention Requirement**");

(b) a requirement under Article 7 of the EU Securitisation Regulation that the originator, sponsor and SSPE of a securitisation make available to holders of a securitisation position, EU competent authorities and (upon request) potential investors certain prescribed information (the "**EU Transparency Requirements**"); and

(c) a requirement under Article 9 of the EU Securitisation Regulation that originators, sponsors and original lenders of a securitisation apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures, and have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting its obligations under the credit agreement (the "**EU Credit-Granting Requirements**").

Failure by any person to whom the EU Securitisation Regulation applies to comply with any EU Transaction Requirement applicable to it may result in a regulatory sanction and remedial measures being imposed on such person.

In addition, investors should be aware that Article 5 of the EU Securitisation Regulation, places certain conditions (the "**EU Investor Requirements**") on investments in securitisations by "institutional investors" (as such term is defined for purposes of the EU Securitisation Regulation) and certain affiliates of such institutional investors (each an "**Affected Investor**"). Affected Investors include (subject to certain conditions and exceptions: (a) a credit institution or an investment firm as defined in and for purposes of Regulation (EU) No 575/2013, as amended, known as the Capital Requirements Regulation (the "**CRR**") (or a consolidated affiliate thereof, as provided by Article 14 of the CRR), (b) an insurance undertaking or a reinsurance undertaking as defined in Directive 2009/138/EC, as amended, (c) an alternative investment fund manager as defined in Directive 2011/61/EU that manages or markets alternative investment funds in the EU or the United Kingdom, (d) an undertaking for collective investment in transferable securities ("**UCITS**") management company, as defined in Directive 2009/65/EC, as amended, or an internally managed UCITS, which is

an investment company that is authorised in accordance with that Directive and has not designated such a management company for its management, and (e) an institution for occupational retirement provision ("**IORP**") falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorised entity appointed by an IORP as provided in that Directive.

The EU Investor Requirements are applicable regardless of whether any party to the relevant securitisation is subject to any EU Transaction Requirement.

The EU Investor Requirements provide that, prior to investing in (or otherwise holding an exposure to) a securitisation, an Affected Investor, other than the originator, sponsor or original lender must, among other things: (a) verify that the originator or the original lender of the underlying exposures of the securitisation is in compliance with the EU Credit-Granting Requirements, or, where the originator or original lender is established in a third country (that is, not within the EU, the European Economic Area or the United Kingdom), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (b) verify that the originator, the original lender or the sponsor in respect of the relevant securitisation is in compliance with the EU Retention Requirement, or, if established in a third country, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitisation Regulation, and discloses the risk retention to institutional investors, (c) verify that the originator, sponsor or SSPE has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation (which sets out transparency requirements for originators, sponsors and SSPEs) in accordance with the frequency and modalities provided for in Article 7, and (d) carry out a due-diligence assessment in accordance with the EU Due Diligence and Retention Rules which enables the Affected Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

In addition, the EU Investor Requirements oblige each Affected Investor to (a) establish appropriate written procedures in order to monitor, on an ongoing basis, compliance with the applicable EU Transaction Requirements (or, where relevant, the similar conditions prescribed by the EU Due Diligence and Retention Rules and described in the preceding paragraph) and the performance of the securitisation position and of the underlying exposures, (b) regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures, (c) ensure internal reporting to its management body to enable adequate management of material risks, and (d) be able to demonstrate to its regulatory authorities that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and has implemented written policies and procedures for managing risks of the securitisation position and maintaining records of the foregoing verifications and due diligence and other relevant information.

If any Affected Investor fails to comply with the EU Investor Requirements, it may be subject (where applicable) to an additional regulatory capital charge with respect to any securitisation position acquired by it or on its behalf, and it may be subject to other regulatory sanctions.

Certain aspects of the EU Transaction Requirements and the EU Investor Requirements are to be further specified in regulatory technical standards to be adopted by the European Commission as delegated regulations. Such regulatory technical standards have been adopted by the European Commission but have not been published in final form and are not yet in force. It remains unclear, in certain respects, what will be required for Affected Investors to demonstrate compliance with the EU Investor Requirements.

In addition, there is still some uncertainty at the current time as to the precise format of certain reporting and provision of information requirements under Article 7 of the EU Securitisation Regulation, particularly with respect to the reporting of certain loan-level data.

On the Closing Date and thereafter for so long as any Offered Notes remain outstanding, AFGS will, as an "originator", as such term is defined for the purposes of the EU Securitisation Regulation, undertake to retain a material net economic interest of not less than 5% in this securitisation

transaction in accordance with the text of Article 6(1) of the EU Securitisation Regulation (as in effect on the Closing Date) (the "**EU Retention**").

As at the Closing Date, the EU Retention will be in the form of a pro-rata retention in each of the tranches sold or transferred to investors as provided in paragraph (a) of Article 6(3) of the EU Securitisation Regulation (as in effect on the Closing Date) and will be comprised by AFGS holding 100% of the shares in the Retention Vehicles, which will between them hold not less than 5% of the aggregate Invested Amount of the Class A1-S Notes, the Class A1-L Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (collectively, the "**Retention Notes**").

For so long as any Offered Notes remain outstanding, AFGS will undertake (in each case with reference to the EU Due Diligence and Retention Rules as in effect on the Closing Date):

(a) to retain the EU Retention on an ongoing basis;

(b) not to change the manner or form in which it retains the EU Retention, except as permitted by the EU Due Diligence and Retention Rules;

(c) not to dispose of, assign, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from its 100% interest in the Retention Vehicles, except as permitted by the EU Due Diligence and Retention Rules;

(d) not to utilise or enter into any credit risk mitigation techniques, any short positions or any other hedge against the credit risk of its interest in the Retention Vehicles, except as permitted by the EU Due Diligence and Retention Rules; and

(e) to confirm or cause to be confirmed the status of its compliance with paragraphs (a), (b), (c) and (d) above in each periodic report provided to Noteholders.

For so long as any Offered Notes remain outstanding, each Retention Vehicle will undertake (in each case with reference to the EU Due Diligence and Retention Rules as in effect on the Closing Date):

(a) that it will continue to hold, on an ongoing basis, the Retention Notes acquired by it on the Closing Date, unless otherwise instructed by AFGS in accordance with the EU Due Diligence and Retention Rules;

(b) except to the extent permitted by or provided for in the Transaction Documents, not to carry on any other trade or business or any activities or hold shares in any company or hold any other assets other than any Retention Notes and any Permitted Retention;

(c) not to take any action which would reduce AFGS's exposure to the economic risk of the Retention Notes in such a way that AFGS would cease to hold the EU Retention, including (without limitation) not to sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from the Retention Notes acquired by it on the Closing Date, and not to utilise or enter into any credit risk mitigation techniques, any short positions or any other hedge against the credit risk of those Retention Notes, except as permitted by the EU Due Diligence and Retention Rules;

(d) not to issue any further shares in addition to those that are in issue to AFGS as at the Closing Date; and

(e) to immediately notify AFGS if it fails to comply with any of its obligations under paragraphs (a) to (d) above. To the extent that no notice is provided to AFGS in accordance with this paragraph (e), AFGS shall be entitled to assume (without further enquiry) compliance by the Retention Vehicle with paragraphs (a) to (d) above and include a statement to that effect in each periodic report provided to Noteholders.

Although AFGS believes that neither AFGS nor the Issuer is subject to the EU Transaction Requirements, AFGS will also give various representations, warranties and further undertakings with respect to the EU Securitisation Regulation, as follows:

(a) With reference to Article 7(1) of the EU Securitisation Regulation, AFGS, as originator, will undertake to make available (x) to Noteholders, (y) upon the request of a Noteholder or a competent authority designated pursuant to Article 29 of the EU Securitisation Regulation, to such a competent authority, and (z) upon request, to potential investors:

(i) with reference to Article 7(1)(a) of the EU Securitisation Regulation, and in accordance with paragraph (b) below, quarterly portfolio reports containing loan level data in relation to the pool of loans held by the Issuer. The material referred to in this paragraph shall be made available at the latest one month after the end of the period the portfolio report covers;

(ii) all documentation required to be provided by an originator subject to Article 7(1)(b) of the EU Securitisation Regulation, including but not limited to the Transaction Documents and this Information Memorandum. The material referred to in this paragraph (a)(ii) shall be made available before pricing of the Offered Notes;

(iii) with reference to Article 7(1)(e) of the EU Securitisation Regulation, and in accordance with paragraph (b) below, quarterly investor reports containing the following information:

(A) all materially relevant data on the credit quality and performance of the Series Receivables;

(B) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and data on the cash flows generated by the Series Receivables and by the liabilities of the securitisation; and

(C) information about the risk retained, including information on which of the modalities provided for in Article 6(3) of the EU Securitisation Regulation has been applied, in accordance with Article 6 of the EU Securitisation Regulation.

Each investor report referred to in this paragraph shall be made available at the latest one month after the end of the period the investor report covers;

(iv) with reference to Article 7(1)(f) of the EU Securitisation Regulation, any inside information that AFGS (as the originator) or the Issuer (as the SSPE) is obliged to make public in accordance with Article 17 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation. The material referred to in this paragraph shall be made available without delay; and

(v) with reference to Article 7(1)(g) of the EU Securitisation Regulation information as to any significant event such as:

(A) a material breach of the obligations provided for in the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;

(B) a change in the structural features that can materially impact the performance of the securitisation;

(C) a change in the risk characteristics of the securitisation or of the Series Receivables that can materially impact the performance of the securitisation; and

(D) any material amendment to any Transaction Document.

The material referred to in this paragraph shall be made available without delay.

(b) In relation to the quarterly portfolio reports referred to in paragraph (a)(i) and the quarterly investor reports referred to in paragraph (a)(iii), AFGS, as originator, undertakes that:

(i) in the case of each such report to be delivered before the regulatory technical standards adopted by the European Commission pursuant to Article 7(3) of the EU Securitisation

Regulation apply, such report will contain such information, and be formatted and presented in such manner, as, in the reasonable determination of AFGS, are consistent with corresponding reports provided in existing securitisation transactions originated by AFGS (a sample or form of which will be made available to potential investors upon request); and

(ii) in the case of each such report to be delivered when those regulatory technical standards apply, AFGS will use commercially reasonable efforts, without incurring unreasonable burden or expense, to ensure that such report will contain such information, and be formatted and presented in such manner, as, in the reasonable determination of AFGS, are consistent with those prescribed pursuant to Article 7 of the EU Securitisation Regulation and those regulatory technical standards, each as in effect at the time when the relevant report is made available.

Prospective investors and Noteholders should be aware that, if any quarterly portfolio report or quarterly investor report does not comply with the requirements prescribed in the EU Securitisation Regulation or relevant regulatory technical standards, an Affected Investor may be unable to satisfy the EU Investor Requirements in respect of such report.

(c) With reference to Article 7(2) of the EU Securitisation Regulation, to the extent required, AFGS as the originator is designated as the entity required to provide the information referred to in Article 7(1) of the EU Securitisation Regulation.

(d) With reference to Article 9(1) of the EU Securitisation Regulation, AFGS as originator will represent, warrant and undertake that:

(i) it has applied and will apply to the Series Receivables to be acquired by the Issuer, the same sound and well-defined criteria for credit-granting which it has applied to non-securitised Receivables;

(ii) it will apply the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits held by the Issuer; and

(iii) it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his or her obligations under the credit agreement.

Information about the origination and servicing procedures of AFGS in connection with the approval, amendment, renewing and financing of credits giving rise to the Series Receivables is set out in Section 9 ("Origination and Servicing of the Series Receivables").

Each Retention Vehicle may obtain debt financing to finance the holding of its Retention Notes with one or more lenders, including any of the Joint Lead Managers. If a Retention Vehicle obtains any such financing, that Retention Vehicle will grant a security interest over its Retention Notes and AFGS will provide a full recourse guarantee in respect of the Retention Vehicle's obligations under the debt financing arrangements supported by a security interest over its interests in the Retention Vehicle to secure such debt financing. The grant of the security interests would result in the lender (or other financing counterparty) having enforcement rights in the case of an event of default under the financing, which may include the right to appropriate or sell the Retention Notes held by the relevant Retention Vehicle or AFGS's interest in the Retention Vehicle (as applicable). In carrying out any such enforcement action, the financing counterparty would not be required to have regard to the provisions of the EU Due Diligence and Retention Rules, and any such enforcement could result in an Affected Investor being unable to comply with the EU Investor Requirements.

The EU Due Diligence and Retention Rules provide that an entity shall not be considered an "originator" (as defined for purposes of the EU Securitisation Regulation) if it has been established or operates for the sole purpose of securitising exposures. See Sections 8 ("The AFG Group"), 9 ("Origination and Servicing of the Series Receivables") and 10.3 ("AFGS – Originator, Manager and Servicer") in this Information Memorandum for information regarding AFGS, its business and activities.

Except as described above, no party to the securitisation transaction described in this Information Memorandum is required, or intends, to take any action with regard to such transaction in a manner prescribed or contemplated by the EU Due Diligence and Retention Rules, or to take any action for purposes of, or in connection with, compliance by any Affected Investor with any applicable EU Investor Requirements.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the requirements of the EU Due Diligence and Retention Rules (and any implementing rules in relation to a relevant jurisdiction); (ii) as to the potential implications of any financing entered into in respect of Retention Notes (as described above); and (iii) as to the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors; and (iv) as to their compliance with any applicable EU Investor Requirements. None of AFGS, the Retention Vehicles, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents (i) makes any representation that the performance of the undertakings described above, the making of the representations and warranties described above, and the information described in this Information Memorandum, or any other information which may be made available to investors, are or will be sufficient for the purposes of any Affected Investor's compliance with any EU Investor Requirement, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated in this Information Memorandum to comply with or otherwise satisfy the requirements of the EU Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any investor to enable compliance by that investor with the requirements of the EU Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements.

### 2.5 Japan Due Diligence and Retention Rules

On 15 March 2019 the Japanese Financial Services Agency ("**JFSA**") published new due diligence and risk retention rules under various Financial Services Agency Notices in respect of Japanese banks and certain other financial institutions ("**Japan Due Diligence and Retention Rules**").

The Japan Due Diligence and Retention Rules became applicable to such Japanese financial institutions from 31 March 2019.

The Japan Due Diligence and Retention Rules apply to all Japanese banks, bank holding companies, credit unions, credit cooperatives, labour credit unions, agricultural credit cooperatives, ultimate parent companies of large securities companies and certain other financial institutions regulated in Japan (each, a "**Japan Obliged Entity**").

Under the Japan Due Diligence and Retention Rules, in order for a Japan Obliged Entity to apply a lower capital charge against a securitisation exposure, it has to:

(a) establish an appropriate risk assessment system to be applied to the relevant securitisation exposure and the underlying assets of such securitisation exposure; and

(b) either:

  (i) confirm that the originator of the securitisation transaction in respect of the securitisation exposure retains not less than 5% interest in an appropriate form (the "**Originator Retention Requirement**"); or

  (ii) determine that the underlying assets of the securitisation transaction in respect of the securitisation exposure are appropriately originated, considering the originator's involvement with the underlying assets, the nature of the underlying assets or any other relevant circumstances (the "**Appropriate Origination Requirement**").

On 15 March 2019, the JFSA published certain guidelines which also came into effect on 31 March 2019 on the applicability and scope of the Japan Due Diligence and Retention Rules.

There remains, nonetheless, a relative level of uncertainty at the current time as how the Japan Due Diligence and Retention Rules will be interpreted and applied to any specific securitisation transaction.

At this time, prospective investors should understand that there are a number of unresolved questions and no established line of authority, precedent or market practice that provides definitive guidance with respect to the Japan Due Diligence and Retention Rules, and no assurances can be made as to the content, impact or interpretation of the Japan Due Diligence and Retention Rules. In particular, the basis for the determination of whether an asset is "inappropriately originated" remains unclear, and therefore unless the JFSA provides further specific clarification, it is possible that this transaction may contain assets deemed to be "inappropriately originated" and as a result may not be exempt from the Appropriate Origination Requirement. Whether and to what extent the JFSA may provide further clarification or interpretation as to the Japan Due Diligence and Retention Rules is unknown.

Failure by a Japan Obliged Entity to satisfy the Japan Due Diligence and Retention Rules will require it to hold a full capital charge against that securitisation exposure of the securitisation transaction which it has invested in.

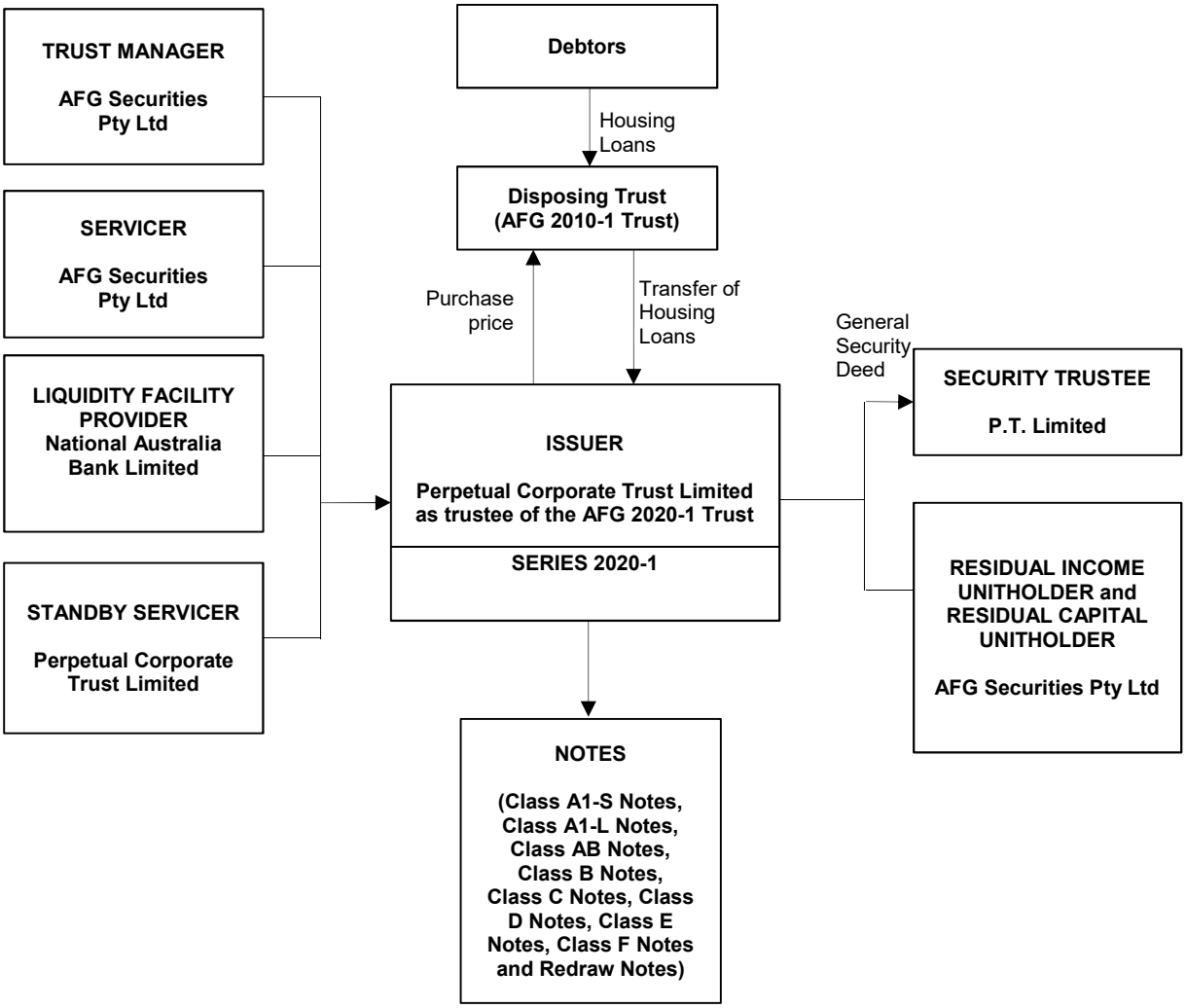
Any failure to satisfy the Japan Due Diligence and Retention Rules may, amongst other things, have a negative impact on the value and liquidity of the Offered Notes, and otherwise affect the secondary market for the Offered Notes.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the applicability and scope of the Japan Due Diligence and Retention Rules; (ii) as to the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors and (iii) as to their compliance with the Japan Due Diligence and Retention Rules in respect of the transactions contemplated by this Information Memorandum.

None of AFGS, the Retention Vehicles, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents (i) makes any representation that the information described in this Information Memorandum, or any other information which may be made available to investors, are or will be sufficient for the purposes of any Japan Obliged Entity's compliance with the Japan Due Diligence and Retention Rules, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any noncompliance by any such person with the Japan Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any Japan Obliged Entity to enable compliance by such person with the requirements of the Japan Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements.

There can be no assurance that the regulatory capital treatment of the Offered Notes for any investor will not be affected by any future implementation of, and changes to, the Japan Due Diligence and Retention Rules or other regulatory or accounting changes.

## 2.6 Structure Diagram



## 3 RISK FACTORS

*The purchase and holding of the Offered Notes is not free from risk. This section describes some of the principal risks associated with the Offered Notes. It is only a summary of some particular risks. There can be no assurance that the structural protection available to Noteholders will be sufficient to ensure that a payment or distribution of a payment is made on a timely or full basis. Prospective investors should read the Transaction Documents and make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Offered Notes.*

***Risk factors relating to the Offered Notes***

**The Offered Notes will only be paid from the Series Assets**

The Issuer will issue the Offered Notes in its capacity as trustee of the Trust in respect of the Series.

The Issuer will be entitled to be indemnified out of the Series Assets for all payments of interest and principal in respect of the Offered Notes.

A Noteholder's recourse against the Issuer with respect to the Offered Notes is limited to the amount by which the Issuer is indemnified from the Series Assets. Except in the case of, and to the extent that a liability is not satisfied because the Issuer's right of indemnification out of the Series Assets is reduced as a result of, fraud, negligence or wilful default of the Issuer, no rights may be enforced against the Issuer by any person and no proceedings may be brought against the Issuer except to the extent of the Issuer's right of indemnity and reimbursement out of the Series Assets. Except in those limited circumstances, the assets of the Issuer in its personal capacity are not available to meet payments of interest or principal in respect of the Offered Notes.

If the Issuer is denied indemnification from the Series Assets, the Security Trustee will be entitled to enforce the General Security Deed in respect of the Series and apply the Collateral for the benefit of the Secured Creditors of the Series (which includes the relevant Noteholders). The Security Trustee may incur costs in enforcing the General Security Deed, with respect to which the Security Trustee will be entitled to indemnification. Any such indemnification will reduce the amounts available to pay interest on and repay principal of the Offered Notes.

In no circumstances will the assets of any Other Trust or Other Series be available to meet any obligations of the Issuer in respect of the Offered Notes of the Series.

**Limited Credit Enhancements**

The amount of credit enhancement provided through the Mortgage Insurance Policies, excess Total Available Income, the Extraordinary Expense Reserve, the Liquidity Facility, the reduction of the Amortisation Ledger on account of Losses and subordination of:

- the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to the Class A1-S Notes, the Class A1-L Notes and the Redraw Notes;
- the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to the

Class AB Notes;

- the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to the Class B Notes;
- the Class D Notes, the Class E Notes and the Class F Notes to the Class C Notes;
- the Class E Notes and the Class F Notes to the Class D Notes; and
- the Class F Notes to the Class E Notes,

is limited and could be depleted prior to the payment in full of the Offered Notes. If the Mortgage Insurance Policies do not provide coverage for all losses incurred in respect of a Series Receivable and if there is insufficient excess Total Available Income to make the Issuer whole in respect of any such losses or if the aggregate Stated Amount of any subordinated classes of Offered Notes is reduced to zero, Noteholders may suffer losses on their Offered Notes.

**You may not be able to sell the Offered Notes**

There is currently no secondary market for the Offered Notes and no assurance can be given that a secondary market in the Offered Notes will develop, or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Offered Notes.

No assurance can be given that it will be possible to effect a sale of the Offered Notes, nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price or the Invested Amount of the Offered Notes.

**There is no way to predict the actual rate and timing of principal payments on the Offered Notes**

Whilst the Issuer is obliged to repay the Offered Notes by the Maturity Date, principal may be passed through to Noteholders on each Payment Date from the Total Available Principal and such amount will reduce the principal balance of the Offered Notes. However, no assurance can be given as to the rate at which principal will be passed through to Noteholders. Accordingly, the actual date by which Notes are repaid cannot be precisely determined.

The timing and amount of principal which will be passed through to Noteholders will be affected by the rate at which the Series Receivables are repaid or prepaid, which may be influenced by a range of economic, demographic, social and other factors, including:

- the level of interest rates applicable to the Series Receivables relative to prevailing interest rates in the market;
- the delinquencies and default rate of Debtors under the Series Receivables;
- demographic and social factors such as unemployment, death, divorce and changes in employment of Debtors;
- the rate at which Debtors sell or refinance their

properties;

- the degree of seasoning of the Series Receivables; and

- the loan-to-valuation ratio of the Debtors' properties at the time of origination of the relevant Series Receivables.

The Noteholders may receive repayments of principal on the Offered Notes earlier or later than would otherwise have been the case or may not receive repayments of principal at all.

Other factors which could result in early repayment of principal to Noteholders include:

- receipt by the Issuer of enforcement proceeds due to a Debtor having defaulted on its Series Receivable;

- receipt by the Issuer of damages by the Manager as a result of a breach of certain representations as described in Section 5.4 ("Remedy for misrepresentations");

- the sale of a Series Receivable by the Issuer in the circumstances described in Section 5.5 ("Sale of Series Receivables by the Issuer");

- exercise of the Call Option on a Call Option Date; and

- receipt of proceeds of enforcement of the General Security Deed prior to the Maturity Date of the Offered Notes.

In addition:

- Total Available Principal may be used to fund payment delinquencies (in the form of Principal Draws); and

- Collections received by the Issuer which constitute Available Principal may be applied by the Issuer (at the direction of the Manager) during a Collection Period towards funding Redraws made by Debtors under the terms of the relevant Series Receivable in the circumstances described in Section 11.2 ("Distributions during a Collection Period") and may also be applied towards funding Redraws on a Payment Date in accordance with Section 11.5 ("Application of Total Available Principal (prior to an Event of Default and enforcement of the General Security Deed)").

The utilisation of funds by the Issuer for these purposes will slow the rate at which principal will be passed through to Noteholders.

**Reinvestment risk on payments received during a Collection Period**

If a prepayment is received on a Series Receivable during a Collection Period, then to the extent it is not applied towards funding Redraws where permitted at any time, then interest will cease to accrue on that part of the Series Receivable

prepaid from the date of the prepayment. The amount repaid will be deposited into the Collection Account or invested in Authorised Investments and may earn interest at a rate less than the then rate on the Series Receivables.

Interest will, however, continue to be payable in respect of the Invested Amount of the Offered Notes until the next Payment Date. Accordingly, this may affect the ability of the Issuer to pay interest in full on the Offered Notes. The Issuer has access to Principal Draws and the amount available under the Liquidity Facility to finance such shortfalls in interest payments to the Noteholders of the Class A1-S Notes, the Class A1-L Notes, the Redraw Notes and the Class AB Notes and, to the extent that such interest payments constitute Required Payments in respect of that Payment Date, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

**The redemption of the Offered Notes on the Call Option Date may affect the return on the Offered Notes**

There is no assurance that the Series Assets will be sufficient to redeem the Offered Notes on a Call Option Date or that the Manager will exercise its discretion and direct the Issuer to redeem the Offered Notes on a Call Option Date.

The Manager has the right under the Issue Supplement to direct the Issuer to sell any or all of the Series Receivables to any person in order to raise sufficient funds to redeem all of the Offered Notes on a Call Option Date at their aggregate Invested Amount.

**Investment in the Offered Notes may not be suitable for all investors**

The Offered Notes are not a suitable investment for any investor that requires a regular or predictable schedule of payments or payment on any specific date. The Offered Notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyse the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

Mortgage-backed securities, like the Offered Notes, usually produce more returns of principal to investors when market interest rates fall below the interest rates on the Series Receivables and produce less returns of principal when market interest rates rise above the interest rates on the Series Receivables. If borrowers refinance their Series Receivables as a result of lower interest rates, Noteholders may receive an unanticipated payment of principal. As a result, Noteholders are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the Offered Notes and are likely to receive less money to reinvest when other investments generally are producing a higher yield than that on the Offered Notes. Noteholders will bear the risk that the timing and amount of payments on the Offered Notes will prevent them from attaining the desired yield.

**Ratings on the Offered Notes**

The credit ratings of the Offered Notes should be evaluated independently from similar ratings on other types of notes or securities. A credit rating by a Rating Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, qualification or withdrawal at any time by the relevant Rating Agency.

A revision, suspension, qualification or withdrawal of the credit rating of the Offered Notes may adversely affect the price of the Offered Notes. In addition, the credit ratings of the Offered Notes do not address the expected timing of principal repayments under the Offered Notes, only the likelihood that principal will be received no later than the Maturity Date. No Rating Agency has been involved in the preparation of this Information Memorandum.

***Risk factors relating to the transaction parties***

**The Manager is responsible for this Information Memorandum**

Except in respect of certain limited information, the Manager takes responsibility for this Information Memorandum, not the Issuer. As a result, in the event that a person suffers loss due to any information contained in this Information Memorandum being inaccurate or misleading, or omitting a material matter or thing, that person will not have recourse to the Issuer or the Series Assets.

**Termination of Appointment of the Manager or the Servicer may affect the collection of the Series Receivables**

The appointment of each of the Manager and the Servicer may be terminated in respect of the Series in certain circumstances. If the appointment of one of them is terminated, a substitute will need to be found to perform the relevant role for the Series.

The retirement or removal of the Manager or the Servicer will only take effect once a substitute has been appointed and has agreed to be bound by the Transaction Documents.

There is no guarantee that such a substitute will be found or that the substitute will be able to perform its duties with the same level of skill and competence as any previous Manager or Servicer (as the case may be).

To minimise the risk of finding a suitable substitute Manager, the Issuer has, subject to certain terms and conditions in the Management Deed, agreed to:

- act as the Manager in respect of the Series from the effective date of retirement or termination of the appointment of the Manager until the appointment of a replacement Manager is complete; or
- call a meeting of Noteholders to give direction to the Issuer in connection with the appointment of a replacement Manager.

Also, to minimise the risks of finding a suitable substitute Servicer, the Standby Servicer has, in the event of retirement or termination of the appointment of the Servicer, agreed to act as the Servicer in respect of the Series subject to and in accordance with the Standby Serving Deed, as described in Section 12.7 (“The Standby Serving Deed”).

**The Servicer may commingle collections on the Series Receivables with its assets**

Before the Disposing Trustee or the Servicer remits Collections to the Collection Account, the Collections may be commingled with the assets of the Disposing Trustee or Servicer. If the Disposing Trustee or the Servicer becomes insolvent, the Issuer may only be able to claim those Collections as an unsecured creditor of the insolvent company. This could lead to a failure to receive the Collections on the

Series Receivables, delays in receiving the Collections, or losses to you.

**The Servicer's ability to change the features of the Series Receivables may affect the payment on the Offered Notes**

The Servicer may initiate certain changes to the Series Receivables. Most frequently, the Servicer will change the interest rate applying to a Series Receivable. In addition, subject to certain conditions, the Servicer may from time to time offer additional features and/or products with respect to the Series Receivables which are not described in this Information Memorandum.

As a result of such changes, the characteristics of the Series Receivables may differ from the characteristics of the Series Receivables at any other time which may affect the timing and amount of payments the Noteholders receive. If the Servicer elects to change certain features of the Series Receivables this could result in different rates of principal repayment on the Offered Notes than initially anticipated and Debtors may elect to refinance their loan with another lender to obtain more favourable features.

If at any time the Servicer elects to fix the interest rate on a Series Receivable, there must either be a Derivative Contract in effect to hedge the interest rate risk to the Issuer arising from the fixed rate of interest payable by the Debtor to the Issuer and the floating rate of interest payable on the Offered Notes (being based on the Bank Bill Rate which will vary from time to time) or the Manager must direct the Issuer to sell the relevant Series Receivable, as described further in Section 5.7 ("Fixed Rate Housing Loans"). The Servicer may only agree to fix the interest rate on a Series Receivable if at that time the aggregate Outstanding Balance of all Series Receivables which are subject to a fixed rate of interest (including the relevant Series Receivable on which the interest rate is to be fixed) is equal to or less than 2% of the aggregate Outstanding Balance of all Series Receivables at that time.

As at the Closing Date, there will be no Derivative Contract in effect in relation to the Series.

If the Manager elects to sell the Series Receivable in these circumstances, this could result in a faster than expected rate of principal repayment on the Offered Notes.

**The availability of various support facilities with respect to payment on the Offered Notes will ultimately be dependent on the financial condition of the support facility provider**

National Australia Bank Limited is acting as Liquidity Facility Provider. Accordingly, the availability of this support facility will ultimately be dependent on the financial strength of National Australia Bank Limited (or any replacement in the event that National Australia Bank Limited resigns or is removed from acting in such capacity and a replacement is appointed).

There are however provisions in the Liquidity Facility Agreement that provide for the replacement of National Australia Bank Limited in its capacity as Liquidity Facility Provider or the posting of collateral or taking of other action by National Australia Bank Limited in the event that the ratings of National Australia Bank Limited are reduced below certain levels provided for in the Liquidity Facility Agreement.

There is no assurance that:

- the Issuer would be able to find a replacement for National Australia Bank Limited in its capacity as Liquidity Facility Provider within the timeframes prescribed in the Liquidity Facility Agreement; or

- (where applicable) National Australia Bank Limited will post collateral in the full amount required under the terms of the Liquidity Facility Agreement.

If National Australia Bank Limited (or any replacement facility provider) encounters financial difficulties which impede or prohibit the performance of its obligations under the Liquidity Facility Agreement, the Issuer may not have sufficient funds to timely pay the full amount of principal and interest due on the Offered Notes.

Similarly, if the Issuer enters into a Derivative Contract in respect of the Series in the future, then the availability of that support facility will ultimately be dependent on the financial strength the relevant Derivative Counterparty (or any replacement in the event that Derivative Counterparty resigns or is removed from acting in such capacity and a replacement is appointed). If that Derivative Counterparty (or any replacement derivative counterparty) encounters financial difficulties which impede or prohibit the performance of its obligations under the relevant Derivative Contract, the Issuer may not have sufficient funds to timely pay the full amount of principal and interest due on the Offered Notes.

**The termination of any Derivative Contract may affect payment on the Offered Notes**

If the Issuer enters into a Derivative Contract in respect of the Series in the future (for example to hedge the interest rate risk to the Issuer arising from the fixed rate of interest payable by Debtors on any Series Receivable) and that Derivative Contract is terminated before the expiry of the derivative transactions under that Derivative Contract, then:

- if any Series Receivables are subject to a fixed rate of interest, Noteholders may be exposed to the risk that the floating rate of interest payable with respect to the Offered Notes will be greater than the fixed rate of interest on those Series Receivables; and

- a termination payment by either the Issuer or the Counterparty may be payable. A termination payment could be substantial.

**Breach of Representation or Warranty**

AFGS will represent and warrant to the Issuer on the Closing Date that each Receivable and Related Security referred to in each Initial Reallocation Notice provided to the Issuer in connection with the acquisition by the Issuer of the Series Receivables is an Eligible Receivable. The Issuer has not investigated or made any enquiries regarding the accuracy of this representation and warranty. AFGS will be required to pay damages to the Issuer for any direct loss suffered by the Issuer in respect of any Series Receivable in respect of which there has been a breach of this representation and warranty. The maximum amount that AFGS is liable to pay with respect to that Series Receivable is the Outstanding Balance of the relevant Series Receivable plus any accrued but unpaid

interest in respect of the Series Receivable at the time of payment of the damages.

***Risk factors relating to the Series Receivables***

**The Series Assets are limited**

The Series Assets consist primarily of the Series Receivables (which are Housing Loans and Related Securities).

If the Series Assets are not sufficient to make payments of interest or principal in respect of the Offered Notes in accordance with the Cashflow Allocation Methodology, then payments to Noteholders will be reduced.

Accordingly a failure by Debtors to make payments on the Series Receivables when due may result in the Issuer having insufficient funds available to it to make full payments of interest and principal to the Noteholders. Consequently, the yield on the Offered Notes could be lower than expected and Noteholders could suffer losses.

**Enforcement of Related Securities may cause delays in payments and losses**

If a Debtor defaults on payments to be made under a Series Receivable and the Servicer seeks to enforce any Related Security and/or sell the Land that is subject to that security, various factors may affect the length of time before the proceeds of sale (if any) are obtained. In such circumstances, the sale proceeds may be less than if the sale was carried out by the Debtor in the ordinary course. Any such delay and any loss incurred as a result of the realised sale proceeds being less than the Outstanding Balance of the relevant Series Receivable and accrued but unpaid interest on that Series Receivable may affect the ability of the Issuer to make payments under the Offered Notes.

**Delinquency and Default rates**

There can be no assurance that delinquency and default rates affecting the Series Receivables will remain in the future at levels corresponding to historic rates for assets similar to the Series Receivables. In particular, if the Australian economy were to experience a downturn, an increase in unemployment, an increase in interest rates or any combination of these factors, delinquencies or default rates on the Series Receivables may increase, which may cause losses on the Offered Notes.

**Mortgage insurance policies may not be available to cover all losses on the applicable Series Receivables**

Mortgage insurance policies cover 7.59% of the Series Receivables pool (by loan balance as of the Cut-Off Date). The mortgage insurance policies are subject to some exclusions from coverage and rights of termination (which differ between each Lender's Mortgage Insurance Contract) that may allow that Mortgage Insurer to reduce a claim or terminate mortgage insurance cover in respect of a Series Receivable in certain circumstances. Any such reduction or termination may affect the ability of the Issuer to pay principal and interest on the Offered Notes.

Furthermore, QBE Lender's Mortgage Insurance Limited is acting as a mortgage insurance provider with respect to approximately 1.40% of the Series Receivables pool (by loan balance as of the Cut-Off Date) and Genworth Financial Mortgage Insurance Pty Ltd is acting as a mortgage insurance provider with respect to approximately 6.18% of the Series Receivables pool (by loan balance as of the Cut-Off Date).

The availability of funds under the Lender's Mortgage Insurance Contracts with these entities will ultimately be dependent on the financial strength of these entities.

Therefore, a Debtor's payments that are expected to be covered by a Lender's Mortgage Insurance Contract may not be covered because of these exclusions or because of financial difficulties impeding a Mortgage Insurer's ability to perform its obligations. There is no guarantee that a Mortgage Insurer will promptly make payment under any Lender's Mortgage Insurance Contract or that the Mortgage Insurer will have the necessary financial capacity to make any such payment at the relevant time.

As well, the rating of the Offered Notes may be adversely affected in the event that a Mortgage Insurer is downgraded by either Rating Agency.

Substantial delays could be encountered in connection with the enforcement of a Series Receivable or Related Security and result in shortfalls in distributions to Noteholders to the extent not covered by a Lender's Mortgage Insurance Contract or if the relevant Mortgage Insurer fails to perform its obligations. Further, enforcement expenses such as legal fees, real estate taxes and maintenance and preservation expenses (to the extent not covered by a Lender's Mortgage Insurance Contract) will reduce the net amounts recoverable by the Issuer from an enforced Receivable or Related Security.

In the event that any of the properties fail to provide adequate security for the relevant Series Receivable, Noteholders could experience a loss to the extent the loss was not covered by a Lender's Mortgage Insurance Contract or if the relevant Mortgage Insurer failed to perform its obligations under the relevant Lender's Mortgage Insurance Contract.

**Payment holidays may result in Investors not receiving their full interest payments**

In respect of certain Series Receivables, if the Debtor prepays principal on his or her loan, the Servicer may permit the Debtor to skip subsequent payments, including interest payments, provided that the Outstanding Balance of the Series Receivable is not less than the Scheduled Balance. If a significant number of Debtors take advantage of this practice at the same time, the Issuer may not have sufficient funds to pay Noteholders the full amount of interest on the Offered Notes on the next Payment Date.

**Because interest accrues on the loans on a simple interest basis, interest payable may be reduced if Debtors pay instalments before scheduled due dates**

Interest accrues on the Series Receivables on a daily simple interest basis, i.e., the amount of interest payable each weekly, bi-weekly or monthly period is based on each daily balance for the period elapsed since interest was last charged to the Debtor. Thus, if a Debtor pays a fixed instalment before its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made may be less than would have been the case had the payment been made as scheduled.

**The expiration of fixed rate interest periods may result in significant repayment increases and hence increased**

If Series Receivables are or become subject to a fixed rate of interest, the fixed rates for those Series Receivables will be set for a shorter time period (generally not more than 5 years) than the life of the loan (up to 30 years). When the Series

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| **Debtor defaults** | Receivable converts to a variable rate or a new fixed rate, prevailing interest rates may result in the scheduled repayments increasing significantly in comparison to the repayments required during the fixed rate term just completed. This may increase the likelihood of Debtor delinquencies. |
| **Geographic concentration** | Section 4.1 ("Pool Receivables Data") contains details of the geographic concentration of the pool of Series Receivables as of the Cut-Off Date. If the Series Assets contain a high concentration of Housing Loans secured by properties located within a single state or region within Australia, any deterioration in the real estate values or the economy of any of those states or regions could result in higher rates of delinquencies, enforcements, foreclosures and loss than expected on the Housing Loans. In addition, these states or regions may experience natural disasters (including, but not limited to, bushfires, cyclones and floods), which may not be fully insured against and which may result in property damage, deterioration in economic conditions in those states or regions and losses on the Housing Loans. For example, in late 2019 and early 2020, severe bushfires affected properties and disrupted activity in various regions of Australia. The effects of the bushfires upon economic conditions in certain of these regions are still being realised. |
| **Receivable pool characteristics** | If the Issuer makes any Redraws then:<br>• the characteristics of the pool of Receivables may be altered; and<br>• the estimated average lives of the Offered Notes may be altered. |
| **Seasoning of Series Receivables** | Section 4.1 ("Pool Receivables Data") contains details of the seasoning of the Series Receivables as of the Cut-Off Date As of that date, some of the Series Receivables may not be fully seasoned and may display different characteristics until they are fully seasoned. As a result, the Series may experience higher rates of defaults than if the Series Receivables had been outstanding for a longer period of time. |
| **The Servicer's ability to set the interest rate on variable-rate Series Receivables may lead to increased delinquencies or prepayments** | The interest rates on the variable-rate Series Receivables are not tied to an objective interest rate index, but are set at the sole discretion of the Servicer. If the Servicer increases the interest rates on the variable-rate Series Receivables, Debtors may be unable to make their required payments under the Series Receivables, and accordingly, may become delinquent or may default on their payments. In addition, if the interest rates are raised above market interest rates, Debtors may refinance their loans with another lender to obtain a lower interest rate. This could cause higher rates of principal prepayment than Noteholders expected and affect the yield on the Offered Notes. |

***Risk factors relating to security***

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| **Enforcement of General Security Deed** | If an Event of Default occurs while any of the Offered Notes are outstanding, the Security Trustee may and, if directed to do so by an Extraordinary Resolution of Voting Secured Creditors, must, declare all amounts outstanding under the Offered Notes immediately due and payable and enforce the |

General Security Deed in accordance with the terms of the General Security Deed and the Master Trust Deed. That enforcement may include the sale of the Series Assets.

No assurance can be given that the Security Trustee will be in a position to sell the Series Assets for a price that is sufficient to repay all amounts outstanding in relation to the Offered Notes and other secured obligations that rank ahead of or equally with the Offered Notes.

Neither the Security Trustee nor the Issuer will have any liability to the Secured Creditors in respect of any such deficiency (except in the limited circumstances described in the Master Trust Deed).

**Personal Property Security regime**

A national personal property securities regime commenced operation throughout Australia on 30 January 2012 pursuant to the Personal Property Securities Act 2009 ("**PPSA**"). The PPSA established a national system for the registration of security interests in personal property and introduced new rules for the creation, priority and enforcement of security interests in personal property.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages over personal property. However, they also include transactions that, in substance, secure payment or performance of an obligation but may not have previously been legally classified as securities. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation - these deemed security interests include assignments of certain monetary obligations.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest to ensure that the security interest has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so, the consequences include the following:

- another security interest may take priority;
- another person may acquire an interest in the assets which are subject to the security interest free of their security interest; and
- they may not be able to enforce the security interest against a grantor who becomes insolvent.

Under the General Security Deed, the Issuer grants a security interest over all the Series Assets in favour of the Security Trustee to secure the payment of moneys owing to the Secured Creditors (including, among others, the Noteholders).

The security granted by the Issuer under the General Security Deed and the reallocation of the Series Receivables from the Disposing Trustee to the Issuer are security interests under the PPSA. The Transaction Documents may also contain other security interests.

Under the General Security Deed, the Issuer has agreed to not

do anything to create any Encumbrances over the Series Assets (other than a Permitted Encumbrance).

However, under Australian law:

- dealings by the Issuer with the Series Assets in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Series Assets free of the security interest created under the General Security Deed or another security interest over such Series Assets has priority over that security interest; and

- contractual prohibitions upon dealing with the Series Assets (such as those contained in the General Security Deed) will not of themselves prevent a third party from obtaining priority or taking such Series Assets free of the security interest created under the General Security Deed (although the Security Trustee would be entitled to exercise remedies against the Issuer in respect of any such breach by the Issuer).

Whether this would be the case, depends upon matters including the nature of the dealing by the Issuer, the particular Series Asset concerned and the agreement under which it arises and the actions of the relevant third party.

There is uncertainty on aspects of the PPSA regime because the PPSA has significantly altered the law relating to secured transactions.

**Voting Secured Creditors must act to effect enforcement of the General Security Deed**

If an Event of Default occurs and is continuing, the Security Trustee must convene a meeting of the Secured Creditors to obtain directions as to what actions the Security Trustee is to take under the General Security Deed and the Master Trust Deed. Any meeting of Secured Creditors will be held in accordance with the terms of the Master Trust Deed. However, for these purposes, only the Voting Secured Creditors are entitled to vote at a meeting of Secured Creditors or to otherwise direct or give instructions or approvals to the Security Trustee in accordance with the Transaction Documents.

Accordingly, if the Voting Secured Creditors have not directed the Security Trustee to do so, enforcement of the General Security Deed will not occur, other than where in the opinion of the Security Trustee, the delay required to obtain instructions from the Voting Secured Creditors would be materially prejudicial to the interests of those Voting Secured Creditors and the Security Trustee has determined to take action (which may include enforcement) without instructions from them.

If at any time there is a conflict between a duty the Security Trustee owes to a Secured Creditor, or a class of Secured Creditor, of the Trust and a duty the Security Trustee owes to another Secured Creditor, or class of Secured Creditor, of the Trust, the Security Trustee must give priority to the duties owing to the Voting Secured Creditors.

***Risk factors relating to legal and regulatory risks and other matters***

**Australian Taxation**

A summary of certain material tax issues is set out in Section 13 ("Australian Taxation").

**Consumer protection laws and codes may affect the timing or amount of interest or principal payments to Noteholders**

**National Consumer Credit Protection Act**

Most of the Series Receivables and Related Securities are regulated by the National Credit Code. The National Credit Code appears in Schedule 1 of the National Consumer Credit Protection Act 2009 ("**NCCP**").

The NCCP incorporates a requirement for providers of credit related services to hold an "Australian credit licence", and to comply with "responsible lending" requirements, including a mandatory "unsuitability assessment" before a loan is made or there is an agreed increase in the amount of credit under a loan.

Obligations under the NCCP extend to the Issuer and its service providers (including the Servicer) in respect of the Series Receivables.

Under the National Credit Code and the NCCP, a debtor, guarantor or mortgagor in respect of a regulated Series Receivable may have the right to apply to a court to, amongst other things:

- obtain an injunction preventing a regulated Series Receivable from being enforced (or any other action in relation to the Series Receivable) if to do so would breach the NCCP;
- obtain compensation to be paid for loss or damage suffered (or likely to be suffered) as a result of a breach of a civil penalty provision or a criminal offence in the NCCP;
- if a credit activity has been engaged in without an Australian credit licence and no relevant exemption applies, obtain an order that the court considers appropriate so that no profiting can be made from the activity, to compensate for loss and to prevent loss. This could include an order declaring a contract, or part of a contract, to be void, varying the contract, refusing to enforce, ordering a refund of money or return of property, payment for loss or damage or being ordered to supply specified services;
- in the case of a debtor, vary the terms of their Series Receivable on the grounds of hardship;
- vary the terms of a loan and related mortgage or guarantee, or a change to such documents, that are considered unjust and reopen the transaction that gave rise to the Series Receivable and any related mortgage, guarantee or charge;
- in the case of a debtor or guarantor, reduce or cancel any interest rate payable on the Series Receivable arising from a change to that rate which is unconscionable;

- have certain provisions of the Series Receivable or Related Security which are in breach of specific provisions of the NCCP declared unenforceable;

- obtain restitution or compensation from the Issuer in relation to any breach of the National Credit Code in relation to a Series Receivable; or

- obtain various remedies for other breaches of the NCCP.

Applications may also be made to relevant external dispute resolution schemes, which have the power to resolve disputes where the amount in dispute is below the relevant threshold. The threshold is currently $1,000,000 for most types of disputes (certain disputes have a higher, and in some cases unlimited, threshold amount) and the Australian Financial Complaints Authority oversees a single scheme for resolution of financial services and superannuation disputes in Australia.

There is no ability to appeal from an adverse determination by the external dispute resolution scheme, including, on the basis of bias, manifest error or want of jurisdiction.

Where a systemic contravention affects contract disclosures across multiple Series Receivables, there is a risk of a representative or class action under which a civil penalty could be imposed in respect of all affected Series Receivable contracts. If borrowers suffer any loss, orders for compensation may be made.

Under the NCCP, ASIC will be able to make an application to vary the terms of a contract or a class of contracts on the above grounds if this is in the public interest (rather than limiting these rights to affected debtors).

Any order described above made by a court or an external dispute resolution scheme may affect the timing or amount of interest, fees or charges or principal repayments under the relevant Series Receivables which may in turn affect the timing or amount of interest or principal payments under the Offered Notes.

Under the terms of the National Credit Code and the NCCP, the Issuer is a “credit provider” with respect to regulated loans, and as such is exposed to civil and criminal liability for certain violations. These include violations caused in fact by the Servicer. The amount of any civil penalty payable by the Issuer may be set off against any amount payable by the debtor under the affected Series Receivable.

The Servicer has indemnified the Issuer for any civil or criminal penalties in respect of National Credit Code or NCCP violations caused by the Servicer. There is no guarantee that the Servicer will have the financial capability to pay any civil or criminal penalties which arise from National Credit Code or NCCP violations.

If for any reason the Servicer does not discharge its obligations to the Issuer, then the Issuer will be entitled to indemnification from the Series Assets. Any such

indemnification may reduce the amounts available to pay interest and repay principal in respect of the Offered Notes.

**Unfair Terms**

The Australian Securities and Investments Commission Act 2001 (Cth) ("**ASIC Act**") contains a national unfair terms regime whereby a term in a financial services standard-form consumer contract with individual that is renewed, varied or entered into after 1 January 2011 will be void if it is "unfair". A term will be "unfair" if it causes a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the legitimate interests of the party who would be advantaged by the term and it would cause detriment (whether financial or otherwise) to a party if applied or relied on. However, the contract will continue to bind the parties if it is capable of operating without the unfair term.

The national unfair terms regime under the ASIC Act has been extended to standard form small business contracts that are renewed, varied or entered into after 12 November 2016. A contract will be a small business contract if, at the time the contract is entered into, at least one party to the contract is a business that employs less than 20 people and the upfront price payable under the contract is:

- $300,000 or less if the contract is less than 12 months; or
- $1,000,000 or less, if the contract is for more than 12 months.

If a provision of any of the Series Receivables is unfair and therefore found to be void, depending on the relevant term, this could have an adverse effect on the ability of the Issuer to recover money from the relevant borrower and consequently to make payments under the Transaction Documents.

**Australian Anti-Money Laundering and Counter-Terrorism Financing Regime and sanctions laws**

The Anti-Money Laundering and Counter-Terrorism Financing Act ("**AML/CTF Act**") regulates the anti-money laundering and counter-terrorism financing obligations of financial services providers (there is also legislation which prevents payments to and transactions in connection with certain sanctioned persons).

The AML/CTF Act regulates the provision of "designated services" by a reporting entity. The designated services listed in the AML/CTF Act include (among other things):

- opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of the account;
- making loans to a borrower or allowing a transaction to occur in respect of that loan in certain circumstances;
- providing a custodial or depositary service;
- issuing, dealing, acquiring, disposing of, cancelling or

redeeming a security in certain circumstances; and

- exchanging one currency for another in certain circumstances.

If an entity provides a designated service it must comply with the obligations contained in the AML/CTF Act. These obligations will include (among other things) undertaking customer identification procedures before a designated service is provided. Generally, until these obligations have been met an entity will be prohibited from providing funds or services to a party or making any payments on behalf of a party. The obligations also include, but are not limited to, conducting on-going customer due diligence and reporting of suspicious and other transactions.

The obligations placed upon an entity could affect the services of an entity or the funds it provides and ultimately may result in a delay or decrease in the amounts received by a Noteholder of Offered Notes.

Australia also implements sanctions laws under the Autonomous Sanctions Act 2011 (Cth) and Charter of the United Nations Act 1945 (Cth) that prohibit a person from entering into certain transactions (such as making a loan or making payments) to persons and entities that have been listed on the Australian sanctions listed maintained by the Department of Foreign Affairs and Trade, or that are controlled, owned or acting at the direction of someone on this list. Australian sanctions laws also prohibit the provision of certain services (including financial services) to sanctioned jurisdictions. Compliance could affect the services of an entity or the funds it provides and ultimately may result in a delay in the amounts received by a Noteholder of Offered Notes.

**European Union Risk Retention & Due Diligence Requirements and other regulatory initiatives**

In Europe, Japan and elsewhere there continue to be increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which (amongst other things) may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, may expose certain investors to the risk of other regulatory sanctions for any failure to comply with such measures, and may thereby affect the liquidity of such securities. Investors in the Offered Notes are responsible for analysing their own regulatory position and none of AFGS, the Retention Vehicles, the Issuer, the Arranger, the Joint Lead Managers or the Manager makes any representation to any prospective investor or purchaser of the Offered Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular investors should be aware of the EU Due Diligence and Retention Rules (as described in Section 2.4 ("EU Due Diligence and Retention Rules")) and the Japan Due Diligence and Retention Rules (as described in Section 2.5 ("Japan Due Diligence and Retention Rules")).

There can be no assurance that the regulatory capital treatment of the Offered Notes for any investor will not be affected by, or that there will not be other regulatory implications arising from, any future implementation of, and changes to, the EU Due Diligence and Retention Rules, the Japan Due Diligence and Retention Rules or other regulatory or accounting changes.

**U.S. Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**") establish a due diligence, reporting and withholding regime. FATCA aims to detect U.S. taxpayers who use accounts with "foreign financial institutions" ("**FFIs**") to conceal income and assets from the U.S. Internal Revenue Service ("**IRS**").

***FATCA withholding***

Under FATCA, a 30% withholding tax may be imposed (i) in respect of certain types of U.S. source payment and (ii) on "foreign passthru payments" (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements ("**FATCA withholding**").

FATCA withholding may be imposed on payments made by the Issuer to (i) an investor that does not provide information sufficient for the Issuer or any other financial institution through which payments on the Offered Notes are made to determine whether the investor is subject to FATCA withholding or (ii) an FFI to or through which payments on the Offered Notes are made is a "non-participating FFI".

FATCA withholding is not expected to apply if, in respect of foreign passthru payments only, the Offered Notes are treated as debt for U.S. federal income tax purposes and the payment is made under a grandfathered obligation, generally being any obligation issued on or before the date that is six months after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register.

In any event, FATCA withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register.

***Australian IGA***

The Australian Government and U.S. Government signed an intergovernmental agreement with respect to FATCA ("**Australian IGA**") on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the Australian IGA ("**Australian IGA Legislation**") and that legislation came into force on 30 June 2014.

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must comply with specific due diligence procedures. In general, these procedures seek to identify their account holders (e.g. the

Noteholders) and provide the Australian Taxation Office ("**ATO**") with information on financial accounts (for example, the Offered Notes) held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the IRS.

A Reporting Australian Financial Institution (which may include the Trust or the Issuer) that complies with its obligations under the Australian IGA will not generally be subject to FATCA withholding on amounts it receives, and will not generally be required to deduct FATCA withholding from payments it makes with respect to the Offered Notes, other than in certain prescribed circumstances.

To the extent amounts paid to or from the Trust are subject to FATCA withholding, it could reduce the amounts available to the Issuer to make payments on the Offered Notes. In the event the Trust or the Issuer was required to deduct FATCA withholding from a payment it makes in respect of the Offered Notes there will be no "gross up" (or any additional amount) payable by way of compensation to any Noteholders for the deducted amount.

As the Issuer may be required to comply with certain obligations as a result of FATCA and the Australian IGA Legislation, each Noteholder may be requested to provide any information and tax documentation, including information concerning the direct or indirect owners of such Noteholder, that the Issuer (at the direction of the Manager) determines are necessary to satisfy such obligations.

Each Noteholder should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

**Common Reporting Standard (CRS)**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Offered Notes) to their local tax authority and follow related due diligence procedures. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS. As a result of these amendments, reporting financial institutions are required to obtain certifications from accountholders in respect of new accounts, including investment in certain securities (which may include the Offered Notes), opened after 30 June 2017. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

**Global financial regulatory reforms may have a negative impact on the Offered Notes**

Changes in the global financial regulation or regulatory treatment of asset-backed securities may negatively impact the regulatory position of affected investors and have an adverse impact on the value and liquidity of asset-backed securities such as the Offered Notes. Each Noteholder should consult with their own legal and investment advisors regarding the potential impact on them and the related compliance

issues.

No assurance can be given that any regulatory reforms will not have a significant adverse impact on the AFG Trusts programme or on the regulation of the Trust, AFGS or any member of the AFG Group.

**Changes of law may impact the structure of the transaction and the treatment of the Offered Notes**

The structure of the transaction and, inter alia, the issue of the Offered Notes and ratings assigned to the Offered Notes are based on Australian law, tax and administrative practice in effect at the date of this Information Memorandum, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Australian law, tax or administrative practice will not change after the Closing Date or that such change will not adversely impact the structure of the transaction and the treatment of the Offered Notes.

**Turbulence in the financial markets and economy may adversely affect the performance and market value of the Offered Notes**

Market and economic conditions during the past several years have caused significant disruption in the credit markets. Increased market uncertainty and instability in both Australian and international capital and credit markets, combined with declines in business and consumer confidence and increased unemployment, have contributed to volatility in domestic and international markets and may negatively affect the Australian housing market.

Such disruptions in markets and credit conditions have had (in some cases), and may continue to have, the effect of depressing the market values of residential mortgage-backed securities, and reducing the liquidity of residential mortgage-backed securities generally.

These factors may adversely affect the performance, marketability and overall market value of the Offered Notes.

**The spread of a new strain of Coronavirus (also known as COVID-19) may adversely affect investors in the Offered Notes**

As has been widely reported in the press, there has been an outbreak of the coronavirus disease known as COVID-19 in China, which has spread to many countries throughout the world including Australia, the United States, the United Kingdom and member states of the European Union. The outbreak has been declared to be a pandemic by the World Health Organization.

This outbreak (and any future outbreaks) of COVID-19 has led (and is likely to continue to lead) to severe disruptions in the global supply chain, market and economies and those disruptions have since intensified and will likely continue for some time. For example, governments worldwide have implemented measures to contain the spread of the virus including travel bans, quarantines, social distancing and restrictions on public gatherings and commercial activity. In Australia this has limited economic activity and may result in a significant economic contraction. The duration of the COVID-19 pandemic and certain associated measures implemented by governments is uncertain.

Instability in Australian and international capital and credit markets, and economies generally arising from COVID-19, may adversely affect the liquidity, performance and/or market value of mortgage-backed securities, including the Offered

Notes.

The circumstances described above could lead to job losses or wage reductions which may adversely affect the ability of Obligors to make timely payments on their Housing Loans. In circumstances where an Obligor has difficulties in making the scheduled payments in respect of its Housing Loan, the Servicer may elect that the Housing Loan to be varied on the grounds of hardship (including to defer scheduled payments of principal and interest on the Housing Loan for an agreed period). Any failure to make scheduled payments by an Obligor, or a variation of the terms of such scheduled payments in respect of a Housing Loan on the grounds of hardship, may affect the ability of the Issuer to make payments, and the timing of those payments, in respect of the Offered Notes.

Furthermore, as a result of the measures described above, many organisations (including courts and federal and state agencies) have either closed or implemented policies requiring some or all of their employees to work at home. These policies are dependent upon a number of factors to be successful, including the proper functioning of external infrastructure and information technology systems which may be out of the control of the organisation. Accordingly, there may be disruptions in routine functions and processes (such as enforcement action) relevant to the servicing and administration of the Housing Loans, which may affect the Servicer's ability to collect amounts owing in respect of the Housing Loans.

There could also be adverse implications for the financial position or credit ratings of support facility providers to the Series or the Mortgage Insurers which in turn could affect the value and return of the Offered Notes in the manner described above (see the sections entitled "The availability of various support facilities with respect to payment on the Offered Notes will ultimately be dependent on the financial condition of the support facility provider" and "Mortgage insurance policies may not be available to cover all losses on the applicable Series Receivables" in this Section 3 ("Risk Factors")).

The Australian Government and the governments of the States and Territories of Australia have announced various stimulus packages to provide relief for consumers and businesses in direct or indirect financial difficulty as a result of COVID-19. However, many of these support measures are only available or scheduled to continue for a particular period of time, and there can be no assurances that any government assistance, including support given directly to borrowers in respect of the Housing Loans, to the Servicer or through the capital or credit markets will be sufficient to alleviate the risks outlined above.

As at the Cut-Off Date, the Indicative Receivables Pool does not contain Housing Loans that are the subject of COVID-19 financial hardship arrangements.

**Ipso facto moratorium**

On 18 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 (Cth) ("**TLA Act**") received Royal Assent.

The TLA Act enacted reform (known as "ipso facto") which varies the enforceability of certain contractual rights against Australian companies which are subject to one of the following insolvency-related procedures ("**Applicable Procedures**"):

(a) an application for a scheme of arrangement for the purpose of avoiding being wound up in insolvency;

(b) the appointment of a managing controller (that is, a receiver or other controller with management functions or powers); or

(c) the appointment of an administrator.

The ipso facto reform deems contractual rights unenforceable if they arise for specified reasons. In effect, the reform imposes a stay or moratorium on the enforcement of contractual rights while the company is subject to the Applicable Procedure (the "**stay**"). The length of the stay depends on the Applicable Procedure and the type of stay concerned.

In summary:

- *Appointment Trigger:* Any right which triggers for the reason of the appointment of administrators, receivers or the proposal of an arrangement or compromise to creditors to avoid being wound up or the Court extends the stay, in insolvency will not be enforceable;

- *Financial Position Protection:* Any rights which arise for the reason of adverse changes in the financial position of a company which is in administration, has receivers appointed or is proposing or subject to a scheme to avoid being wound up in insolvency will not be enforceable. That is, the company has protection as a result of adverse changes in its financial position during the Applicable Procedure. Once the Applicable Procedure has ended, the financial position protection also ends (except in limited exceptions where the company is wound up, in which case the financial position protection continues).

- *Anti-Avoidance:* The Corporations Act (as amended by the TLA Act) contains very broad anti-avoidance provisions. For example:

    - The Corporations Act deems that any contractual provision which is "in substance contrary to" the stay will also be unenforceable; and

    - Any self-executing provision which is expressed to automatically trigger rights otherwise subject to the stay is unenforceable.

The ipso facto reform applies to contracts, agreements or arrangements entered into on or after 1 July 2018. Contracts, agreements or arrangements entered into before 1 July 2023 that are a result of novations or variations of a contract,

agreement or arrangement entered into before 1 July 2018 will not be subject to the stay.

The Corporations Act (as amended by the TLA Act) provides that contracts, agreements or arrangements prescribed in regulations ("**Regulations**") or rights specified in ministerial declarations ("**Rules**") are not subject to the stay. The Regulations prescribe that a right contained in a kind of contract, agreement or arrangement that involves a special purpose vehicle, and that provides for securitisation, is not subject to the stay.

There are still issues and ambiguities in relation to the stay, in respect of which a market view or practice will evolve over time. The scope of the ipso facto reform and its potential effect on the Transaction Documents and Notes remains uncertain.

**The regulation and reform of BBSW may adversely affect the value or liquidity of the Offered Notes**

Interest rate benchmarks (such as the Bank Bill Swap Rate (BBSW)) have been and continue to be the subject of national and international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Offered Notes.

In Australia, examples of reforms that are already effective include the replacement of the Australian Financial Markets Association as BBSW administrator with ASX Limited, changes to the methodology for calculation of BBSW, and amendments to the Corporations Act made by the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 (Cth) which, among other things, enable ASIC to make rules relating to the generation and administration of financial benchmarks. On 6 June 2018, ASIC designated BBSW as a "significant financial benchmark" and made the ASIC Financial Benchmark (Administration) Rules 2018 and the ASIC Financial Benchmarks (Compelled) Rules 2018.

Although many of the Australian reforms were designed to support the reliability and robustness of BBSW, it is not possible to predict with certainty whether, and to what extent, BBSW will continue to be supported or the extent to which related regulations, rules, practices or methodologies may be amended going forward. This may cause BBSW to perform differently than it has in the past, and may have other consequences which cannot be predicted. For example, it is possible that these changes could cause BBSW to cease to exist, to become commercially or practically unworkable, or to become more or less volatile or liquid. Any such changes could have a material adverse effect on the Offered Notes.

Investors should be aware that the RBA has recently expressed a view that calculations of BBSW using 1-month tenors are not as robust as calculations using tenors of 3-months or 6-months, and that users of 1-month tenors such as the securitisation markets should be preparing to use alternative benchmarks such as the RBA cash rate or the 3-month BBSW. If one of these or some other alternative methods of calculating the benchmark reference rate for Australian securitisation transactions becomes standard and

does not apply to the Offered Notes (which currently reference 1-month BBSW), this could have a material adverse effect on the value and/or liquidity of the Offered Notes.

For the purposes of determining payments of interest on the Offered Notes, investors should be aware that the Conditions provide for certain fall back arrangements in the event that BBSW cannot be determined. Investors should also be aware that although the Manager needs to have regard to the comparable indices then available, the Manager retains discretion in connection with the determination of the BBSW fall back rate.

In addition, investors should be aware that, in addition to being used for interest calculations, a rate based on BBSW is also used to determine other payment obligations such as interest payable under the Liquidity Facility and floating amounts payable by any Derivative Counterparty, and that the fall back rates for these payments may not be the same as the fall back rate for payments of interest on the Offered Notes. Any such mismatch may lead to shortfalls in cash flows necessary to support payments on Offered Notes.

Any such fall back rates may also, at the relevant time, be difficult to calculate, be more volatile than originally anticipated or not reflect the funding cost or return anticipated by investors.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by BBSW reforms and the potential for BBSW to be discontinued in making any investment decision with respect to any Offered Notes.

# 4 DESCRIPTION OF THE SERIES RECEIVABLES

## 4.1 Pool Receivables Data

The information in the following tables in this Section 4 sets forth in summary format various details relating to the indicative pool of Receivables ("**Indicative Receivables Pool**") produced on the basis of the information available as at the Cut-Off Date. All amounts have been rounded to the nearest Australian Dollar. The sum in any column may not equal the total indicated due to rounding.

The statistical information provided in the following tables may not reflect the actual pool of Series Receivables to be acquired by the Issuer from the Disposing Trust on the Closing Date under the Initial Reallocation Notice including because Receivables in the Indicative Receivables Pool may be substituted with other eligible Receivables or additional eligible Receivables may be added. For example, a Receivable originally included in the Indicative Receivables Pool may be removed if it is repaid early or if it is determined that the Receivable does not comply with the Eligibility Criteria. Accordingly, the following details are provided for information purposes only.

All amounts in the following tables are expressed in Australian Dollars.

**Pool Information Summary**

| | |
|---|---|
| Total Principal Balance | $699,935,192 |
| Total Number of Housing Loans | 1,512 |
| Total Number of Housing Loans (unconsolidated) | 2,026 |
| Average Housing Loan Principal Balance | $462,920 |
| Maximum Housing Loan Principal Balance | $2,015,365 |
| Weighted Average Current Principal Balance LVR | 66.29% |
| Maximum Current Principal Balance LVR | 90.00% |
| Weighted Average Interest Rate | 3.11% |
| Weighted Average Seasoning (months) | 7.98 |
| Weighted Average Remaining Term (years) | 28.69 |
| Maximum Remaining Term (years) | 30.00 |
| Percentage of Fixed Rate Loans | 0.00% |
| Percentage of Interest Only Loans (including Line of Credit) | 15.18% |
| Percentage of Line of Credit Loans | 0.00% |
| Percentage of First Home Buyer Grants | 6.03% |
| Percentage of COVID-19 Hardship Loans | 0.00% |

**Table 1**

**The Mortgage Pool by Principal Loan Balance**

| Balance Ranges | Number of Loans | Percentage By Loans | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Less than or equal to $50,000 | 7 | 0.46% | $260,154 | 0.04% |
| $50,001 to $100,000 | 14 | 0.93% | $1,090,653 | 0.16% |
| $100,001 to $150,000 | 41 | 2.71% | $5,294,309 | 0.76% |
| $150,001 to $200,000 | 71 | 4.70% | $12,576,561 | 1.80% |
| $200,001 to $250,000 | 113 | 7.47% | $25,629,699 | 3.66% |
| $250,001 to $300,000 | 139 | 9.19% | $38,310,269 | 5.47% |
| $300,001 to $350,000 | 164 | 10.85% | $53,094,665 | 7.59% |
| $350,001 to $400,000 | 170 | 11.24% | $63,899,344 | 9.13% |
| $400,001 to $450,000 | 145 | 9.59% | $61,746,187 | 8.82% |
| $450,001 to $500,000 | 128 | 8.47% | $60,780,427 | 8.68% |
| $500,001 to $550,000 | 106 | 7.01% | $55,729,587 | 7.96% |
| $550,001 to $600,000 | 93 | 6.15% | $53,518,714 | 7.65% |
| $600,001 to $650,000 | 56 | 3.70% | $34,923,636 | 4.99% |
| $650,001 to $700,000 | 49 | 3.24% | $32,988,098 | 4.71% |
| $700,001 to $750,000 | 45 | 2.98% | $32,547,412 | 4.65% |
| $750,001 to $800,000 | 35 | 2.31% | $27,198,204 | 3.89% |
| $800,001 to $850,000 | 22 | 1.46% | $18,258,361 | 2.61% |
| $850,001 to $900,000 | 26 | 1.72% | $22,643,795 | 3.24% |
| $900,001 to $950,000 | 17 | 1.12% | $15,729,114 | 2.25% |
| $950,001 to $1,000,000 | 20 | 1.32% | $19,511,015 | 2.79% |
| $1,000,001 to $1,100,000 | 20 | 1.32% | $21,075,643 | 3.01% |
| $1,100,001 to $1,200,000 | 7 | 0.46% | $7,930,039 | 1.13% |
| $1,200,001 to $1,300,000 | 11 | 0.73% | $13,809,183 | 1.97% |
| $1,300,001 to $1,400,000 | 3 | 0.20% | $4,043,774 | 0.58% |
| $1,400,001 to $1,500,000 | 1 | 0.07% | $1,490,436 | 0.21% |
| Greater than $1,500,000 | 9 | 0.60% | $15,855,914 | 2.27% |
| **Total** | **1,512** | **100.00%** | **$699,935,192** | **100.00%** |

**Table 2**

**The Mortgage Pool by Current LVR**

| LVR Ranges | Number of Loans | Percentage by Loans | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Less than or equal to 50% | 302 | 19.97% | $95,589,442 | 13.66% |
| 50% > and 55% | 83 | 5.49% | $40,072,049 | 5.73% |
| 55% > and 60% | 115 | 7.61% | $56,531,264 | 8.08% |
| 60% > and 65% | 132 | 8.73% | $64,423,793 | 9.20% |
| 65% > and 70% | 211 | 13.96% | $104,340,300 | 14.91% |
| 70% > and 75% | 174 | 11.51% | $92,007,632 | 13.15% |
| 75% > and 80% | 422 | 27.91% | $212,092,451 | 30.30% |
| 80% > and 85% | 19 | 1.26% | $9,175,320 | 1.31% |
| 85% > and 90% | 54 | 3.57% | $25,702,941 | 3.67% |
| Greater than 90% | 0 | 0.00% | $Nil | 0.00% |
| **Total** | **1,512** | **100.00%** | **$699,935,192** | **100.00%** |

**Table 3**

**The Mortgage Pool by Seasoning**

| Number of Months | Number of Loans | Percentage by Loans | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Less than or equal to 3 months | 418 | 20.63% | $141,387,503 | 20.20% |
| 3 months > and 6 months | 476 | 23.49% | $164,737,700 | 23.54% |
| 6 months > and 9 months | 467 | 23.05% | $156,535,150 | 22.36% |
| 9 months > and 12 months | 327 | 16.14% | $121,268,750 | 17.33% |
| 12 months > and 15 months | 140 | 6.91% | $48,864,898 | 6.98% |
| 15 months > and 18 months | 68 | 3.36% | $24,868,452 | 3.55% |
| 18 months > and 21 months | 39 | 1.92% | $17,390,863 | 2.48% |
| 21 months > and 24 months | 26 | 1.28% | $9,677,782 | 1.38% |
| 24 months > and 30 months | 27 | 1.33% | $8,402,450 | 1.20% |
| 30 months > and 36 months | 8 | 0.39% | $2,311,191 | 0.33% |
| 36 months > and 42 months | 5 | 0.25% | $1,263,111 | 0.18% |
| 42 months > and 48 months | 7 | 0.35% | $1,332,482 | 0.19% |
| 48 months > and 54 months | 2 | 0.10% | $651,558 | 0.09% |
| 54 months > and 60 months | 1 | 0.05% | $305,525 | 0.04% |

| | | | | |
|---|---|---|---|---|
| Greater than 60 months | 15 | 0.74% | $937,777 | 0.13% |
| **Total** | **2,026** | **100.00%** | $699,935,192 | **100.00%** |

**Table 4**

**The Mortgage Pool by Geographic Distribution**

| Location | Number of Loans | Percentage by Loans | Loans Value | Percentage by Value |
|---|---|---|---|---|
| NSW | 424 | 28.04% | 216,925,798 | 30.99% |
| ACT | 21 | 1.39% | 10,349,502 | 1.48% |
| VIC | 476 | 31.48% | 228,284,169 | 32.62% |
| QLD | 263 | 17.39% | 118,526,516 | 16.93% |
| WA | 163 | 10.78% | 65,295,368 | 9.33% |
| SA | 148 | 9.79% | 55,160,416 | 7.88% |
| TAS | 12 | 0.79% | 4,196,382 | 0.60% |
| NT | 5 | 0.33% | 1,197,039 | 0.17% |
| **Total** | **1,512** | **100.00%** | **$699,935,192** | **100.00%** |

**Table 5**

**The Mortgage Pool by Geographic Region**

| Location | Number of Loans | Percentage by Loans | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Inner City | 13 | 0.86% | 5,205,061 | 0.74% |
| Metro | 1,107 | 73.21% | 529,121,935 | 75.60% |
| Non Metro | 392 | 25.93% | 165,608,196 | 23.66% |
| **Total** | **1,512** | **100.00%** | **$699,935,192** | **100.00%** |

**Table 6**

**The Mortgage Pool by Loan Documentation Type**

| Documentation Type | Number of Loans | Percentage by Loans | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Full Documentation | 1,512 | 100.00% | 699,935,192 | 100.00% |
| Low Documentation | 0 | 0.00% | $Nil | 0.00% |
| **Total** | **1,512** | **100.00%** | **$699,935,192** | **100.00%** |

**Table 7**

**The Mortgage Pool by Mortgage Insurer**

| Mortgage Insurer | Number of Loans | Percentage by Loans | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Genworth | 134 | 6.61% | 43,287,064 | 6.18% |
| QBE | 29 | 1.43% | 9,826,183 | 1.40% |
| No LMI | 1,863 | 91.95% | 646,821,945 | 92.41% |
| **Total** | **2,026** | **100.00%** | **$699,935,192** | **100.00%** |

**Table 8**

**The Mortgage Pool by Arrears Days**

| Arrears Days | Number of Loans | Percentage by Loans | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Current | 2,022 | 99.80% | 697,867,177 | 99.70% |
| 0 - 30 Days | 4 | 0.20% | 2,068,014 | 0.30% |
| **Total** | **2,026** | **100.00%** | **$699,935,192** | **100.00%** |

**Table 9**

**The Mortgage Pool by Occupancy Type**

| Occupancy Type | Number of Loans | Percentage by Loan | Loan Value | Percentage by Value |
|---|---|---|---|---|
| Owner Occupied | 1,442 | 71.17% | 498,891,800 | 71.28% |
| Investment | 584 | 28.83% | 201,043,392 | 28.72% |
| **Total** | **2,026** | **100.00%** | **$699,935,192** | **100.00%** |

## 5 SERIES ASSETS AND ELIGIBILITY CRITERIA

### 5.1 Acquisition of Series Receivables by Issuer

The Series Assets will primarily consist of the Receivables (Housing Loans and Related Securities) to be acquired by the Issuer from each Disposing Series of the Disposing Trust on the Closing Date pursuant to the Initial Reallocation Notices issued under the Master Trust Deed.

These Receivables were originated by AFGS as agent for (and in the name of) Perpetual Corporate Trust Limited as trustee of the Disposing Trust ("**Disposing Trustee**") under a Master Origination Deed dated 29 October 2010 ("**Master Origination Deed**"). See Section 8 ("The AFG Group") and Section 9 ("Origination and Servicing of the Series Receivables") for more detail regarding the mortgage lending business of the AFG Group and the origination and servicing of the Series Receivables by AFGS.

No further Receivables or Related Securities will be acquired by the Issuer in respect of the Series or the Trust after the Closing Date.

### 5.2 Eligibility Criteria for Series Receivables

A Receivable is an Eligible Receivable if it satisfies the following **Eligibility Criteria** on the Closing Date:

(a) other than a Receivable which is a Line of Credit Loan, the Receivable requires monthly, fortnightly or weekly payments (after an initial interest only period not exceeding 5 years, plus any extended interest only period not exceeding a further 5 years) sufficient to pay interest and fully amortise principal over the term of the Receivable;

(b) the Receivable is denominated and only payable in Australian Dollars;

(c) the Receivable is secured by a:

(i) first ranking registered mortgage; or

(ii) second ranking registered mortgage (where the Issuer is also the first ranking registered mortgagee and the first ranking registered mortgage will also be a Series Asset),

over residential real property (owner occupied or investment);

(d) the Receivable and Related Security are legal, valid, binding and enforceable in accordance with their terms against the relevant Debtor;

(e) each Related Security in respect of the Receivable has been, or will be, stamped with all applicable duty;

(f) the Land secured under the relevant Related Security is located in either New South Wales, Victoria, Queensland, South Australia, Western Australia, the Australian Capital Territory, Tasmania or the Northern Territory;

(g) the Debtor in respect of the Receivable is at least 18 years old (where the Debtor is a natural person);

(h) the funds provided to the Debtor in respect of the Receivable were required to be used for residential purposes (funding an owner-occupied or investment property) or any other purpose as permitted under the Lending Procedures;

(i) the Receivable must have been fully drawn as at the Cut-Off Date (other than a Receivable which is a Line of Credit Loan);

(j) the Outstanding Balance of the Receivable does not exceed $2,250,000;

(k) the Receivable is not in arrears in respect of any payment by more than 30 days as at the Cut-Off Date;

(l) the LVR of the Receivable as at the Cut-Off Date does not exceed 95%;

(m) at the time the Receivable was entered into, the Receivable and Related Security complied in all material respects with all applicable laws (including the NCCP, as applicable);

(n) the maximum term of the Receivable is 30 years from its settlement date and it matures at least 18 months prior to the Maturity Date;

(o) at the time the Receivable was entered into, the Land (including any improvements) secured under the Related Security was insured under an Insurance Policy;

(p) the Receivable is not a construction loan;

(q) the Receivable is governed by the laws of a State or Territory of Australia; and

(r) the Receivable is not a COVID-19 Hardship Loan as at the Cut-off Date.

### 5.3 AFGS's representations and warranties regarding the Receivables

AFGS will represent and warrant to the Issuer on the Closing Date (in respect of each Receivable and Related Security referred to in an Initial Reallocation Notice) that:

(a) each Series Receivable is an Eligible Receivable;

(b) the transfer of each Series Receivable to the Issuer in accordance with the relevant Initial Reallocation Notice and the Master Trust Deed does not contravene any law. Each Series Receivable is transferable in accordance with the relevant Initial Reallocation Notice and the Master Trust Deed and all consents required in relation to the transfer of the Series Receivables to the Issuer free from Encumbrance have been obtained;

(c) there is no fraud, dishonesty, material misrepresentation or negligence on the part of AFGS in connection with the selection and offer to the Issuer of each Series Receivable;

(d) the transfer of the Series Receivables to the Issuer in accordance with the relevant Initial Reallocation Notice and the Master Trust Deed will not be held by a court to be an undervalue transfer, a fraudulent conveyance, or a voidable preference under any law relating to insolvency; and

(e) the Disposing Trustee (in respect of the relevant Disposing Series) is, and the Issuer will be, on the Closing Date, the sole legal and beneficial owner of each Series Receivable.

### 5.4 Remedy for misrepresentations

If AFGS, the Servicer, the Manager or the Issuer becomes aware that any representation or warranty by AFGS described in Section 5.3 ("AFGS's representations and warranties regarding the Receivables") in respect of a Series Receivable is incorrect in a material respect when made, it must give notice (providing all relevant details) to the others within 10 Business Days of becoming aware.

If:

(a) any representation or warranty by AFGS described in Section 5.3 ("AFGS's representations and warranties regarding the Receivables") in respect of a Series Receivable is incorrect in a material respect when made; and

(b) AFGS does not remedy the breach to the satisfaction of the Issuer within 10 Business Days of giving or receiving notice in respect of that Series Receivable (as the case may be) (or any longer period that the Issuer permits),

AFGS must pay damages to the Issuer for any direct loss suffered by the Issuer as a result. The maximum amount which AFGS is liable to pay is the Outstanding Balance plus any accrued but unpaid interest in respect of the Series Receivable at the time of payment of the damages.

### 5.5 Sale of Series Receivables by the Issuer

Prior to the occurrence of an Event of Default, the Issuer (at the direction of the Manager) may sell any or all of the Series Receivables after the Closing Date in certain circumstances. A Series Receivable must only be sold by the Issuer for an amount at least equal to the then Outstanding Balance of that Series Receivable plus any accrued interest on the Series Receivable.

The Manager may only give a direction to the Issuer to sell a Series Receivable in the following circumstances:

(a) the proceeds of the sale together with any Collections held by the Issuer are sufficient to redeem all outstanding Notes in full on a Call Option Date and pay all other Secured Creditors in full and will be used for that purpose;

(b) the sale is in respect of a Series Receivable for which the relevant Debtor has requested that the variable interest rate on that Series Receivable be converted to a fixed rate of interest and:

  (i) the Servicer notifies the Manager that it proposes to consent to such conversion; and

  (ii) the Manager forms the view that the Servicer is prohibited from consenting to that conversion on the basis described in Section 5.7 (“Fixed Rate Housing Loans”) below;

(c) the sale is in respect of a Series Receivable for which the relevant Debtor has requested that a Further Advance be provided in respect of that Housing Loan and the Servicer has notified the Manager that it proposes to consent to the making of such Further Advance; or

(d) the sale is in respect of a Series Receivable for which the relevant Debtor has requested that a Redraw be provided in respect of that Series Receivable and:

  (i) the Servicer has notified the Manager that it proposes to consent to the making of such Redraw; and

  (ii) the Manager has formed the view that it is not entitled to direct the Issuer to fund that Redraw in accordance with Section 11.2 (“Distributions during a Collection Period”) or Section 11.5 (“Application of Total Available Principal (prior to an Event of Default and enforcement of the General Security Deed)”).

However, the Manager must not give a direction to the Issuer to sell a Series Receivable if this would result in the weighted average rate on the Series Receivables being less than the Threshold Rate.

The proceeds received by the Issuer from a sale of any Series Receivables as described in this section will form part of Collections available for distribution to the Noteholders and other Secured Creditors in accordance with the Cashflow Allocation Methodology on the Payment Date following the end of the Collection Period in which those proceeds are received.

### 5.6 Setting the Threshold Rate

The Manager is required calculate the Threshold Rate for the Series Receivables on each Payment Date.

The Manager must, on each Payment Date, direct the Servicer to reset or cause to be reset, and the Servicer must upon such direction reset or cause to reset, as soon as possible (having regard to the National Consumer Credit Protection Laws), the interest rates on any one or more Series Receivables so that the weighted average interest rate on the Series Receivables is not less than the Threshold Rate.

However the Manager need not give such a direction to the Servicer if an aggregate amount equal to the Threshold Rate Subsidy has been:

(a) deposited by the Manager into the Collection Account in Cleared Funds by 2.00pm on that Payment Date; and/or

(b) allocated from Total Available Income on that Payment Date in accordance with Section 11.12(t) ("Application of Total Available Income (prior to an Event of Default)").

The Servicer is required to comply with any directions from the Manager in relation to the Threshold Rate as described above in this Section 5.6 ("Setting the Threshold Rate").

### 5.7 Fixed Rate Housing Loans

The Servicer must not fix the interest rate payable on a Series Receivable unless the Servicer has notified the Manager prior to fixing the interest rate payable on that Series Receivable and:

(a) at that time the aggregate Outstanding Balance of all Series Receivables which are subject to a fixed rate of interest (including the relevant Series Receivable on which the interest rate is to be fixed) is equal to or less than 2.0% of the aggregate Outstanding Balance of all Series Receivables at that time; and

(b) either:

(i) the Manager procures that the Issuer and a counterparty enter into an appropriate and corresponding Derivative Contract in respect of that Series Receivable (in respect of which a Rating Notification has been provided prior to the entry into that Derivative Contract) prior to the date on which the fixed interest rate is to take effect and:

(A) the swap margin in respect of that Derivative Contract for that Series Receivable; and

(B) the Fixed WAM,

in each case is not less than 2.0% (or such higher percentage as may be required to ensure no Adverse Rating Effect will result from the fixing of the interest rate on that Series Receivable); or

(ii) the Manager gives a direction to the Issuer to sell that Series Receivable prior to the date on which the fixed interest rate is to takes effect.

For these purposes, the "**Fixed WAM**" means, at any time, the percentage equal to:

- the weighted average of the fixed rate of interest payable under all Series Receivables which are subject to a fixed rate of interest at that time; minus
- the weighted average of the fixed swap rate set under each Derivative Contract entered into by the Issuer in accordance with this Section 5.7.

### 5.8 Redraws and Further Advances

***Redraws***

The Servicer must not consent to a request by a Debtor for a Redraw in respect of a Series Receivable unless the Manager has given its prior written consent and has directed the Issuer to fund the Redraw. The Manager may only direct the Issuer to fund a Redraw if:

(a) a Redraw Trigger is not then subsisting; and

(b) the Manager has determined that the aggregate of:

(i) any funds standing to the credit of the Redraw Reserve Account which are available to be applied to fund that Redraw; and

(ii) any funds which the Manager is entitled to direct the Issuer to apply to fund that Redraw in accordance with Section 11.2 ("Distributions during a Collection Period") or Section 11.5 ("Application of Total Available Principal (prior to an Event of Default and enforcement of the General Security Deed") as applicable,

is sufficient to fund that Redraw.

***Redraw Notes***

If the Manager wishes to consent to a Redraw but cannot do so on the basis that it reasonably forms the view that the Available Principal available to applied to fund Redraws in accordance with Section 11.2 ("Distributions during a Collection Period") will be less than the Manager's estimate of the amounts required to fund such Redraws (a "**Redraw Shortfall**"), the Manager may (in its discretion) direct the Issuer to issue Redraw Notes with such aggregate Invested Amount as may be determined by the Manager having regard to the Redraw Shortfall.

However, the Manager may only direct the Issuer to issue Redraw Notes if:

(a) the Manager reasonably forms the view that the aggregate Invested Amount of all Redraw Notes immediately after the issue of such Redraw Notes will not exceed the Redraw Note Limit;

(b) a Rating Notification has been provided in respect of the issuance of Redraw Notes; and

(c) a Redraw Trigger is not then subsisting.

The Issuer must, if directed by the Manager, deposit the issue proceeds of Redraw Notes into the Redraw Reserve Account.

***Redraw Reserve Account***

The Manager must establish the Redraw Reserve Account on or before the first day on which Redraw Notes are issued. The balance of the Redraw Reserve Account will be applied by the Issuer, at the direction of the Manager, from time to time as follows:

(a) if there is insufficient Available Principal to fund Redraws that the Manager would otherwise consent to in accordance with Section 11.2 ("Distributions during a Collection Period"), to fund such Redraws; and

(b) if a Redraw Trigger occurs, by allocating on the next Determination Date the balance of the Redraw Reserve Account to Total Available Principal.

***Further Advances***

The Servicer must not consent to a request by a Debtor for a Further Advance in respect of a Series Receivable. However, if a Debtor requests a Further Advance and the Servicer wishes to agree to that request, the Manager may direct the Issuer to sell the Series Receivable as described in Section 5.5 ("Sale of Series Receivables by the Issuer").

## 6 CONDITIONS OF THE NOTES

The following is a summary of the terms and conditions of the Notes. The complete terms and conditions of the Notes are set out in the Note Deed Poll and in the event of a conflict the terms and conditions set out in the Note Deed Poll will prevail.

### *1 INTERPRETATION*

#### *1.1 Definitions*

*In these conditions these meanings apply unless the contrary intention appears. Terms used in these conditions which are defined in Section 15 ("Glossary") but which are not otherwise defined below have the meaning given to them in Section 15 ("Glossary").*

***Austraclear** means Austraclear Limited (ABN 94 002 060 773).*

***Austraclear System** means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system.*

***Clearing System** means:*

*(a) the Austraclear System; or*

*(b) any other clearing system specified in the Issue Supplement.*

***Day Count Fraction** means, for the purposes of the calculation of interest for any period, the actual number of days in the period divided by 365.*

***Interest Rate** means, for a Note, the interest rate (expressed as a percentage rate per annum) for that Note determined in accordance with condition 6.3 ("Interest Rate").*

***Margin** means:*

*(a) for a Class A1-S Note, 0.95% per annum;*

*(b) for a Class A1-L Note, 1.45% per annum;*

*(c) for a Class AB Note, 2.05% per annum;*

*(d) for a Class B Note, 2.50% per annum;*

*(e) for a Class C Note, 3.20% per annum;*

*(f) for a Class D Note, 4.10% per annum;*

*(g) for a Class E Note, 6.50% per annum;*

*(h) for a Class F Note, such percentage rate per annum as is notified by the Manager to the Issuer prior to the issue of that Class F Note; and*

*(i) for a Redraw Note, such percentage rate per annum as is notified by the Manager to the Issuer prior to the issue of that Redraw Note.*

***Maturity Date** means the Payment Date occurring in January 2052.*

***Record Date** means, for a payment due in respect of a Note of the Series, the Business Day immediately preceding the relevant Payment Date.*

***Specified Office** means the address of the Issuer specified in the Note Deed Poll or any other address notified to Noteholders from time to time.*

### *1.2 General*

*Clauses 1.2 ("References to certain general terms") to 1.5 ("Capacity") of the Master Definitions Schedule apply to these conditions.*

### *1.3 References to time*

*Unless the contrary intention appears, in these conditions a reference to a time of day is a reference to Sydney time.*

### *1.4 Business Day Convention*

*Unless the contrary intention appears, in these conditions a reference to a particular date is a reference to that date adjusted in accordance with the Business Day Convention.*

## *2 GENERAL*

### *2.1 Issue Supplement*

*Notes are issued on the terms set out in these conditions and the Issue Supplement. If there is any inconsistency between these conditions and Issue Supplement, the Issue Supplement prevails.*

*Notes are issued in 9 classes:*

*(a) Class A1-S Notes;*

*(b) Class A1-L Notes;*

*(c) Class AB Notes;*

*(d) Class B Notes;*

*(e) Class C Notes;*

*(f) Class D Notes;*

*(g) Class E Notes;*

*(h) Class F Notes; and*

*(i) Redraw Notes.*

### *2.2 Currency*

*Notes are denominated in Australian Dollars.*

### *2.3 Clearing Systems*

*Notes may be held in a Clearing System. If Notes are held in a Clearing System, the rights of each Noteholder and any other person holding an interest in those Notes are subject to the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.*

## *3 FORM*

### *3.1 Constitution*

*Notes are debt obligations of the Issuer constituted by, and owing under, the Note Deed Poll and the Issue Supplement.*

### *3.2 Registered form*

*Notes are issued in registered form by entry in the Register.*

*No certificates will be issued in respect of any Notes unless the Manager determines that certificates should be issued or they are required by law.*

### *3.3 Effect of entries in Register*

*Each entry in the Register in respect of a Note constitutes:*

*(a) an irrevocable undertaking by the Issuer to the Noteholder to:*

*(i) pay principal, any interest and any other amounts payable in respect of the Note in accordance with these conditions; and*

*(ii) comply with the other conditions of the Note; and*

*(b) an entitlement to the other benefits given to the Noteholder in respect of the Note under these conditions.*

### *3.4 Register conclusive as to ownership*

*Entries in the Register in relation to a Note are conclusive evidence of the things to which they relate (including that the person entered as the Noteholder is the owner of the Note or, if two or more persons are entered as joint Noteholders, they are the joint owners of the Note) subject to correction for fraud, error or omission.*

### *3.5 Non-recognition of interests*

*Except as ordered by a court of competent jurisdiction or required by law, the Issuer must treat the person whose name is entered as the Noteholder of a Note in the Register as the owner of that Note.*

*No notice of any trust or other interest in, or claim to, any Note will be entered in the Register. The Issuer need not take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by law.*

*This condition applies whether or not a Note is overdue.*

### *3.6 Joint Noteholders*

*If two or more persons are entered in the Register as joint Noteholders of a Note, they are taken to hold the Note as joint tenants with rights of survivorship. However, the Issuer is not bound to register more than four persons as joint Noteholders of a Note.*

### *3.7 Register conclusive as to ownership*

*On providing reasonable notice to the Registrar, a Noteholder will be permitted, during business hours, to inspect the Register. A Noteholder is entitled to inspect the Register only in respect of information relating to that Noteholder.*

*The Registrar must make a certified copy of the Register available to a Noteholder upon request by that Noteholder within one Business Day of receipt of the request.*

### *3.8 Notes not invalid if improperly issued*

*No Note is invalid or unenforceable on the ground that it was issued in breach of the Note Deed Poll or any other Transaction Document.*

### *3.9 Location of the Notes*

*The property in the Notes for all purposes is situated where the Register is located.*

## *4 STATUS*

### *4.1 Status*

*Notes are direct, secured, limited recourse obligations of the Issuer.*

### *4.2 Security*

*The Issuer's obligations in respect of the Notes are secured under the General Security Deed.*

### *4.3 Ranking*

*The Notes of each class rank equally amongst themselves.*

*The classes of Notes rank against each other in the order set out in the Issue Supplement.*

## *5 TRANSFER OF NOTES*

### *5.1 Transfer*

*Noteholders may only transfer Notes in accordance with the Master Trust Deed, the Issue Supplement and these conditions.*

### *5.2 Title*

*Title to Notes passes when details of the transfer are entered in the Register.*

### *5.3 Transfers in whole*

*Notes may only be transferred in whole.*

### *5.4 Compliance with laws*

*Notes may only be transferred if:*

*(a) the offer or invitation giving rise to the transfer is not:*

*(i) an offer or invitation which requires disclosure to investors under Part 6D.2 of the Corporations Act; or*

*(ii) an offer to a retail client for the purposes of Chapter 7 of the Corporations Act; and*

*(b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.*

### *5.5 Transfer procedures*

*Interests in Notes held in a Clearing System may only be transferred in accordance with the rules and regulations of the Clearing System. Notes which are not held in a Clearing System may be transferred by sending a transfer form to the Specified Office of the Registrar.*

*To be valid, a transfer form must be:*

*(a) in the form set out in Schedule 2 of the Note Deed Poll;*

*(b) duly completed and signed by, or on behalf of, the transferor and the transferee; and*

*(c) accompanied by any evidence the Issuer may require to establish that the transfer form has been duly signed.*

*No fee is payable to register a transfer.*

***5.6 No transfers to unincorporated associations***

*Noteholders may not transfer Notes to an unincorporated association.*

***5.7 Transfers of unidentified Notes***

*If a Noteholder transfers some but not all of the Notes it holds and the transfer form does not identify the specific Notes transferred, the Registrar may choose which Notes registered in the name of Noteholder have been transferred. However, the aggregate Invested Amount of the Notes registered as transferred must equal the aggregate Invested Amount of the Notes expressed to be transferred in the transfer form.*

***6 INTEREST***

***6.1 Interest on Notes***

*Each Note bears interest:*

*(a) (subject to paragraph (b)) on its Invested Amount at its Interest Rate, as provided in condition 6.4 ("Calculation of interest payable on the Notes") from (and including) its Issue Date to (but excluding) its Maturity Date, or, if earlier, the date on which the Note is redeemed in accordance with condition 8.6 ("Final Redemption"); or*

*(b) on its Stated Amount if the Stated Amount of that Note is zero.*

***6.2 Interest Rate determination***

*The Calculation Agent must determine the Interest Rate for the Notes for an Interest Period in accordance with these conditions and the Issue Supplement.*

*The Interest Rate must be expressed as a percentage rate per annum.*

***6.3 Interest Rate***

*(a) The Interest Rate for a Class A1-S Note, a Class A1-L Note and a Class AB Note:*

*(i) for each Interest Period ending on or prior to the first Call Option Date is the sum of:*

*(A) the relevant Margin; and*

*(B) the Bank Bill Rate,*

*for that Note and that Interest Period;*

*(ii) for each Interest Period ending after the first Call Option Date is the sum of:*

*(A) the relevant Margin;*

*(B) the relevant Step-Up Margin; and*

*(C) the Bank Bill Rate,*

*for that Note and that Interest Period.*

*(b) The Interest Rate for a Class B Note, a Class C Note, a Class D Note, a Class E Note, a Class F Note and a Redraw Note for each Interest Period is the sum of:*

*(i) the relevant Margin; and*

*(ii) the Bank Bill Rate,*

*for that Note and that Interest Period.*

*(c) If a calculation of an Interest Rate in respect of a Note for an Interest Period under this condition 6.3 produces a rate of less than zero percent, the Interest Rate in respect of that Note for that Interest Period will be zero percent.*

***6.4 Calculation of interest payable on Notes***

*As soon as practicable after determining the Interest Rate for any Note for an Interest Period, the Calculation Agent must calculate the amount of interest payable on that Note for the Interest Period in accordance with condition 6.1 ("Interest on Notes").*

*The amount of interest payable on a Note is calculated by multiplying the Interest Rate for the Interest Period, the Invested Amount of the Note (as at the first day of that Interest Period) and the Day Count Fraction.*

***6.5 Notification of Interest Rate and other things***

*If any Interest Period or calculation period changes, the Calculation Agent may amend its determination or calculation of any rate, amount, date or other thing. If the Calculation Agent amends any determination or calculation, it must notify the Issuer and the Manager. The Calculation Agent must give notice as soon as practicable after amending its determination or calculation.*

***6.6 Determination and calculation final***

*Except where there is an obvious or manifest error, any determination or calculation the Calculation Agent makes in accordance with these conditions is final and binds the Issuer and each Noteholder.*

***6.7 Rounding***

*For any determination or calculation required under these conditions:*

*(a) all percentages resulting from the determination or calculation must be rounded to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.); and*

*(b) all amounts that are due and payable resulting from the determination or calculation must be rounded (with halves being rounded up) to:*

*(i) in the case of Australian Dollars, one cent; and*

*(ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency; and*

*(c) all other figures resulting from the determination or calculation must be rounded to five decimal places (with halves being rounded up).*

***6.8 Default interest***

*If the Issuer does not pay an amount under this condition 6 ("Interest") on the due date, then the Issuer agrees to pay interest on the unpaid amount at the last applicable Interest Rate.*

*Interest payable under this condition accrues daily from (and including) the due date to (but excluding) the date the Issuer actually pays and is calculated using the Day Count Fraction.*

### *6.9 Interpolation*

*In respect of the first Interest Period for a Note, but only if that Interest Period is longer than one calendar month, the Calculation Agent must determine the Interest Rate for that Interest Period using straight line interpolation by reference to two Bank Bill Rates.*

*The first rate must be determined on the first day of that Interest Period in accordance with the definition of Bank Bill Rate in condition 1.2 ("Definitions").*

*The second rate must be determined on the first day of that Interest Period as if the reference to "one month" in the definition of Bank Bill Rate in condition 1.2 ("Definitions") were a reference to "two months".*

## *7 ALLOCATION OF CHARGE-OFFS*

*The Issue Supplement contains provisions for:*

*(a) allocating Charge-Offs to the Notes and reducing the Stated Amount of the Notes; and*

*(b) reinstating reductions in the Stated Amount of the Notes.*

## *8 REDEMPTION*

### *8.1 Redemption of Notes on Maturity Date*

*The Issuer agrees to redeem each Note on the Maturity Date by paying to the Noteholder the Invested Amount for the Note plus all accrued and unpaid interest on the Note up to the Maturity Date and any other amount payable but unpaid with respect to the Note. However, the Issuer is not required to redeem a Note on the Maturity Date if the Issuer redeems the Note before the Maturity Date.*

### *8.2 Redemption of Notes – Call Option*

*(a) The Manager may (at its option) direct the Issuer to redeem all (but not some only) of the Notes before the Maturity Date and upon receipt of such direction the Issuer must redeem the Notes by paying to the Noteholders the Redemption Amount for the Notes.*

*(b) The Manager may only direct the Issuer to redeem the Notes under this condition 8.2 if the proposed redemption date is a Call Option Date. The Manager agrees to direct the Issuer to give notice of the proposed redemption under this condition 8.2, at least 10 days before the proposed redemption date, to the Registrar and the Noteholders and any stock exchange on which the Notes are listed.*

### *8.3 Redemption for taxation reasons*

*(a) If the Issuer is required under condition 10.2 ("Withholding tax") (in respect of the Notes) to deduct or withhold an amount in respect of Taxes (excluding any FATCA Withholding Tax) from a payment in respect of a Note the Manager may (at its option) direct the Issuer to redeem all (but not some only) of the Notes and upon receipt of such direction the Issuer must redeem the Notes by paying to the Noteholders the Redemption Amount for the Notes.*

*(b) The Manager agrees to direct the Issuer to give notice of the proposed redemption under this condition 8.3, at least 10 days before the proposed redemption date (which must be a Payment Date), to the Registrar and the Noteholders and any stock exchange on which the Notes are listed.*

***8.4 Payment of principal in accordance with Issue Supplement***

*Payments of principal on each Note will be made in accordance with the Issue Supplement.*

***8.5 Late payments***

*If the Issuer does not pay an amount under this condition 8 ("Redemption") on the due date, then the Issuer agrees to pay interest on the unpaid amount at the last applicable Interest Rate.*

*Interest payable under this condition accrues daily from (and including) the due date to (but excluding) the date the Issuer actually pays and is calculated using the Day Count Fraction.*

***8.6 Final Redemption***

*A Note will be finally redeemed, and the obligations of the Issuer with respect to the payment of the Invested Amount of that Note will be finally discharged, on the date upon which the Invested Amount of that Note is reduced to zero.*

***9 PAYMENTS***

***9.1 Payments to Noteholders***

*The Issuer agrees to pay:*

*(a) interest and amounts of principal (other than a payment due on the Maturity Date), to the person who is the Noteholder at the close of business in the place where the Register is maintained on the Record Date; and*

*(b) amounts due on the Maturity Date to the person who is the Noteholder at 4.00pm in the place where the Register is maintained on the due date.*

***9.2 Payments to accounts***

*The Issuer agrees to make payments in respect of a Note:*

*(a) if the Note is held in a Clearing System, by crediting on the Payment Date, the amount due to the account previously notified by the Clearing System to the Issuer and the Registrar in accordance with the Clearing System's rules and regulations in the country of the currency in which the Note is denominated; and*

*(b) if the Note is not held in a Clearing System, subject to condition 9.3 ("Payments by cheque"), by crediting on the Payment Date the amount due to an account previously notified by the Noteholder to the Issuer and the Registrar in the country of the currency in which the Note is denominated.*

***9.3 Payments by cheque***

*If a Noteholder has not notified the Issuer of an account to which payments to it must be made by close of business in the place where the Register is maintained on the Record Date, the Issuer may make payments in respect of the Notes held by that Noteholder by cheque.*

*If the Issuer makes a payment in respect of a Note by cheque, the Issuer agrees to send the cheque by prepaid ordinary post on the Business Day immediately before the due date to the Noteholder (or, if two or more persons are entered in the Register as joint Noteholders of the Note, to the first named joint Noteholder) at its address appearing in the Register at close of business in the place where the Register is maintained on the Record Date.*

*Cheques sent to a Noteholder are sent at the Noteholder's risk and are taken to be received by the Noteholder on the due date for payment. If the Issuer makes a payment in respect of a Note by cheque, the Issuer is not required to pay any additional amount (including under*

*condition 8.5 ("Late payments")) as a result of the Noteholder not receiving payment on the due date.*

### *9.4 Payments subject to law*

*All payments are subject to applicable law. However, this does not limit condition 10 ("Taxation").*

## *10 TAXATION*

### *10.1 No set-off, counterclaim or deductions*

*The Issuer agrees to make all payments in respect of a Note in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless such withholding or deduction is made under or in connection with, or to ensure compliance with, FATCA or is required by law.*

### *10.2 Withholding tax*

*If a law (including FATCA) requires the Issuer to withhold or deduct an amount in respect of Taxes (including, without limitation, any FATCA Withholding Tax) from a payment in respect of a Note, then (at the direction of the Manager):*

*(a) the Issuer agrees to withhold or deduct the amount; and*

*(b) the Issuer agrees to pay an amount equal to the amount withheld or deducted to the relevant authority in accordance with applicable law.*

*The Issuer is not liable to pay any additional amount to the Noteholder in respect of any such withholding or deduction (including, without limitation, any FATCA Withholding Tax).*

## *11 TIME LIMIT FOR CLAIMS*

*A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.*

## *12 GENERAL*

### *12.1 Role of Calculation Agent*

*In performing calculations under these conditions, the Calculation Agent is not an agent or trustee for the benefit of, and has no fiduciary duty to or other fiduciary relationship with, any Noteholder. Whenever the Calculation Agent is required to act, make a determination or exercise judgement in any way, it will do so in good faith and in a commercially reasonable manner.*

### *12.2 Meetings of Secured Creditors*

*The Master Trust Deed contains provisions for convening meetings of the Secured Creditors to consider any matter affecting their interests, including any variation of these conditions.*

## *13 NOTICES*

### *13.1 Notices to Noteholders*

*All notices and other communications to Noteholders must be in writing and must be:*

*(a) sent by prepaid post (airmail, if appropriate) to the address of the Noteholder (as shown in the Register at close of business in the place where the Register is*

*maintained on the day which is 3 Business Days before the date of the notice or communication);*

*(b) given by an advertisement published in:*

*(i) the Australian Financial Review or The Australian; or*

*(ii) if the Issue Supplement specifies an additional or alternate newspaper, that additional or alternate newspaper;*

*(c) posted on an electronic source approved by the Manager and generally accepted for notices of that type (such as Bloomberg or Reuters);*

*(d) distributed through the Clearing System in which the Notes are held' or*

*(e) if the relevant Notes are listed, announced on the stock exchange on which those Notes are listed.*

### *13.2 When effective*

*Communications take effect from the time they are received or taken to be received (whichever happens first) unless a later time is specified in them.*

### *13.3 When taken to be received*

*Communications are taken to be received:*

*(a) if published in a newspaper, on the first date published in all the required newspapers;*

*(b) if sent by post, seven Business Days after posting (or eleven Business Days after posting if sent from one country to another); or*

*(c) if posted on an electronic source, distributed through a Clearing System or announced on a stock exchange, on the date of such posting, distribution or announcement (as applicable).*

## *14 GOVERNING LAW*

### *14.1 Governing law and jurisdiction*

*These conditions are governed by the law in force in New South Wales. The Issuer and each Noteholder submit to the non-exclusive jurisdiction of the courts of that place.*

### *14.2 Serving documents*

*Without preventing any other method of service, any document in any court action in connection with any Notes may be served on the Issuer by being delivered to or left at the Issuer's address for service of notices in accordance with clause 42 ("Notices") of the Master Trust Deed.*

## *15 LIMITATION OF LIABILITY*

*The Issuer's liability to the Noteholders of the Series (and any person claiming through or under a Noteholder of the Series) in connection with the Note Deed Poll and the other Transaction Documents of the Series is limited in accordance with clause 21.3 ("Limited liability of the Trustee") of the Master Trust Deed.*

## 7 GENERAL INFORMATION

### *Use of Proceeds*

The proceeds from the issue and sale of the Offered Notes on the Closing Date will be $700,000,000.

On the Closing Date the Issuer will apply the proceeds of the Offered Notes issued on the Closing Date towards payment of the purchase price for the Series Receivables and Related Securities. If the aggregate proceeds from the issue of those Notes on the Closing Date exceed the purchase price for the Series Receivables and Related Securities, the amount of such excess will form part of Total Available Principal in respect of the first Determination Date.

The Issuer may apply the proceeds of the issue of any Redraw Notes after the Closing Date towards funding Redraws as described in Section 5.8 ("Redraws and Further Advances").

### *Clearing Systems*

The Issuer will apply to Austraclear for approval for the Offered Notes to be traded on the Austraclear system. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of the Offered Notes.

Once the Offered Notes are lodged in the Austraclear system, transactions in the Offered Notes will be subject to the regulations of Austraclear ("**Austraclear Regulations**").

Transactions relating to interests in the Offered Notes may also be carried out through Euroclear or Clearstream, Luxembourg.

Interests in the Offered Notes traded in the Austraclear system may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Offered Notes in Euroclear would be held in the Austraclear system by a nominee of Euroclear while entitlements in respect of holdings of interests in Offered Notes in Clearstream, Luxembourg would be held in the Austraclear system by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in an Offered Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearsteam, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the Austraclear Regulations.

AFGS will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees and their participants and the investors.

### *Approvals*

Regulations in Australia restrict or prohibit payments, transactions and dealings with assets having a prescribed connection with certain countries or named individuals or entities subject to international sanctions or associated with terrorism. See section 3 ("Risk Factors - Australian Anti-Money Laundering and Counter-Terrorism Financing Regime and sanctions laws").

## 8 THE AFG GROUP

AFGS is a wholly owned subsidiary of Australian Finance Group Limited (**AFGL**). AFGL is an Australian incorporated public company listed on the Australian Securities Exchange with its head office located in Perth, and 'sales offices' located in Sydney, Melbourne, Brisbane and Adelaide. Its Perth Sales office is included as part of the head office.

AFGL commenced business in 1994 and its traditional core business has been that of mortgage broking aggregator. AFGL now operates through a network of over 2,975 contracted brokers (**Member Brokers**). AFGL's residential loan book, or residential loans under management, totals in excess of $151.7 billion, with a further $8.3 billion loan book relating to commercial mortgages, again originated through contracted brokers.

This combined $160.0 billion loan book linked with major banks and leading lending institutions has provided strong and reliable cash flow which in turn has underwritten the expansion of the AFG Group from being simply a Mortgage Broking Aggregator. In 2001, the AFG Group made the strategic decision to move further up the value chain and also leverage some of the distribution capability it had developed in the years since commencing business. A mortgage management business, AFG Home Loans Pty Ltd (**AFGHL**) principally funded by Puma and Bendigo Adelaide Bank Limited and ultimately ING was commenced. This has now developed into a white label origination program with AFGS, Advantedge Financial Services Pty Ltd, Bendigo and Adelaide Bank Ltd and Pepper Group Ltd and grown to a loan book of approximately $9.8 billion. This business has enabled the AFG Group to gain experience in credit, post settlement care and arrears management.

In 2007, with the capability within the AFGHL business proven, AFGS commenced operations to facilitate the further evolution of this arm of the wider AFG business. Whilst the onset of the Global Financial Crisis curtailed new originations, a new warehouse facility was negotiated with NAB in 2010 and since this time AFGS has grown originations whilst ensuring that the residential mortgage assets being accumulated were capable of being accepted in the wider investor market. In March 2013, AFGS completed its inaugural term securitisation transaction (AFG 2013-1 Trust), successfully raising $275 million. Subsequent to this March transaction a further term securitisation transaction (AFG 2013-2 Trust) totalling $300 million was undertaken in October 2013. Recognising the importance of warehouse providers to its overall business strategy, in December 2013 AFGS added ANZ as a warehouse provider. In recent years AFG has completed a further six term transactions (AFG 2014-1, AFG 2016-1, AFG 2017-1, AFG 2018-1, AFG 2019-1 and AFG 2019-2). AFG's most recent transaction, AFG 2019-2, was for $500 million and settled in October 2019. In 2018 the AFG 2013-1, AFG 2013-2 and AFG 2014-1 transactions were successfully redeemed on their respective call option dates and AFG restructured its warehouse facilities. The AFGS loan portfolio as at 31 December 2019 is approximately $2.5 billion.

AFGS originates residential home loans through the tied distribution of its parent - which manages the 2,975 Australia wide, brokers directly contracted to AFGL. It does not accept home loan applications from sources outside of the AFG network. All loans are initially funded through its warehouse facilities. For more information, see Section 9 ("Origination and Servicing of the Series Receivables").

AFGS holds an Australian Financial Services Licence (No. 418017) issued by ASIC. As a licensee, AFGS is required to have satisfied ASIC that it meets acceptable standards with respect to financial resources, risk management, compliance and corporate governance.

**The Directors of the AFG Group of Companies highlighted in this Information Memorandum are identified in the following table**

| | AFG Limited (AFGL) | AFG Home Loans Pty Ltd (AFGHL) | AFG Securities Pty Ltd (AFGS) |
|---|---|---|---|
| **Anthony Gill** | **X** | | |
| **Brett McKeon** | **X** | **X** | **X** |
| **Malcolm Watkins** | **X** | **X** | **X** |

| | | | |
|---|---|---|---|
| **Craig Carter** | **X** | | |
| **Jane Muirsmith** | **X** | | |
| **Melanie Kiely** | **X** | | |

**Management Profile of the AFG Group of Companies**

A summary of the backgrounds of all directors and key management within the group is as follows.

**Directors**

**Anthony (Tony) Gill (Non-Executive Chairman)**

Mr Gill has been the Chairman of the Board since 2008. Mr Gill has extensive experience across Australia's finance industry, mostly with Macquarie Bank. Mr Gill is a Director of First Mortgage Services and First American Title Insurance. He sits on the Board of the Butterfly Foundation for Eating Disorders and the Pinchgut Opera. Mr Gill is a former member of the Board of Genworth Mortgage Insurance Limited (GMA.AX), and a former member of ASIC's External Advisory Panel. Mr Gill holds a Bachelor of Commerce and is a Chartered Accountant (retired).

**Brett McKeon (Non-Executive Director)**

Mr McKeon is a founding Director of AFG and the group's former Managing Director. Mr McKeon has worked for more than 31 years in the financial services industry. He has considerable management, capital raising, public company and sales experience and is an experienced director in both the public and private arenas. In addition to his role as Non-Executive Director of AFG, Mr McKeon is the Chair of Establish Property Group (EPG), a privately-owned company specialising in debt and equity funding solutions for property developers, property development, mortgage fund investments and other opportunities for sophisticated and wholesale investors.

**Malcolm Watkins (Executive Director)**

Mr Watkins is a founding Director of AFG and plays a key role in the strategic direction of the company. For 26 years he has driven the company's tactical development of market-leading IT and marketing divisions. Mr Watkins is also on the board of Thinktank, a leading commercial property lender in which AFG holds a 30 per cent stake. He is tasked with overseeing the opportunity to blend Thinktank's commercial property lending expertise with AFG's broad distribution and securitisation capabilities, to deliver strategic value to both businesses. Mr Watkins is also a former board member of the industry's peak national body representing the sector, the Mortgage and Finance Association of Australia (MFAA).

**Craig Carter (Independent Non-Executive Director)**

Mr Carter joined the AFG Board in early 2015, and is the Chair of the Audit Committee, a member of the Risk and Compliance Committee, and a member of the Remuneration and Nomination Committee. Following a career spanning 35 years in stockbroking and investment banking, specialising in Corporate Advice and Equity Capital Markets, Mr Carter now actively manages his own family business interests across a range of investment activities. He is also a Director of the Fremantle Football Club. Mr Carter was a Member of the Australian Stock Exchange and is a Fellow of the Financial Services Institute. Mr Carter is a well-known professional with unique experience in equities, capital markets and corporate transactions. This experience and reputation provides a platform for integrity and good governance.

**Melanie Kiely (Independent Non-Executive Director)**

Ms Kiely is an experienced Executive and Company Director with over 25 years of experience in health care, financial services and consulting in Australia, Europe and South Africa. Ms Kiely is also currently a Director of the Black Dog Institute and CEO of Good Sammy Enterprises. Prior to this, she

has held senior roles with Silver Chain, HBF Health Fund, nib health funds, MBF and was an Associate Partner at global consulting firm Accenture. She has also held a number of Board positions in the financial services and health sectors. Ms Kiely has an Honours Degree in Business Science from the University of Cape Town and is a Graduate of the Australian Institute of Company Directors. Ms Kiely joined the AFG Board as a Non-Executive Director in March 2016 and is Chair of the Remuneration and Nomination Committee, a member of the Audit Committee and a member of the Risk and Compliance Committee.

**Jane Muirsmith (Independent Non-Executive Director)**

Ms Muirsmith is an accomplished digital and marketing strategist, having held several executive positions in Sydney, Melbourne, Singapore and New York. Ms Muirsmith is Managing Director of Lenox Hill, a digital strategy and advisory firm and is a Non-Executive Director of Cedar Woods Properties Ltd the Telethon Kids Institute, and Chair and Non-Executive Director of HealthDirect Australia. She is a Graduate of the Australian Institute of Company Directors and a Fellow of Chartered Accountants Australia and New Zealand, where she is a member of the Australian and New Zealand Corporate Sector and Advisory Committee. Ms Muirsmith is also a member of the Ambassadorial Council UWA Business School. Ms Muirsmith was appointed to the AFG Board in March 2016 and is Chair of the Risk and Compliance Committee, a member of the Audit Committee and a member of the Remuneration and Nomination Committee.

***Key Management with respect to AFGS***

**(a) David Bailey - Chief Executive Officer - AFGL**

David is a Fellow of the Institute of Chartered Accountants of Australia and New Zealand and also a Fellow of FINSIA (Financial Services Institute of Australasia) with over 30 years' professional experience.

Upon graduating from university, David entered the chartered accounting profession where he stayed until 2000 when he took on his first senior role in commerce.

David has been with AFG for fifteen years. In 2004, David joined AFG as Chief Financial Officer, and took on responsibility for the finance operations of the AFG group as a whole. In 2015, David was appointed to the role of Chief Operating Officer with this role encompassing the AFG Securitisation business. In 2017, David was appointed to the role of CEO.

David has been a Member of the Western Australian Cricket Association ("**WACA**") for over two decades and also sits on the WACA Board.

**(b) Lisa Bevan - Company Secretary - AFGL**

Lisa joined AFGL in 1998 and was appointed to the position of Company Secretary in 2001. Lisa is a Chartered Accountant and holds a Bachelor of Commerce Degree and has a Diploma of Corporate Governance from the Governance Institute of Australia. Lisa is responsible for managing AFGL's secretariat and governance programs. Lisa also oversees the legal and human resource functions.

**(c) Ben Jenkins – Chief Financial Officer - AFGL**

Ben has over 16 years' experience in senior finance roles with businesses actively investing in emerging technologies. Ben has extensive experience in financial and management reporting, treasury, process improvement and internal controls. Prior to joining AFG in December 2015, Ben was Financial Controller and Company Secretary at iiNet. Prior to this he was a Senior Manager with Ernst and Young. Ben is a Chartered Accountant, holds a Bachelor of Commerce Degree and is a graduate of the Australian Institute of Company Directors. Ben is an experienced finance executive with a strong operational background in a listed-company environment.

**(d) Chris Slater - Head of Sales & Distribution AFG**

Chris has been in the finance industry for over 24 years. His sales experience includes 8 years at the Commonwealth Bank followed by 3 years as National Group Manager of Astute Financial Management, a retail mortgage aggregation business. Chris joined AFGL in Brisbane as a National Accounts Manager in 2007 before relocating with AFGL to Sydney in 2008 where he took on the role of State Manager of AFGL's NSW State Office. He was appointed as Head of Sales & Distribution for the AFGHL business in 2014 and was promoted to General Manager of AFGHL in 2015. In 2018 Chris's role was expanded beyond home loans to include AFG's White Label Commercial products. In 2019 it was expanded again to include the residential broker network. In 2020 it was expanded again to include the commercial broker network as well, with his title today Head of Sales and Distribution for the entire AFG network.

**(e) John Sanger – Chief Operating Officer - AFGL**

John has 25+ years' experience in leadership roles in Operations, Transformation & Technology. He has extensive experience in strategy development & execution, operational leadership, business transformation, mergers & acquisitions, IT automation and digitalisation. John has held General Manager roles since 2000 and has led teams of 250+ staff for over 10 years.

Prior to joining AFG, John was the Head of Strategy, Transformation & Operations for Optus Business. In this role, John developed the Optus Business strategy, developed & executed the transformation agenda including information technology and the day to day operations of the Business. John was a GM in IT Services company Alphawest (a listed Australian IT services company), achieving significant growth and customer experience targets. John was integral to many of the milestones of Alphawest including integration of 8 acquisitions, was a key part of a management buyout in 2002 and a key contributor to the ASX listing. Prior, John was Managing Director of a mid-sized IT Service company for 9 years.

**(f) Toni Blundell – Manager Securitisation - AFGS**

Toni is a Chartered Accountant and holds a Bachelor of Commerce Degree and a Graduate Diploma of Applied Finance from FINSIA (Financial Services Institute of Australasia). With over 15 years' experience in financial roles Toni joined AFGL in 2011 and moved into the Manager Securitisation role in 2015. Since this time Toni has managed the AFGS securitisation programme, including five term securitisations and the restructuring of the warehouse facilities held by AFGS.

Toni commenced her career with Deloitte and then moved to London where she held various roles with GE Capital Real Estate including Risk Management and more recently Asset Management.

**(g) Tony Bird – Head of Risk & Compliance - AFGL**

Tony has been working in the banking and finance industry for over 25 years predominantly in credit risk, portfolio management, compliance and collections. Prior to joining AFG Tony was the Chief Risk Officer at Pioneer Credit in Perth. He has spent 12 years at Westpac & 10 years at CBA bringing data driven solutions to risk management with a focus on profitable growth. Tony is a qualified commercial pilot with a Graduate Certificate in Operations Management from University of Technology Sydney.

**(h) Damian Percy – General Manager AFG Securities – AFGS**

Damian has over 20 years' experience in financial services - most notably as General Manager of Third-Party Lending at Bendigo and Adelaide Bank – and a broad and deep understanding of the Australian home loan market. He is a highly respected commentator and advisor to the industry with practical expertise across all facets of the sector including funding, distribution, operations, product design, technology, and regulation.

Damian is a past director and Fellow of the Mortgage and Finance Association of Australia and holds degrees in Arts and Law.

## 9 ORIGINATION AND SERVICING OF THE SERIES RECEIVABLES

### 9.1 Roles and Responsibilities of companies within the AFG Group

The Australian Finance Group Limited group of companies is comprised of a small number of operating wholly owned subsidiaries. These companies each perform distinct roles within the AFG Securities business model. These roles are briefly described below:

- Australian Finance Group Limited (**AFGL**) is the holding company and is responsible for the management of the AFG Group as a whole, and also responsible for the recruitment and management of the 2,975 mortgage brokers directly contracted with AFGL. It also provides the executive management support, overriding compliance and risk management structures as well as marketing and information technology direction for the AFG Group. Importantly, it also provides the financial support for the balance of the operating companies within the consolidated group of companies;

- AFG Home Loans Pty Ltd (**AFGHL**) is the company that has historically managed the distribution of the AFGHL branded product. AFGHL commenced business as a mortgage manager and currently manages a combined loan book of approximately $9.8 billion. As a mortgage manager, AFGHL's responsibilities covered the credit review of all applications, the ultimate settlement of the mortgage transaction, the ongoing customer management, collections and arrears management and ultimate discharge of that customer. In late financial year 2015 AFGHL entered into a white label arrangement with a funder which simplified the AFGHL business such that credit and client services were handled by the funder, and AFGHL become a distributer of the white label product. Gradually since then, the AFGHL business has evolved to be solely a white label distributor of home loan product; and

- AFG Securities Pty Ltd (**AFGS**) provides funding for the AFGHL branded mortgage products. AFGS is the Servicer and Manager for the Trust. The success of the white label model mentioned above has grown strongly within AFGHL such that today, whilst AFGHL will distribute the AFGS product under its name, all customers within AFGS are handled directly by AFGS. AFGS has its own credit and client services team that is focussed solely on delivering quality service to the AFGS customers and brokers. Included in the $9.8 billion AFGHL book as at 31 December 2019 is a book approximating $2.5 billion relating to loans funded by AFGS

AFGL and AFGHL are not parties to any of the Transaction Documents and are not responsible for the management of the Trust or the servicing of the Series Receivables. None of the obligations of the Manager, the Servicer or the Issuer in connection with the Series are guaranteed in any way by AFGL or AFGHL.

For further information about AFGS and the other AFG Group companies, see Section 8 ("The AFG Group").

### 9.2 Origination of Housing Loans

The Series Receivables will consist of Housing Loans and Related Securities originated by AFGS. These housing loans are sourced from brokers directly contracted with AFGL. In other words, AFGL does not accept home loan applications unless that loan application has been completed by one of their 2,975 (approximately) Australia-wide contracted brokers.

To become an AFGL contracted mortgage broker requires a number of checks to be performed by the AFGL compliance department before the broker is offered a contract with AFGL. Such checks include a police clearance and a credit check.

An AFGL Mortgage Broker will use FLEX as a means of assisting them service the customer, and to select an appropriate home loan for the customer. FLEX is an AFGL developed technology solution which utilises an enterprise technology as its framework. FLEX is

supported by a team of AFGL employees whose role is to develop FLEX in accordance with broker, business and legislative needs.

Once a broker has met with a potential home loan customer and the customer agrees on applying for an AFGHL branded home loan, the application form is usually submitted electronically to AFGS and the credit process commences.

### 9.3 Credit Assessment

Credit assessment is performed by AFGS. The standard credit assessment procedures conducted by AFGS include both the verification of the data within the loan application to source documentation, together with performance of a credit check. Some relevant aspects of these procedures are as follows;

*Valuation* - The value of the mortgaged property in connection with each housing loan has been determined at origination in accordance with the standards and practices of the Australian Property Institute ("**API**") (including those relating to competency and required documentation) by an accredited valuer firm to the Manager's valuers panel, who is engaged by the Manager or the Originator of the housing loan. Each relevant valuer of a valuer firm is a member of the API whose compensation is not affected by the approval or disapproval of the housing loan.

The valuers panel is maintained (including the appointment of valuer firms to the panel) by the AFGS Credit Committee with no involvement of sales or product staff. Likewise, sales and product staff are not involved in the selection of the valuer firm from the valuers panel engaged to carry out the valuation of the mortgaged property in connection with each housing loan. Where there are 4 or more panel valuers within a designated postcode, sales may deselect one of the valuers from being used, however, they cannot nominate the final valuer selected.

The valuation for property securing a Loan must be addressed to the relevant Approved Purchaser, their agent or the Originator and must be no more than 180 days old at the date the loan was provided.

The valuation must otherwise have complied with the Originator's approved credit policies.

*Employment Check* - AFGS independently verifies the applicant(s) employer's details and requires payslip confirmation of the remuneration details included in the application form

*Lenders Mortgage Insurance (LMI)* – Historically, 100% of all Housing Loans (irrespective of LVR) are covered by an individual LMI policy. The respective LMI provider approves each loan prior to AFGHL issuing a formal approval to the customer. Effective July 2014 LMI cover was only taken out for loans (underwritten on a deal by deal basis where the LVR was greater than 70%. In May 2016, this benchmark was increased to loans where the LVR was greater than 80%. For more information about the relevant LMI Providers, see Section 10.5 ("Mortgage Insurers").

### 9.4 Housing Loan Characteristics

All of the Housing Loans which will form part of the Series Receivables are loans secured by first registered mortgages over residential real estate. Scheduled payments are made predominantly by direct debit or other electronic payment methods to the customer's loan account.

All fees generated from the Series Housing Loans will be Series Assets. Such fees may include (depending on the loan selected by the customer) a fee charged as at settlement of the loan, an annual fee and default interest/fees. All of the Housing Loans are prepayable in full or in part at any time.

*Loan Types*

Whilst the Housing Loans may be categorised according to different promotional terminology, in summary they can be classified as being either:

- a principal and interest loan;
- an interest only loan which converts to that of a principal and interest loan within a prescribed time period (the maximum is five years, with the potential for a further five years); or
- a line of credit loan (which amortises at the expiry of 120 months).

All Housing Loans are currently subject to a variable rate of interest. On each Payment Date, the Manager is required to calculate the Threshold Rate for the Housing Loans. Except in the circumstances described in Section 5.6 ("Setting the Threshold Rate"), the Manager must direct the Servicer to reset or cause to be reset as soon as possible (having regard to the National Consumer Credit Protection Laws), the interest rates on any one or more Series Receivables so that the weighted average interest rate on the Series Receivables is not less than the Threshold Rate.

## 9.5 Servicing of Housing Loans

AFGS administers all Loans from its Head Office in Perth. The loans are managed on the Data Action Core Banking System, which in turn is hosted on a 24/7 bureau service by Data Action Pty Ltd (ACN 008 102 690) ("**Data Action**") out of South Australia. The bureau service provided by Data Action is subject to annual disaster recovery testing, utilising its two live sites in South Australia.

The Core Banking System is licensed directly from Data Action, which is currently also utilised by over 25 financial institutions operating in Australia.

Electronic transaction access into the Australian payments system for customer transactions is provided under a contract with Cuscal Limited (ACN 087 822 455) ("**Cuscal**"). Cuscal is a leading independent provider of payment solutions to financial institutions in Australia and it is an unlisted Australian public company. Cuscal is an Authorised Deposit-taking Institution (ADI) regulated by the Australian Prudential Regulation Authority.

AFGS engages a reputable Australian legal firm to advise on compliance with all legislative requirements of the program which includes impending amendments to existing legislation or new legislation (such as the National Consumer Credit Protection Laws and the Privacy Act 1988 (Cth)).

AFGS also maintains an authorised solicitors panel to prepare the loan documentation and facilitate all loan settlements. As part of the AFG Group's risk management framework, the Group maintains a number of key insurance policies which are independent of the Lenders Mortgage Insurance Contracts referred to elsewhere in this Information Memorandum:

- AFGS has a Mortgage Impairment Insurance policy and an Asset Insurance Policy, which between them provide protection in the event the Debtor has no property insurance cover.
- AFGL has a comprehensive Crime Insurance Policy in place to cover the general risk of fraud or loss incurred by any of the companies within the AFG Group from criminal actions. The cover is in place for the exposure of the AFG Group, either to internal and, in some cases, external fraud and general crime. The cover provides protection for such risks as fraud whether electronic, identity, documentary or general illegal activity which causes loss of security rights.
- AFGS currently has Professional Indemnity Insurance cover in place for, at minimum, an amount of $2 million any one claim and in the aggregate during the policy period.

## 9.6 Standby Servicer

Perpetual Corporate Trust Limited ABN 99 000 341 533 has been appointed as Standby Servicer in respect of the Series under the Standby Servicing Deed. The Standby Servicer and AFGS have implemented a 'warm' standby servicing arrangement to better facilitate the transfer of servicing responsibilities in respect of the Series from the Servicer to the Standby Servicer. The Standby Servicer, in consultation with AFGS, has prepared a Standby Servicing Plan which includes information and guidelines for the Standby Servicer to continue to service the Series Receivables in the event that AFGS is unable to service the Series Receivables.

The Standby Servicing Plan covers full servicer responsibilities including collection and reconciliation of transactions in the banking system, arrears management, recovery actions and LMI reporting.

For information regarding the circumstances in which the Standby Servicer may be required to act as Servicer in respect of the Series, see Section 12.6 ("The Servicing Deed") and Section 12.7 ("The Standby Servicing Deed").

## 10 DESCRIPTION OF THE PARTIES AND SUPPORT FACILITY PROVIDERS

### 10.1 Issuer

Perpetual Corporate Trust Limited was incorporated in New South Wales on 27 October 1960 as T.E.A. Nominees (N.S.W.) Pty Limited under the Companies Act 1936 of New South Wales as a proprietary company. The name was changed to Perpetual Corporate Trust Limited on 18 October 2006 and Perpetual Corporate Trust Limited now operates as a limited liability public company under the Corporations Act. Perpetual Corporate Trust Limited is registered in New South Wales and its registered office is at Level 18, 123 Pitt Street, Sydney NSW 2000, Australia. The telephone number of Perpetual Corporate Trust Limited's principal office is +61 2 9229 9000.

Perpetual Corporate Trust Limited is a wholly owned subsidiary of Perpetual Limited, a publicly listed company on the Australian Securities Exchange.

The principal activities of Perpetual Corporate Trust Limited are the provision of trustee and other commercial services. Perpetual Corporate Trust Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No.392673).

***Relationship with transaction parties***

None of the Servicer, the Originator, the Manager or the Liquidity Facility Provider is a subsidiary of, or is controlled by, the Issuer.

### 10.2 Security Trustee

P.T. Limited, of Level 18, Angel Place, 123 Pitt Street, Sydney, NSW 2000 is appointed as the Security Trustee for the Trust on the terms set out in the Master Trust Deed. See Section 12.4 (“The role of the Security Trustee under the Master Trust Deed and the General Security Deed”) for a summary of certain of the Security Trustee’s rights and obligations under the Transaction Documents. The Australian Business Number of P.T. Limited is 67 004 454 666.

Perpetual Trustee Company Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643). Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative No. 266797 under that licence.

### 10.3 AFGS - Originator, Manager and Servicer

AFGS is the originator of the Receivables and Related Securities and has also agreed to act as Manager in respect of the Trust pursuant to the Management Deed and Servicer of the Series Receives pursuant to the Servicing Deed.

See Section 12.5 (“The Management Deed”) for a summary of certain of the Manager’s rights and obligations as Manager in respect of the Trust and Section 12.6 (“The Servicing Deed”) for more information about AFGS’s role as originator and servicer.

For information about AFGS’s corporate profile and the origination of Receivables and Related Securities, see Section 8 (“The AFG Group”) and Section 9 (“Origination and Servicing of the Series Receivables”).

### 10.4 National Australia Bank Limited – Liquidity Facility Provider

National Australia Bank Limited is the initial Liquidity Facility Provider. For information about the Liquidity Facility in respect of the Trust, see Section 12.8 (“The Liquidity Facility Agreement”).

## 10.5 Mortgage Insurers

***QBE Lenders' Mortgage Insurance Limited ("QBE")***

QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071) is an Australian public company registered in New South Wales and limited by shares. QBE Lenders' Mortgage Insurance Limited's principal activity is lenders' mortgage insurance which it has provided in Australia since 1965.

QBE Lenders' Mortgage Insurance Limited's parent is QBE Holdings (AAP) Pty Limited ABN 26 000 005 881, a subsidiary of the ultimate parent company, QBE Insurance Group Limited, ABN 28 008 485 014 ("QBE Group"). QBE Group is an Australian-based public company listed on the Australian Securities Exchange. QBE Group is recognised as Australia's largest international general insurance and reinsurance company, and is one of the top 20 global general insurers and reinsurers as measured by net earned premium.

As of 31 December 2019, the audited financial statements of QBE Lenders' Mortgage Insurance Limited had total assets of A$1,791 million and shareholder's equity of A$915 million.

The business address of QBE Lenders' Mortgage Insurance Limited is Level 5, 2 Park Street, Sydney, New South Wales, Australia, 2000.

***Genworth Financial Mortgage Insurance Pty Ltd***

Genworth Financial Mortgage Insurance Pty Limited ACN 106 974 305 (Genworth) is a proprietary company registered in Victoria and limited by shares. Genworth's principal activity is the provision of lenders mortgage insurance which it, and predecessor businesses, have provided in Australia since 1965.

Genworth's ultimate Australian parent company is Genworth Mortgage Insurance Australia Limited ACN 154 890 730, which is a public company listed on the Australian Securities Exchange and registered in Victoria.

The business address of Genworth is Level 26, 101 Miller Street, North Sydney, New South Wales 2060 Australia.

## 11 CASHFLOW ALLOCATION METHODOLOGY

All amounts received by the Issuer will be allocated by the Manager and paid in accordance with the cashflow allocation methodology described in Sections 11.1 to 11.17 below ("**Cashflow Allocation Methodology**"). The Cashflow Allocation Methodology applies only in respect of payments to be made before the occurrence of an Event of Default and enforcement of the General Security Deed in accordance with its terms. Section 11.18 applies in respect of payments made following the occurrence of an Event of Default and enforcement of the General Security Deed.

### 11.1 Collections

The Servicer is required to collect all Collections received by it in respect of the Series Receivables and remit them to the Collection Account within 2 Business Days of receipt by the Servicer.

The "**Collections**", in respect of a Collection Period, are all amounts received by, or on behalf of, the Issuer in respect of the Series Receivables during that Collection Period including, without limitation:

(a) all principal, interest and fees;

(b) the proceeds of sale or Reallocation of any Series Receivables;

(c) any proceeds recovered from any enforcement action;

(d) any amount received as damages in respect of a breach of any representation or warranty; and

(e) any fixed rate break costs paid by the Debtors,

after deduction of all Taxes and bank and government charges in respect of such amounts.

### 11.2 Distributions during a Collection Period

Prior to the occurrence of an Event of Default and enforcement of the General Security Deed, the Manager may, on any day during a Collection Period, direct the Issuer to apply all Available Principal received up to that point in time (calculated as if that day was a Determination Date) during that Collection Period (to the extent not previously applied as described in this Section 11.2) towards funding Redraws (a "**Collection Period Distribution**").

However, the Manager must not, at any time during a Collection Period, direct the Issuer to make a Collection Period Distribution unless the Manager is satisfied that there will be sufficient Total Available Principal to fund any required Principal Draw on the next Payment Date in accordance with the Cashflow Allocation Methodology.

### 11.3 Determination of Available Principal

On each Determination Date, the Manager will determine the Available Principal for the immediately preceding Collection Period. The "**Available Principal**" for a Collection Period will be equal to the aggregate of the following:

(a) the aggregate Collections in respect of the immediately preceding Collection Period; minus

(b) the aggregate of all Collection Period Distributions made under Section 11.2 ("Distributions during a Collection Period") during the immediately preceding Collection Period; minus

(c) the aggregate amount of Income Collections for the immediately preceding Collection Period.

### 11.4 Determination of Total Available Principal

On each Determination Date, the Manager will determine the Total Available Principal to be distributed on the immediately following Payment Date (as described in Section 11.5 ("Application of Total

Available Principal (prior to an Event of Default and enforcement of the General Security Deed)") below).

The "**Total Available Principal**" will be equal to the aggregate of the following:

(a) the Available Principal on that Determination Date in respect of the immediately preceding Collection Period; plus

(b) the amount (if any) to be applied from Total Available Income on the immediately following Payment Date in accordance with Section 11.12(n) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") towards repayment of any Principal Draw outstanding from any previous Payment Date; plus

(c) the amount (if any) to be applied from Total Available Income on the immediately following Payment Date in accordance with Section 11.12(o) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") in respect of any Losses for the immediately preceding Collection Period; plus

(d) the amount (if any) to be applied from Total Available Income on the immediately following Payment Date in accordance with Section 11.12(p) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") in respect of any Carryover Charge-Off; plus

(e) the Amortisation Amount (if any) to be applied from Total Available Income on the immediately following Payment Date in accordance with Section 11.12(w) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"); plus

(f) the balance of the Redraw Reserve Account, if a Redraw Trigger is subsisting on that Determination Date; plus

(g) (in respect of the first Determination Date only) the amount (if any) of the Note issue proceeds received by the Issuer on the Closing Date remaining after payment by the Issuer of the Purchase Price for the Series Receivables.

### 11.5 Application of Total Available Principal (prior to an Event of Default and enforcement of the General Security Deed)

On each Determination Date prior to the occurrence of an Event of Default and enforcement of the General Security Deed, the Manager must direct the Issuer to pay (and the Issuer must pay) on the following Payment Date the following items out of the Total Available Principal (in respect of the relevant Determination Date) in the following order of priority:

(a) first, to fund any Principal Draw required in accordance with Section 11.8 ("Principal Draw");

(b) next, if permitted under Section 5.8 ("Redraws and Further Advances"), to fund any Redraw which has not otherwise been funded by the Issuer;

(c) next, pari passu and rateably towards repayment of the Redraw Notes, until the Invested Amount of the Redraw Notes has been reduced to zero;

(d) next, if the Step-Down Conditions are not satisfied on that Payment Date, to be applied amongst the Notes in the following order of priority:

  (i) first, pari passu and rateably towards repayment of the Class A1-S Notes until the Invested Amount of the Class A1-S Notes has been reduced to zero;

  (ii) next, pari passu and rateably towards repayment of the Class A1-L Notes until the Invested Amount of the Class A1-L Notes has been reduced to zero;

  (iii) next, pari passu and rateably towards repayment of the Class AB Notes until the Invested Amount of the Class AB Notes has been reduced to zero;

(iv) next, pari passu and rateably towards repayment of the Class B Notes until the Invested Amount of the Class B Notes has been reduced to zero;

(v) next, pari passu and rateably towards repayment of the Class C Notes until the Invested Amount of the Class C Notes has been reduced to zero;

(vi) next, pari passu and rateably towards repayment of the Class D Notes until the Invested Amount of the Class D Notes has been reduced to zero; and

(vii) next, pari passu and rateably towards repayment of the Class E Notes until the Invested Amount of the Class E Notes has been reduced to zero;

(e) next, if the Step-Down Conditions are satisfied on that Payment Date, to be applied pari passu and rateably:

(i) towards repayment of the Class A1-S Notes until the Invested Amount of the Class A1-S Notes has been reduced to zero;

(ii) towards repayment of the Class A1-L Notes until the Invested Amount of the Class A1-L Notes has been reduced to zero;

(iii) towards repayment of the Class AB Notes until the Invested Amount of the Class AB Notes has been reduced to zero;

(iv) towards repayment of the Class B Notes until the Invested Amount of the Class B Notes has been reduced to zero;

(v) towards repayment of the Class C Notes until the Invested Amount of the Class C Notes has been reduced to zero;

(vi) towards repayment of the Class D Notes until the Invested Amount of the Class D Notes has been reduced to zero; and

(vii) towards repayment of the Class E Notes until the Invested Amount of the Class E Notes has been reduced to zero;

(f) next, pari passu and rateably towards repayment of the Class F Notes until the Invested Amount of the Class F Notes has been reduced to zero; and

(g) next, to be applied to the Residual Income Unitholder.

### 11.6 Step-Down Conditions

The **Step-Down Conditions** will be satisfied on any Payment Date if each of the following conditions are satisfied on that Payment Date:

(a) the Payment Date is before the first Call Option Date;

(b) the Payment Date occurs on or after the day which is 2 years after the Closing Date;

(c) the Subordinated Note Percentage as at the Determination Date immediately preceding that Payment Date is equal to or greater than 25.0%;

(d) the Average Arrears Ratio on the Determination Date immediately preceding that Payment Date is less or equal to than 2.0%; and

(e) there are no unreimbursed Carryover Charge-Offs in respect of any Class of Notes as at the Determination Date immediately preceding that Payment Date.

### 11.7 Determination of Available Income

On each Determination Date, the Manager will determine the Available Income for the immediately preceding Collection Period. The Available Income for a Collection Period will be the amount equal to the aggregate of the following (without double counting):

(a) the aggregate amount of Income Collections for the immediately preceding Collection Period; plus

(b) the Threshold Rate Subsidy (if any) received from the Manager as described in Section 5.6 ("Setting the Threshold Rate") or retained from Total Available Income in accordance with Section 11.12(t) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") as the case may be) on the immediately preceding Payment Date; plus

(c) any interest earned on Authorised Investments for the immediately preceding Collection Period (other than any interest earned in relation to any Collateral Support); plus

(d) the Other Income for the immediately preceding Collection Period; plus

(e) the net amount due to the Issuer by a Counterparty on the next Payment Date (if any) (excluding any Break Payments); plus

(f) any Liquidity Support Amount received by the Issuer during the period from (but excluding) the immediately preceding Determination Date (or, if there has not been any previous Determination Date, the Closing Date) to (and including) that Determination Date.

### 11.8 Principal Draw

If, on any Determination Date, there is a Liquidity Shortfall, the Manager must direct the Issuer to apply an amount of Available Principal (the "**Principal Draw**") (in accordance with the application of Total Available Principal under Section 11.5 ("Application of Total Available Principal (prior to an Event of Default and enforcement of the General Security Deed)")) on the immediately following Payment Date equal to the lesser of:

(a) the Liquidity Shortfall; and

(b) the amount of Available Principal available for that purpose in accordance with Section 11.5 ("Application of Total Available Principal (prior to an Event of Default and enforcement of the General Security Deed)").

### 11.9 Liquidity Draw

If, on any Determination Date, the Liquidity Shortfall exceeds the amount of the Principal Draw (a "**Further Liquidity Shortfall**"), then the Manager on behalf of the Issuer must request a drawing under the Liquidity Facility (a "**Liquidity Draw**"), to the extent possible, in an amount equal to the lesser of:

(a) that Further Liquidity Shortfall; and

(b) the Available Liquidity Amount at that time.

### 11.10 Extraordinary Expense Reserve Draw

The Manager will establish and maintain a ledger of the Collection Account known as the "**Extraordinary Expense Reserve**". AFGS will on the Closing Date, deposit into the Extraordinary Expense Reserve an amount equal to the Extraordinary Expense Reserve Required Amount on that day. Such deposit shall constitute an interest bearing loan from AFGS to the Issuer ("**Extraordinary Expense Loan**").

The interest on the Extraordinary Expense Loan will equal the interest credited to the Extraordinary Expense Reserve from time to time and the Issuer will (at the direction of the Manager) withdraw and pay such interest from the Extraordinary Expense Reserve to AFGS on each Payment Date (but only

to the extent that the Extraordinary Expense Reserve Balance, after such payment and any other payments to be made from the Extraordinary Expense Reserve in accordance with this section 11.10 on that Payment Date, would be at least equal to the Extraordinary Expense Reserve Required Amount).

The Extraordinary Expense Loan is only repayable by the Issuer to AFGS after all Notes have been redeemed in full and, following the occurrence of an Event of Default and enforcement of the General Security Deed and application of the Extraordinary Expense Reserve as described below, in accordance with Section 11.18 ("Application of proceeds following an Event of Default and enforcement of the General Security Deed").

The Manager will maintain a record of the Extraordinary Expense Reserve which will record on the Closing Date and each Payment Date:

(a) as credits to the balance of the Extraordinary Expense Reserve, all amounts paid by AFGS on the Closing Date (as described above) and all amounts allocated to the Extraordinary Expense Reserve by the Issuer on a Payment Date under Section 11.12(q) ("Application of Total Available Income (prior to an Event of Default)") and all interest credited to the Extraordinary Expense Reserve; and

(b) as debits to the balance of the Extraordinary Expense Reserve, any amount applied from the Extraordinary Expense Reserve on a Payment Date as described in the following paragraphs.

If, on any Determination Date, the Manager determines that there is a Series Expense which has been incurred during the relevant Collection Period other than in the ordinary course of business of the Series, then the Manager must direct the Issuer to (and on such direction the Issuer must) withdraw an amount from the Extraordinary Expense Reserve equal to the lesser of:

(a) the aggregate amount of those Series Expenses during the Collection Period; and

(b) the Extraordinary Expense Reserve Balance on that day,

and apply that amount towards Total Available Income for that Collection Period ("**Extraordinary Expense Reserve Draw**").

Amounts standing to the credit of the Extraordinary Expense Reserve Balance will only be applied by the Issuer at the direction of the Manager as follows:

(c) on a Payment Date for the purpose of making an Extraordinary Expense Reserve Draw;

(d) on a Payment Date to pay interest to the Extraordinary Expense Lender; and

(e) at any time after all Notes have been redeemed in full, to the Extraordinary Expense Lender in repayment to AFGS of the Extraordinary Expense Loan and any unpaid interest on the Extraordinary Expense Loan.

Following an Event of Default and enforcement of the General Security Deed, the Extraordinary Expense Reserve Balance will first be applied in repayment to AFGS of the Extraordinary Expense Loan and any unpaid interest on the Extraordinary Expense Loan, with any excess available to be applied in accordance with Section 11.18 ("Application of proceeds following an Event of Default and enforcement of the General Security Deed").

### 11.11 Determination of Total Available Income

On each Determination Date, the Manager will determine the Total Available Income to be distributed on the immediately following Payment Date (as described in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") below).

The "**Total Available Income**", in respect of a Determination Date, will be equal to the aggregate of the following:

(a) the Available Income for that Determination Date; plus

(b) any Principal Draw for that Determination Date; plus

(c) any Liquidity Draw for that Determination Date; plus

(d) any Extraordinary Expense Reserve Draw for that Determination Date.

### 11.12 Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)

On each Determination Date prior to the occurrence of an Event of Default and enforcement of the General Security Deed, the Manager must direct the Issuer to pay (and the Issuer must pay) on the following Payment Date the following items out of the Total Available Income (in respect of the relevant Determination Date) in the following order of priority:

(a) first, $1.00 to the Residual Income Unitholder;

(b) next, in payment of any Accrual Adjustment;

(c) next, any Taxes payable in relation to the Trust for the Collection Period immediately preceding that Payment Date (after the application of the balance of the Tax Account towards payment of such Taxes);

(d) next, pari passu and rateably:

  (i) the Issuer's fee payable on that Payment Date;

  (ii) the Security Trustee's fee payable on that Payment Date; and

  (iii) the Standby Servicer's fee payable on that Payment Date (to the extent it does not form part of the Issuer's fee);

(e) next, pari passu and rateably:

  (i) the Series Expenses incurred during the immediately preceding Collection Period and which remain unreimbursed at that Payment Date;

  (ii) the Servicer's fee payable on that Payment Date; and

  (iii) the Manager's fee payable on that Payment Date;

(f) next, pari passu and rateably:

  (i) towards payment of amounts due to a Counterparty under any Derivative Contract, excluding:

    (A) any break costs in respect of the termination of a Derivative Contract to the extent that the Counterparty is the Defaulting Party or sole Affected Party (other than in relation to a Termination Event due to section 5(b)(i) ("Illegality"), section 5(b)(ii) ("Force Majeure Event") or section 5(b)(iii) ("Tax Event") of the Derivative Contract); and

    (B) any break costs in respect of the termination of a Derivative Contract, except to the extent the Issuer has received the applicable Prepayment Costs from the relevant Debtors during the Collection Period; and

(ii) towards payment of any interest and fees payable on or prior to that Payment Date to the Liquidity Facility Provider under the Liquidity Facility Agreement;

(g) next, to the Liquidity Facility Provider, towards payment of all outstanding Liquidity Draws made before that Payment Date;

(h) next, pari passu and rateably;

(i) towards payment of the Interest on the Class A1-S Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class A1-S Notes in respect of previous Interest Periods;

(ii) towards payment of the Interest on the Class A1-L Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class A1-L Notes in respect of previous Interest Periods; and

(iii) towards payment of the Interest on the Redraw Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Redraw Notes in respect of previous Interest Periods;

(i) next, pari passu and rateably, towards payment of the Interest on the Class AB Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class AB Notes in respect of previous Interest Periods;

(j) next, pari passu and rateably, towards payment of the Interest on the Class B Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class B Notes in respect of previous Interest Periods;

(k) next pari passu and rateably, towards payment of the Interest on the Class C Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class C Notes in respect of previous Interest Periods;

(l) next, pari passu and rateably, towards payment of the Interest on the Class D Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class D Notes in respect of previous Interest Periods;

(m) next, pari passu and rateably, towards payment of the Interest on the Class E Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class E Notes in respect of previous Interest Periods;

(n) next, towards Total Available Principal in payment of any Principal Draw outstanding from any previous Payment Date;

(o) next, to be applied towards Total Available Principal, up to an amount equal to any Losses in respect of the immediately preceding Collection Period;

(p) next, to be applied towards Total Available Principal, up to an amount equal to any Carryover Charge-Off (as calculated on the previous Determination Date);

(q) next, as an allocation to the Extraordinary Expense Reserve until the Extraordinary Expense Reserve Balance is equal to the Extraordinary Expense Reserve Required Amount;

(r) next, pari passu and rateably:

(i) towards payment of any break costs due to a Counterparty under a Derivative Contract in respect of the termination of a Derivative Contract to the extent not paid under Section 11.12(f)(i); and

(ii) towards payment to the Liquidity Facility Provider of any other amounts payable on or prior to that Payment Date under the Liquidity Facility Agreement to the extent not paid under Section 11.12(f)(ii) and Section 11.12(g); and

(iii) towards payment to each Dealer of certain indemnity amounts payable by the Issuer under the Dealer Agreement;

(s) next, pari passu and rateably towards payment of the Interest on the Class F Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class F Notes in respect of any previous Interest Periods;

(t) next, if a Threshold Rate Subsidy is determined for that Payment Date, then towards the amount of that Threshold Rate Subsidy which has not been paid by the Manager in accordance with Section 5.6 ("Setting the Threshold Rate") with such amount to be retained in the Collection Account;

(u) next, to retain in the Tax Account an amount equal to the Tax Shortfall (if any) in respect of that Payment Date;

(v) next, to retain in the Tax Account an amount equal to the Tax Amount (if any) in respect of that Payment Date;

(w) next, to apply the Amortisation Amount (if any) in respect of that Payment Date towards Total Available Principal; and

(x) next, to the Residual Income Unitholder by way of distribution of the remaining income of the Trust.

### 11.13 Calculation of Amortisation Amount

On each Determination Date, the Manager will determine the Amortisation Amount in respect of the immediately following Payment Date. The "**Amortisation Amount**" in respect of a Payment Date will be:

(a) for each Payment Date on or prior to the first Call Option Date, zero;

(b) for each Payment Date after the first Call Option Date, the greater of:

(i) zero; and

(ii) an amount equal to:

(A) the Total Available Income remaining on that Payment Date after allocation in accordance with Sections 11.12(a) to 11.12(v) inclusive ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") ("**Remaining Total Available Income**"); less

(B) an amount determined by the Manager (by applying the corporate tax rate applicable to the Residual Income Unitholder to the relevant amount) necessary for the Residual Income Unitholder to meet the income tax liability that it is likely to incur in connection with the amount it would have received on that Payment Date under Section 11.12(x) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") had all of the Remaining Total Available Income been distributed to the Residual Income Unitholder under that Section on that Payment Date.

### 11.14 Calculation of Losses and Charge-Offs

On each Determination Date, the Manager must:

(a) determine if any Loss has been incurred in respect of any Series Receivable during the preceding Collection Period and if so, the aggregate amount of any such Losses; and

(b) determine if there will be insufficient Total Available Income available to be applied under Section 11.12(o) ("Application of Total Available Income (prior to an Event of Default and

enforcement of the General Security Deed)") to meet in full the aggregate of Losses in respect of the preceding Collection Period calculated under paragraph (a) (any such shortfall being the "**Charge-Off**").

### 11.15 Allocation of Charge-Offs

If, on any Determination Date, the Manager determines that there is a Charge-Off, the Manager must, on and with effect from the following Payment Date, allocate the Charge-Off in the following order of priority:

(a) first, to reduce the balance standing to the credit of the Amortisation Ledger until the balance reaches zero;

(b) next, pari passu and rateably, to reduce the Stated Amount of the Class F Notes until the Stated Amount of the Class F Notes reaches zero;

(c) next, pari passu and rateably, to reduce the Stated Amount of the Class E Notes until the Stated Amount of the Class E Notes reaches zero;

(d) next, pari passu and rateably, to reduce the Stated Amount of the Class D Notes until the Stated Amount of the Class D Notes reaches zero;

(e) next, pari passu and rateably, to reduce the Stated Amount of the Class C Notes until the Stated Amount of the Class C Notes reaches zero;

(f) next, pari passu and rateably, to reduce the Stated Amount of the Class B Notes until the Stated Amount of the Class B Notes reaches zero;

(g) next, pari passu and rateably, to reduce the Stated Amount of the Class AB Notes until the Stated Amount of the Class AB Notes reaches zero; and

(h) next, pari passu and rateably:

  (i) to reduce the Stated Amount of the Class A1-S Notes until the Stated Amount of the Class A1-S Notes reaches zero;

  (ii) to reduce the Stated Amount of the Class A1-L Notes until the Stated Amount of the Class A1-L Notes reaches zero; and

  (iii) to reduce the Stated Amount of the Redraw Notes until the Stated Amount of the Redraw Notes reaches zero.

### 11.16 Re-instatement of Carryover Charge-Offs

To the extent that on any Payment Date amounts are available for allocation under Section 11.12(p) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), then an amount equal to these amounts shall be applied on the next Payment Date to reinstate respectively:

(a) first, pari passu and rateably:

  (i) the Stated Amount of the Class A1-S Notes until it reaches the Invested Amount of the Class A1-S Notes;

  (ii) the Stated Amount of the Class A1-L Notes until it reaches the Invested Amount of the Class A1-L Notes; and

  (iii) the Stated Amount of the Redraw Notes until it reaches the Invested Amount of the Redraw Notes;

(b) next, pari passu and rateably, the Stated Amount of the Class AB Notes until it reaches the Invested Amount of the Class AB Notes;

(c) next, pari passu and rateably, the Stated Amount of the Class B Notes until it reaches the Invested Amount of the Class B Notes;

(d) next, pari passu and rateably, the Stated Amount of the Class C Notes until it reaches the Invested Amount of the Class C Notes;

(e) next, pari passu and rateably, the Stated Amount of the Class D Notes until it reaches the Invested Amount of the Class D Notes;

(f) next, pari passu and rateably, the Stated Amount of the Class E Notes until it reaches the Invested Amount of the Class E Notes; and

(g) next, pari passu and rateably, the Stated Amount of the Class F Notes until it reaches the Invested Amount of the Class F Notes.

### 11.17 Amortisation Ledger

The Manager must maintain a financial record (the "**Amortisation Ledger**") which will record on each Payment Date:

(a) as credits to the Amortisation Ledger, the amounts applied in accordance with Section 11.12(w) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") on that Payment Date; and

(b) as debits to the Amortisation Ledger, the amount allocated in accordance with Section 11.15(a) ("Allocation of Charge-Offs") on that Payment Date.

### 11.18 Application of proceeds following an Event of Default and enforcement of the General Security Deed

Following the occurrence of an Event of Default and enforcement of the General Security Deed, the Security Trustee must apply all moneys received by it in respect of the Collateral in the following order of priority:

(a) first, to any person with a prior ranking claim (of which the Security Trustee has knowledge) over the Collateral to the extent of that claim;

(b) next, to any Receiver appointed to the Collateral for its Costs and remuneration in connection with exercising, enforcing or preserving rights (or considering doing so) in connection with the Transaction Documents;

(c) next, to the Security Trustee for its Costs and other amounts (including all Secured Moneys) due to it for its own account in connection with its role as security trustee in relation to the Series;

(d) next, to pay pari passu and rateably:

  (i) the Issuer for its Costs and other amounts (including all Secured Moneys) due to it for its own account in connection with its role as trustee of the Trust which are referrable to the Series and in respect of which it is indemnified out of the Series Assets of the Series (other than those set out in paragraphs (e) to (o) below); and

  (ii) all Secured Moneys owing to the Standby Servicer;

(e) next, to pay pari passu and rateably:

  (i) all Secured Moneys owing to each Counterparty (excluding any break costs in respect of the termination of a Derivative Contract to the extent that the Counterparty is the

Defaulting Party or sole Affected Party (other than in relation to a Termination Event due to section 5(b)(i) ("Illegality"), section 5(b)(ii) ("Force Majeure Event") or section 5(b)(iii) ("Tax Event") of the Derivative Contract)); and

(ii) all Secured Moneys owing to the Liquidity Facility Provider;

(f) next, to pay pari passu and rateably:

(i) all Secured Moneys owing to the Manager; and

(ii) all Secured Moneys owing to the Servicer;

(g) next, to pay pari passu and rateably all Secured Moneys owing to the Class A1-S Noteholders, the Class A1-L Noteholders, and the Redraw Noteholders. This will be applied:

(i) first, pari passu and rateably:

(A) towards payment of all Interest on the Class A1-S Notes;

(B) towards payment of all Interest on the Class A1-L Notes; and

(C) towards payment of all Interest on the Redraw Notes; and

(ii) next, pari passu and rateably:

(A) towards repayment of the Class A1-S Notes until the Invested Amount of the Class A1-S Notes has been reduced to zero;

(B) towards repayment of the Class A1-L Notes until the Invested Amount of the Class A1-L Notes has been reduced to zero; and

(C) towards repayment of the Redraw Notes until the Invested Amount of the Redraw Notes has been reduced to zero;

(h) next, to pay pari passu and rateably all Secured Moneys owing to the Class AB Noteholders. This will be applied:

(i) first, pari passu and rateably towards payment of all Interest on the Class AB Notes; and

(ii) next, pari passu and rateably towards repayment of the Class AB Notes until the Invested Amount of the Class AB Notes has been reduced to zero;

(i) next, to pay pari passu and rateably all Secured Moneys owing to the Class B Noteholders. This will be applied:

(i) first, pari passu and rateably towards payment of all Interest on the Class B Notes; and

(ii) next, pari passu and rateably towards repayment of the Class B Notes until the Invested Amount of the Class B Notes has been reduced to zero;

(j) next, to pay pari passu and rateably all Secured Moneys owing to the Class C Noteholders. This will be applied:

(i) first, pari passu and rateably towards payment of all Interest on the Class C Notes; and

(ii) next, pari passu and rateably towards repayment of the Class C Notes until the Invested Amount of the Class C Notes has been reduced to zero;

(k) next, to pay pari passu and rateably all Secured Moneys owing to the Class D Noteholders. This will be applied:

(i) first, pari passu and rateably towards payment of all Interest on the Class D Notes; and

(ii) next, pari passu and rateably towards repayment of the Class D Notes until the Invested Amount of the Class D Notes has been reduced to zero;

(l) next, to pay pari passu and rateably all Secured Moneys owing to the Class E Noteholders. This will be applied:

(i) first, pari passu and rateably towards payment of all Interest on the Class E Notes; and

(ii) next, pari passu and rateably towards repayment of the Class E Notes until the Invested Amount of the Class E Notes has been reduced to zero;

(m) next, to pay pari passu and rateably all Secured Moneys owing to the Class F Noteholders. This will be applied:

(i) first, pari passu and rateably towards payment of all Interest on the Class F Notes; and

(ii) next, pari passu and rateably towards repayment of the Class F Notes until the Invested Amount of the Class F Notes has been reduced to zero;

(n) next, towards payment of all other Secured Moneys owing to a Counterparty under a Derivative Contract (to the extent not paid under Section 11.18(e)(i);

(o) next, to pay pari passu and rateably all Secured Money owing to the Secured Creditors to the extent not paid under the preceding paragraphs; and

(p) next, to pay any surplus to the Issuer to be distributed in accordance with the terms of the Master Trust Deed.

### 11.19 Collateral Support

The proceeds of any Collateral Support will not be treated as Collateral available for distribution in accordance with 11.18 ("Application of proceeds following an Event of Default and enforcement of the General Security Deed").

Following an Event of Default and enforcement of the General Security Deed, any such Collateral Support must:

(a) in the case of Collateral Support under a Derivative Contract (subject to the operation of any netting provisions in the relevant Derivative Contract) be returned to the relevant Counterparty except to the extent that the relevant Derivative Contract requires it to be applied to satisfy any obligation owed to the Issuer in connection with such Derivative Contract; and

(b) in the case of Collateral Support under the Liquidity Facility Agreement, be returned to the Liquidity Facility Provider.

### 11.20 Call Option

At least 10 days before any Call Option Date the Issuer may (at the direction of the Manager) notify the Registrar and the Noteholders that it proposes to redeem all (but not some only) of the Notes at their Redemption Amount ("**Call Option**"). In connection with the exercise of the Call Option, the Manager may direct the Issuer to sell its right, title and interest in Series Receivables for an amount sufficient (together with any Collections held by the Issuer on the proposed redemption date) to redeem all outstanding Notes in full and pay all other Secured Creditors in full.

If the Call Option is exercised and the Series Receivables are sold, the Issuer must apply the proceeds received by it in accordance with the Cashflow Allocation Methodology on the relevant Call Option Date on which the Notes are to be redeemed.

### 11.21 Tax Account

In respect of any period during which the Trust is a member of a Consolidated Group, the Manager must, if the Manager determines that there will be a Tax Amount payable in the future by the Issuer in respect of the Trust, direct the Issuer in writing to open the Tax Account.

If the Tax Account has been opened, on each Determination Date the Manager must direct the Issuer in writing to set aside into the Tax Account on the immediately following Payment Date the required Tax Amount and Tax Shortfall, as determined by the Manager, from Total Available Income in accordance with Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"). The Manager must direct the Issuer to apply the funds in the Tax Account in paying any Tax when due and payable by the Issuer in respect of the Trust.

The Issuer is entitled to be indemnified out of the Series Assets for any Tax liability it incurs that is not able to be satisfied from the Tax Account.

## 12 DESCRIPTION OF THE TRANSACTION DOCUMENTS

The following summary describes the material terms of the Transaction Documents. The summary does not purport to be complete and is subject to the provisions of the Transaction Documents. All of the Transaction Documents are governed by the laws of New South Wales, Australia.

### 12.1 Overview of the AFG Trusts programme

The AFG trusts securitisation programme was originally established in March 2007 and was then updated in October 2010 to include the current Master Trust Deed, Servicing Deed, Management Deed, Master Definitions Schedule and other related documents. The main purpose of the AFG trusts securitisation programme is to raise finance for the AFG mortgage lending business by issuing securitised debt instruments. Under the Master Trust Deed, an unlimited number of separate and distinct trusts, and separate and distinct series of assets and liabilities relating to those trusts, may be created.

The Master Trust Deed also provides for the creation of a 'security trust' in connection with the establishment of each note issuing trust and the appointment of the Security Trustee to hold on trust the benefit of the relevant security granted by the issuer trustee for the noteholders and other secured creditors in respect of the related note issuing trust.

The terms of each series created under the Master Trust Deed are primarily governed by the Master Trust Deed and by the issue supplement which relates to that particular series. Each series will also have the benefit of a separate security granted by the Issuer (as trustee of the relevant note issuing trust) in favour of the Security Trustee over the assets of that series.

Under the Issue Supplement for the Trust, no series may be created in relation to the Trust in addition to the Series. The following paragraphs of this Section 12 provide further detail about the structure of the AFG Trusts programme and the terms of the Transaction Documents as they relate to the Series.

### 12.2 General Features of the Trust

***Constitution of the Trust***

The Trust is a common law trust which, in accordance with the Master Trust Deed, was established under the laws of New South Wales on 29 June 2020, by the execution of the Notice of Creation of Trust.

The Issuer has been appointed as trustee of the Trust. The Issuer will issue Notes in its capacity as trustee of the Trust.

The Trust will terminate:

(a) on the earlier of:

  (i) the date which is 80 years after the date on which it was established; and

  (ii) termination of the Trust under the terms of the Trust or the Issue Supplement, statute or general law; or

(b) at any time after the Borrowings in respect of the Trust and any other creditors (including, without limitation, the Secured Creditors) of the Trust have been repaid in full and the Issuer has confirmed that it does not intend to incur any further Borrowings in respect of the Trust.

***Capital***

The beneficial interest in the Trust is represented by:

(a) ten Residual Capital Units; and

(b) one Residual Income Unit.

The initial holder of the Residual Capital Units is AFG Securities Pty Ltd

The initial holder of the Residual Income Unit is AFG Securities Pty Ltd.

***Purpose of the Trust***

The Trust has been established for the sole purpose of issuing the Notes, acquiring Receivables and Related Securities and entering into the transactions contemplated by the Transaction Documents

As at the Closing Date, and prior to the issue of the Notes, the Trust has not commenced operations and the Trust will, following the Issue Date, undertake no activity other than that contemplated by the Transaction Documents.

***Entitlement of holders of the Residual Capital Units and holders of the Residual Income Units***

The beneficial interest of the Trust is vested in the holders of the Residual Capital Units and the Residual Income Units in accordance with the Master Trust Deed and the Transaction Documents.

***Entitlement of Unitholders to payments***

Until termination of the Trust, the Residual Capital Unitholder and the Residual Income Unitholder have no right to receive distributions except to the extent that funds are available for distribution to them in accordance with the cashflow allocation methodology set out in Section 11 ("Cashflow Allocation Methodology") and the Master Trust Deed.

On termination of the Trust:

(a) the Residual Income Unitholder has the right to receive repayment of any part of the issue price paid for each Residual Income Unit held by it (to the extent not previously repaid); and

(b) the Residual Capital Unitholder has the right to receive the remaining surplus assets of the Trust (if any) after the distributions to the Residual Income Unitholder described above,

in accordance with the Transaction Documents.

***Transfer of Units***

Each Residual Capital Unit and Residual Income Unit may be transferred in accordance with the Master Trust Deed.

***Ranking of Units***

The rights of any Unitholder of the Trust at all times rank after, and are subject to, the interests of the Secured Creditors of the Series.

***Restricted rights***

The Residual Capital Unitholder and the Residual Income Unitholder are not entitled to:

(a) interfere with the Series or any trust under the Transaction Documents or with any rights or powers of the Issuer, the Security Trustee or the Servicer or Manager under any Transaction Document;

(b) exercise a right, lodge a caveat or other notice or otherwise claim any interest in a Series Asset or the asset of any trust established under the Transaction Documents;

(c) require the transfer to it of any Series Asset or the asset of any trust established under the Transaction Documents;

(d) seek to terminate or wind up the Series or any trust established under the Transaction Documents; or

(e) seek to remove the Issuer, the Manager, the Servicer or the Security Trustee.

***Creation of the Series***

Under the Master Trust Deed, the assets of a trust can be allocated to separate "series", each established by the execution of an "issue supplement", a "notice of creation of security trust" and a "charge" for that series by the Issuer.

A series will comprise the assets allocated to it by the Issuer and liabilities incurred by the Issuer in respect of that series (including liabilities under the relevant notes) will be secured against those assets under the charge for the relevant series.

The Issuer must keep the assets of each trust and each series separate and must allocate to each trust and series those liabilities which, in the opinion of the Issuer, are properly referable to that trust or series.

The Series has been established under the Issue Supplement in accordance with this process.

The Issuer must:

(a) account for the Series Assets of the Series separately from the assets of any Other Series or Other Trust;

(b) account for the liabilities in respect of the Series separately from the other liabilities in respect of any Other Series or Other Trust; and

(c) ensure that all of the Series Assets and liabilities in respect of the Series are allocated in its records separately from the assets and liabilities in respect of any Other Series or Other Trust.

The Series will be the only series established in relation to the Trust. The sole business of the Issuer in relation to the Series will be as follows:

(a) acquiring the Series Assets;

(b) administering, collecting and otherwise dealing with Series Assets;

(c) issuing Notes of the Series;

(d) entering into, and exercising rights or complying with obligations under, the Transaction Documents of the Series to which it is a party and the transactions in connection with them; and

(e) any other activities in connection with the Series,

in accordance with the Transaction Documents (the "**Series Business**").

**12.3 The role of the Issuer under the Master Trust Deed**

***Issuer to act as trustee***

Under the Master Trust Deed, the Issuer is appointed, and has agreed to act, as trustee of the Trust with (and subject to) the powers and conditions contained in the Master Trust Deed and the other relevant Transaction Documents.

***Obligations of the Issuer***

Pursuant to the Transaction Documents, the Issuer undertakes (among other things) to:

(a) act as trustee of the Trust on the terms and conditions contained in the Master Trust Deed and the Transaction Documents for the Trust and the Series;

(b) carry on the Series Business for the Series in accordance with the Manager's directions (in accordance with the Transaction Documents);

(c) acquire or dispose of Assets at the direction of the Manager (in accordance with the Transaction Documents);

(d) borrow at the direction of the Manager (in accordance with the Transaction Documents);

(e) open, maintain and operate the Collection Account in accordance with the Transaction Documents;

(f) pay all Taxes (other than Taxes disputed by the Issuer in good faith) when due;

(g) not amend, vary or alter, or consent to any amendment, variation or alteration of the Master Trust Deed or any Transaction Document in respect of the Series other than in accordance with the provisions of the Master Trust Deed;

(h) not create or consent to any Encumbrance over the Series Assets except for a Permitted Encumbrance;

(i) not, except in the manner contemplated by the Transaction Documents, transfer or deal with the Series Assets or merge the Series Assets with any other assets of the Issuer;

(j) act honestly and in good faith in the performance of its duties and in the exercise of its discretions under the Master Trust Deed and under the Transaction Documents;

(k) exercise the degree of skill, care and diligence that the trustee of a securitisation trust would reasonably be expected to exercise;

(l) exercise such prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Master Trust Deed and the other Transaction Documents; and

(m) pay the Secured Money (and each part of the Secured Money) in respect of the Series to the Secured Creditors entitled to receive it in accordance with the Transaction Documents.

***Powers of the Issuer***

The Issuer has all the powers of a natural person or corporation in connection with the exercise of its rights and compliance with its obligations in connection with the Trust and the Series.

***Delegation by the Issuer***

The Issuer may appoint a party as its delegate, attorney or agent to perform its functions under the Transaction Documents (including a power to sub-delegate), provided that the Issuer must not delegate to such third parties (other than a Related Entity of the Issuer) any material part of its powers, duties or obligations as Issuer.

Provided that:

(a) the Issuer appoints the agent or delegate in good faith and using due care; and

(b) the agent or delegate is not an officer, employee or Related Entity of the Issuer,

the Issuer will not be liable for the acts or omissions of any agent or delegate.

***Issuer's voluntary retirement as trustee***

The Issuer may retire as trustee of the Trust by giving 3 months written notice to the Manager. The retirement takes effect on the later to occur of:

(a) the retirement date specified in the notice; and

(b) the execution by a replacement trustee of a deed under which it agrees to be bound by the Transaction Documents in respect of the Trust as if it were originally a party to those Transaction Documents.

If the Issuer notifies the Manager of its retirement, the Manager may appoint another corporation as a replacement trustee. If the Manager fails to appoint another corporation within one month of the notice of retirement and the Security Trustee selects a corporation to be trustee of the Trust, the Issuer must appoint that corporation as trustee of the Issuer. The appointment of a corporation as replacement trustee is subject to Rating Notification being provided in respect of that appointment.

***Issuer's mandatory retirement as trustee***

The Issuer must immediately retire as trustee of the Trust if:

(a) the Issuer becomes Insolvent in its personal capacity; or

(b) the Issuer is in breach of a material obligation under the Transaction Documents for the Trust and, where such breach is remediable, the Issuer has not remedied such breach within 30 days of becoming aware of it; or

(c) required by law.

If the Issuer is required to retire as trustee, the Manager may appoint another corporation as a replacement trustee. If the Manager fails to appoint another corporation immediately and the Security Trustee selects a corporation to be trustee of the Trust, the Issuer must appoint that corporation as trustee of the Issuer. The appointment of a corporation as replacement trustee is subject to Rating Notification being provided in respect of that appointment.

***Issuer's fee***

The Issuer is entitled to a fee for performing its functions and duties in respect of the Trust and the Series in an amount and calculated in such manner as may be agreed between the Issuer and the Manager from time to time. Any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

***Indemnity***

Without prejudice to the right of indemnity given by law to trustees generally, the Issuer will be indemnified out of the Series Assets against all costs, expenses, loss and liabilities properly incurred by the Issuer in performing any of its duties or exercising any of its powers under the Transaction Documents to the extent that the cost, expense, loss or liability has been incurred by the Issuer in connection with the performance of its duties or the exercise of its powers in respect of the Series. However, this indemnity does not extend to liabilities arising from the Issuer's fraud, negligence or wilful default.

The costs above include all legal costs and disbursements charged at the usual commercial rates of the relevant legal services provider incurred by the Issuer in connection with court proceedings brought against it alleging negligence, fraud or wilful default on its part in respect of the Series. However, if there is a determination by the relevant court of negligence, fraud or wilful default by the Issuer, the Issuer must repay any amount paid to it in respect of those legal costs.

The Issuer is not entitled to have recourse to the Assets of another trust or series to satisfy any cost, expense, loss or liability in respect of the Series.

***Limitation of Issuer's liability***

The Issuer enters into the Transaction Documents only in its capacity as trustee of the Trust and in no other capacity.

Except to the extent stated in the following paragraphs:

(a) a liability or obligation arising under or in connection with any Transaction Document in respect of Series is limited to and can be enforced against the Issuer only to the extent to which it can be satisfied out of the Series Assets out of which the Issuer is actually indemnified for the liability; and

(b) this limitation of the Issuer's liability applies despite any other provision of any Transaction Document and extends to all liabilities and obligations of, undertaken or incurred by, or devolving on, the Issuer arising from, or in any way connected with, any conduct, omission, representation, warranty, agreement, transaction or other matter or thing under or related to any Transaction Document.

The parties (other than the Issuer) may not sue the Issuer in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver, a liquidator, an administrator or any similar person to the Issuer or prove in any liquidation, administration or arrangements of or affecting the Issuer.

The Issuer's limitation of liability set out above will not apply to any liability or obligation of the Issuer to the extent that it is not satisfied because under a Transaction Document or by operation of law there is a reduction in the extent of the Issuer's indemnification out of the Series Assets as a result of the Issuer's fraud, negligence or wilful default.

However:

(a) in no circumstances will the Issuer be personally liable for any indirect, incidental, consequential or special damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought (except to the extent that there is a determination by a relevant court of fraud by the Issuer); and

(b) in no event will the Issuer be personally liable for any failure or delay in the performance of its obligations under any Transaction Document because of circumstances beyond its control including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour dispute, any statute, ordinance, code or other law which restricts or prohibits the Issuer from performing its obligations under any Transaction Document, the inability to obtain or the failure of equipment or the interruption of communications or computer facilities to the extent, in each case, that these occurrences are beyond the control of the Issuer and any other causes beyond the Issuer's control.

The Relevant Parties are responsible under the Master Trust Deed and the other Transaction Documents for performing a variety of obligations relating to the Trust and the Series. No act or omission of the Issuer (including any related failure to satisfy its obligations or breach of representation or warranty under the Master Trust Deed or any other Transaction Document) will be considered fraud, negligence or wilful default of the Issuer to the extent to which the act or omission was caused or contributed to by any failure by any Relevant Party or any other person to fulfil its obligations relating to the Trust or by any other act or omission of any Relevant Party or any other person (including, without limitation, any failure by the Manager to give a direction to the Issuer) or any of its agents or contractors regardless of whether or not the act or omission is purported to be done on behalf of the Issuer.

No attorney, agent, receiver or receiver and manager or other person appointed in accordance with Master Trust Deed or any other Transaction Document has authority to act on behalf of the Issuer in a way which exposes the Issuer to any personal liability and no act or omission of such a person will be considered fraud, negligence or wilful default of the Issuer.

The Issuer is not obliged to do or refrain from doing anything under the Master Trust Deed or any other Transaction Document (including incur any liability) unless the Issuer's liability is limited in the same manner as set out in this section.

A reference to the "**fraud, negligence or wilful default**" of the Issuer means the fraud, negligence or wilful default of the Issuer and of its officers, employees, agents and any other person where the Issuer is liable for the acts or omissions of such other person under the terms of any Transaction Document.

A reference to the "**wilful default**" of the Issuer means any intentional failure to comply with or intentional breach by the Issuer of any of its obligations under any Transaction Document, other than a failure or breach which:

(a) arose as a result of a breach by a person other than the Issuer and the performance of the action (or the non-performance of which gave rise to such breach) is a precondition to the Issuer performing the relevant obligation;

(b) is in accordance with a lawful court order or direction required by law; and

(c) is in accordance with an instruction or directions given by the Manager or is in accordance with an instruction or direction given to it by any person in circumstances where that person is entitled to do so by any Transaction Document or at law.

***Knowledge of the Issuer***

The Issuer will not be taken to have notice or knowledge or to be aware of any fact or information unless:

(a) it receives notice of that fact or information from the Manager; or

(b) an officer of the Issuer having day to day responsibility for the administration or management of a Trust or the Issuer's obligations under the Transaction Documents, has actual notice or knowledge of or is aware of that fact or information.

***No supervision***

Except as expressly set out in the Transaction Documents of the Trust, the Issuer has no duty, either initially or on a continuing basis, to supervise or keep itself informed about the circumstances of the Servicer, the Manager or any other party to a Transaction Document or the performance of their respective obligations under any Transaction Document.

### 12.4 The role of the Security Trustee under the Master Trust Deed and the General Security Deed

The Security Trust was created pursuant to the Master Trust Deed on 29 June 2020 by the execution of the Notice of Creation of Security Trust.

P.T. Limited is appointed as Security Trustee on the terms set out in the Master Trust Deed. For more information regarding P.T. Limited see Section 10.2 ("Security Trustee").

The Master Trust Deed, as it relates to the Security Trust and the appointment of the Security Trustee, contains customary provisions for a document of this type that regulate the performance by the Security Trustee of its duties and obligations and the protections afforded to the Security Trustee in doing so.

***General Security Deed***

The Noteholders in respect of the Trust have the benefit of a security interest over the all the Series Assets of the Series under the General Security Deed. The Security Trustee holds this security interest on behalf of the Secured Creditors (including the Noteholders) pursuant to the Master Trust Deed and may enforce the General Security Deed upon the occurrence of an Event of Default (as defined below).

For so long as a Series Asset is a "revolving asset" for the purposes of the General Security Deed (which includes the Series Receivables and Related Securities) the Issuer may sell, transfer or

otherwise dispose of that asset in the ordinary course of its ordinary business in accordance with the Transaction Documents. Following the occurrence of a "control event" (which includes the giving of notice by the Security Trustee to the Issuer following an Event of Default), a Series Asset will cease to a "revolving asset" and, accordingly, the Issuer may only deal with that asset as permitted under the Transaction Documents or with the consent of the Security Trustee.

To the extent that the Collateral includes property which is not "personal property" (as defined in the PPSA), the security interest will operate as a floating charge over revolving assets (and a fixed charge over all other relevant Series Assets) but may be converted from a floating charge to a fixed charge with respect to any or all such assets in certain circumstances (including following an Event of Default).

Each of the Issuer, the Security Trustee, AFGS, the Servicer and the Manager have agreed to do anything (such as obtaining consents, signing and producing documents, getting documents completed and signed and supplying information) which the Manager asks and reasonably considers necessary for the purposes of ensuring that the security interest created under the General Security Deed is enforceable, perfected (including, where possible, by control in addition to registration) and otherwise effective, enabling the Security Trustee to apply for any registration, give any notification, or take any other step, in connection with the security interest so that the security interest has the highest ranking priority reasonably possible, or enabling the Security Trustee to exercise rights in connection with the security interest.

***Events of Default***

It is an "**Event of Default**" in respect of the Series if any of the following occur:

(a) the Issuer does not pay any amount payable by it in respect of the Senior Obligations on time and in the manner required under the Transaction Documents unless, in the case of a failure to pay on time, the Issuer pays the amount within 3 Business Days of the due date;

(b) the Issuer:

  (i) does not comply with any other obligation relating to the Series under any Transaction Document where such non-compliance will have a Material Adverse Payment Effect; and

  (ii) if, in the opinion of the Security Trustee, that non-compliance can be remedied, does not remedy the non-compliance within 20 Business Days after written notice (or such longer period as may be specified in the notice) from the Security Trustee requiring the failure to be remedied;

(c) the Issuer becomes Insolvent, and the Issuer is not replaced in accordance with the Master Trust Deed within 60 days (or such longer period as the Security Trustee, at the direction of an ordinary Resolution of the Voting Secured Creditors, may agree) of becoming Insolvent;

(d) either:

  (i) the General Security Deed is or becomes wholly or partly void or voidable or is not, or ceases to be, valid and enforceable; or

  (ii) any Encumbrance (other than a Permitted Encumbrance) is created or exists in respect of the Collateral for a period of more than 10 Business Days following the Issuer becoming aware of the creation or existence of such Encumbrance, where such event will have a Material Adverse Payment Effect;

(e) a Transaction Document, or a transaction in connection with it, is or becomes (or is claimed to be) wholly or partly void, voidable or unenforceable or does not have (or is claimed not to have) the priority the Security Trustee intended it to have, where such event will have a Material Adverse Payment Effect ("claimed" for these purposes means claimed by the Issuer or anyone on its behalf);

(f) the Trust is found, or is conceded by the Issuer, not to have been constituted or to have been imperfectly constituted; or

(g) the Issuer is not entitled to fully exercise the right of indemnity conferred on it under the Master Trust Deed against the Series Assets to satisfy any liability to a Secured Creditor and the circumstances are not rectified to the reasonable satisfaction of the Security Trustee within 10 Business Days of the Security Trustee requiring the Issuer in writing to rectify them.

***Waiver and authorisation of breaches by the Issuer***

The Security Trustee may from time to time and at any time (but only if, and in so far as, in its opinion the rights of the Secured Creditors will not be materially prejudiced thereby and provided that Rating Notification has been provided) authorise or waive, on such terms and subject to such conditions (if any) as seem expedient to it, any breach or proposed breach of any of the undertakings or provisions contained in the Master Trust Deed or any other Transaction Document in respect of the Series. However, unless it has received a direction from the Voting Secured Creditors to do so, the Security Trustee must not determine that any Event of Default in respect of a Trust or Series, or event which with the giving of notice, lapse of time or fulfilment of any other condition would be likely to constitute an Event of Default in respect of a Trust or Series, shall not be treated as such.

Any such authorisation, waiver or determination is binding on the Secured Creditors and shall be notified by the Manager to the Secured Creditors. The Security Trustee must provide the Manager with notice of its intention to make or provide any such authorisation, waiver or determination under this Section and then not make or provide the authorisation, waiver or determination until such time as the Manager notifies the Security Trustee that Rating Notification has been provided.

***Actions following Event of Default***

If an Event of Default in respect of the Series is continuing, the Security Trustee may (or, if directed to do so by an Extraordinary Resolution of the Voting Secured Creditors, the Security Trustee must) do one or more of the following in addition to anything else the law allows the Security Trustee to do as a secured party:

(a) sue the Issuer for the Secured Money; and

(b) appoint one or more Receivers to all or any part of the Collateral or its income; and

(c) do anything that a Receiver could do under the General Security Deed.

The Security Trustee is not bound to take any proceedings after the occurrence of an Event of Default in respect of the Series unless it has been directed to do so by an Extraordinary Resolution of the Secured Creditors of the relevant Trust or Series passed at a meeting of Voting Secured Creditors convened by the Security Trustee under the Master Trust Deed. However, if, in the opinion of the Security Trustee, the delay required to obtain instructions from the Secured Creditors would be materially prejudicial to the interests of those Secured Creditors, the Security Trustee may (but is not obliged to) do the things referred to above without instructions from them.

***Call meeting on the occurrence of an Event of Default***

If the Security Trustee becomes aware that an Event of Default is continuing and the Security Trustee does not waive the Event of Default, the Security Trustee agrees to do the following as soon as possible and in any event within 5 Business Days of the Security Trustee becoming aware of the Event of Default:

(a) notify all Secured Creditors that the security interest granted under the General Security Deed has taken effect as a fixed charge (to the extent applicable);

(b) provide to those Secured Creditors full details of:

(i) the Event of Default as advised by the Issuer to the Security Trustee or otherwise known to the Security Trustee; and

(ii) the actions and procedures which the Issuer has notified the Security Trustee are being taken or will be taken by the Issuer to remedy the relevant Event of Default; and

(c) do all such things as are necessary or appropriate to promptly convene a meeting of the Voting Secured Creditors (for the purpose of seeking directions by way of Extraordinary Resolution).

***Voting Secured Creditors***

The Voting Secured Creditors will be the only Secured Creditors entitled to:

(a) vote in respect of a Resolution of Secured Creditors (including an Extraordinary Resolution, but excluding any Special Quorum Resolution) of the Series except in relation to any matter requiring a Special Quorum Resolution; or

(b) otherwise direct or give instructions or approvals to the Security Trustee in accordance with the Transaction Documents.

If at any time there is a conflict between a duty the Security Trustee owes to a Secured Creditor, or class of Secured Creditor, of the Series and a duty the Security Trustee owes to another Secured Creditor, or class of Secured Creditor, of the Series, the Security Trustee must give priority to the duties owing to the Voting Secured Creditors.

***Special Quorum Resolutions***

Certain matters require the passing of a Special Quorum Resolution of Secured Creditors. These include (among other matters) any resolution for the purpose of making any modification of the provisions contained in the Transaction Documents which:

(a) postpones the date of maturity or redemption of any of the Notes or any date for payment of interest on the Notes; or

(b) reduces or cancels the principal amount of the Notes or the rate of interest payable on them; or

(c) varies the currency of account or currency in which any payment in respect of the relevant Notes is to be made; or

(d) modifies the provisions contained in the Master Trust Deed concerning the quorum required at any meeting of Secured Creditors or any adjournment of a meeting or concerning the majority required to pass an Extraordinary Resolution.

A Special Quorum Resolution of Secured Creditors which in accordance with its terms:

(a) only affects a particular class of Secured Creditors; or

(b) affects a particular class of Secured Creditors in a manner differently to the rights of all the Secured Creditors of that Series generally,

will only be taken to be passed if it is also passed by a Special Quorum Resolution of that class of Secured Creditors.

***Application of proceeds following an Event of Default***

Following the occurrence of an Event of Default and enforcement of the General Security Deed, the Security Trustee must apply all moneys received by it in respect of the Collateral in the order described in 11.18 (“Application of proceeds following an Event of Default and enforcement of the General Security Deed”).

***No proceedings by Secured Creditors directly***

No Secured Creditor is entitled to proceed to recover any amounts of Secured Money directly against the Issuer unless the Security Trustee, having become bound to proceed as described in the above paragraphs fails to commence recovery within 10 Business Days.

***Security Trustee's limitation of liability***

Except to the extent stated in the following paragraphs:

(a) a liability or obligation arising under or in connection with any Transaction Document in respect of Series is limited to and can be enforced against the Security Trustee only to the extent to which it can be satisfied out of the Security Trust Fund out of which the Security Trustee is actually indemnified for the liability; and

(b) this limitation of the Security Trustee's liability applies despite any other provision of any Transaction Document and extends to all liabilities and obligations of, undertaken or incurred by, or devolving on, the Security Trustee arising from, or in any way connected with, any conduct, omission, representation, warranty, agreement, transaction or other matter or thing under or related to any Transaction Document.

The parties (other than the Security Trustee) may not sue the Security Trustee in any capacity other than as trustee of the Security Trust, including seeking the appointment of a receiver, a liquidator, an administrator or any similar person to the Security Trustee or prove in any liquidation, administration or arrangements of or affecting the Security Trustee.

This limitation of the Security Trustee's liability will not apply to any liability or obligation of the Security Trustee to the extent that it is not satisfied because under any Transaction Document or by operation of law there is a reduction in the extent of the Security Trustee's indemnification out of the Security Trust Fund, as a result of the Security Trustee's fraud, negligence or wilful default.

However:

(a) in no circumstances will the Security Trustee be personally liable for any indirect, incidental, consequential or special damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought (except to the extent that there is a determination by a relevant court of fraud by the Security Trustee); and

(b) in no event will the Security Trustee be personally liable for any failure or delay in the performance of its obligations under any Transaction Document because of circumstances beyond its control including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour dispute, any statute, ordinance, code or other law which restricts or prohibits the Security Trustee from performing its obligations under any Transaction Document, the inability to obtain or the failure of equipment or the interruption of communications or computer facilities to the extent, in each case, that these occurrences are beyond the control of the Issuer and any other causes beyond the Security Trustee's control.

The Relevant Parties are responsible under the Master Trust Deed and the other Transaction Documents for performing a variety of obligations relating to the Trust and the Series. No act or omission of the Security Trustee (including any related failure to satisfy its obligations or breach of representation or warranty under the Master Trust Deed or any other Transaction Document) will be considered fraud, negligence or wilful default of the Security Trustee to the extent to which the act or omission was caused or contributed to by any failure by any Relevant Party or any other person to fulfil its obligations relating to the Security Trust or by any other act or omission of any Relevant Party or any other person (including, without limitation, any failure by the Manager to give a direction to the Security Trustee) or any of its agents or contractors regardless of whether or not the act or omission is purported to be done on behalf of the Security Trustee.

No attorney, agent, receiver or receiver and manager or other person appointed in accordance with Master Trust Deed or any other Transaction Document has authority to act on behalf of the Security Trustee in a way which exposes the Security Trustee to any personal liability and no act or omission of such a person will be considered fraud, negligence or wilful default of the Security Trustee.

The Security Trustee is not obliged to do or refrain from doing anything under the Master Trust Deed or any other Transaction Document (including incur any liability) unless the Issuer's liability is limited in the same manner as set out in this section.

A reference to the "**fraud, negligence or wilful default**" of the Security Trustee means the fraud, negligence or wilful default of the Security Trustee and of its officers, employees, agents and any other person where the Security Trustee is liable for the acts or omissions of such other person under the terms of any Transaction Document.

A reference to the "**wilful default**" of the Security Trustee means any intentional failure to comply with or intentional breach by the Issuer of any of its obligations under any Transaction Document, other than a failure or breach which:

(a) arose as a result of a breach by a person other than the Security Trustee and the performance of the action (or the non-performance of which gave rise to such breach) is a precondition to the Issuer performing the relevant obligation;

(b) is in accordance with a lawful court order or direction required by law; and

(c) is in accordance with an instruction or directions given by the Manager or is in accordance with an instruction or direction given to it by any person in circumstances where that person is entitled to do so by any Transaction Document or at law.

***Knowledge of the Security Trustee***

The Security Trustee will not be taken to have notice or knowledge or to be aware of any fact or information unless:

(a) it receives notice of that fact or information from the Manager; or

(b) an officer of the Security Trustee having day to day responsibility for the administration or management of a Security Trust or the Security Trustee's obligations under the Transaction Documents, has actual notice or knowledge of or is aware of that fact or information.

***Limitation on Security Trustee's responsibility***

The Security Trustee is not to:

(a) be bound or concerned to examine or enquire into, nor be liable for any defect or failure in the title of the Issuer to any Collateral;

(b) be under any liability whatsoever for acting in accordance with any direction obtained from Secured Creditors at a meeting convened in accordance with the Master Trust Deed; or

(c) be under any liability whatsoever for a failure to take any action in respect of any breach by the Issuer of its duties as trustee of the Trust of which the Security Trustee is not actually aware or in respect of any Event of Default of which the Security Trustee is not actually aware,

except to the extent that any such matter or liability is caused by the fraud, negligence or wilful default of the Security Trustee.

***Security Trustee's fees***

The Issuer, under the Master Trust Deed, has agreed to pay to the Security Trustee from time to time a fee (on terms agreed between the Issuer, the Manager and the Security Trustee from time to time) in

respect of the Trust. Any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

***Voluntary retirement of Security Trustee***

Subject to compliance with the relevant statutory requirements for the time being, the Security Trustee may retire at any time in respect of the Security Trust upon the expiration of not less than 90 days' notice (or such other period as the Issuer may agree) in writing to the Issuer.

***Mandatory retirement of Security Trustee***

The Security Trustee must retire as security trustee if:

(a) the Security Trustee becomes Insolvent in its personal capacity; or

(b) the Security Trustee is in breach of a material obligation under the Transaction Documents and, where such breach is remediable, the Security Trustee has not remedied such breach within 30 days of becoming aware of it; or

(c) required by law; or

(d) the Issuer, upon 90 days prior written notice, requests the Security Trustee to retire as security trustee, provided that:

  (i) no Event of Default is subsisting at that time in respect of any trust or series; and

  (ii) the Manager has issued a Rating Notification in respect of the Security Trustee's retirement; or

(e) the Security Trustee ceases to carry on business in all respects or as a professional trustee; or

(f) there is a change in Control of the Security Trustee, which leads to an Adverse Rating Effect.

***Security Trustee to continue to act until replacement takes effect***

If the Security Trustee retires as described in the preceding paragraphs, the Security Trustee must continue to act as the security trustee in respect of the Security Trust (as the case may be) until:

(a) a replacement security trustee nominated by the Manager and consenting to the appointment, has been appointed as security trustee of each relevant Security Trust (provided that if the Manager has not nominated a replacement security trustee within 60 days of the date of resignation of the Security Trustee, the Security Trustee may nominate any such replacement security trustee); and

(b) the Security Trustee has procured the execution by the replacement security trustee of a deed whereby the replacement security trustee covenants to perform the duties and undertakes to meet the obligations of the Security Trustee under the Master Trust Deed, the Security Trust and each Transaction Document to which the Security Trustee is a party with respect to the Security Trust; and

(c) the Security Trustee has assigned or transferred all of its rights under the Transaction Documents (to which it is a party) to the replacement security trustee.

**12.5 The Management Deed**

***Appointment of the Manager***

Under the Management Deed, the Issuer appoints the Manager to act as manager in respect of the Trust and the Series to carry on the day to day administration, supervision and management of the Series Business in accordance with the Management Deed and the Transaction Documents.

***Obligations of the Manager***

Under the Management Deed, the Manager must (among other things) make recommendations to the Issuer in relation to:

(a) documentation to be entered into by the Issuer in respect of the Series;

(b) the Reallocation of Receivables in respect of the Series;

(c) the issue of Notes in respect of the Series; and

(d) the exercise of rights and the performance of obligations by the Issuer under the Transaction Documents in respect of the Series.

The Management Deed contains various provisions relating to the Manager's exercise of its powers and duties under the Management Deed, including provisions entitling the Manager to act on expert advice.

***Delegation by the Manager***

The Manager may delegate its duties and obligations under the Management Deed to any solicitor or similar person. The Manager will not be liable for the acts or omissions of any such delegate provided that the Manager appoints the delegate in good faith and using due care and that the delegate is not an officer, employee or Related Entity of the Manager.

In addition, the Manager may otherwise appoint any person as its agent or attorney provided the Manager may not delegate a material part of its powers, authorities and discretions. The Manager will remain liable for the acts or omissions of any such agent or attorney. The Manager has appointed Perpetual Nominees Limited (ABN 37 000 733 700) pursuant to these powers to provide certain cashflow calculations and reporting services in relation to the Series. The Manager has agreed that it will at all times remain liable for the acts or omissions of Perpetual Nominees Limited in connection with the Series and for the payment of all fees, costs, indemnities and other amounts payable to Perpetual Nominees Limited in connection with the Series (and, for avoidance of doubt, such fees, costs, indemnities and other amounts are not Series Expenses).

***Manager's limitation of liability***

Without limiting the Manager's liability for delegates and agents as described above, neither the Manager nor any delegate of the Manager will be liable:

(a) for any loss, costs, liabilities or expenses arising out of the exercise or non-exercise of its discretion or for any other act or omission on its part as Manager, except to the extent that the exercise or non-exercise of its discretion or the Manager's or the delegate's own act or omission is fraudulent, grossly negligent or in breach of duty or contract;

(b) for any loss, costs, liabilities or expenses arising out of the act or omission, or exercise or non-exercise of a discretion of the Issuer, the Originator or the Servicer except to the extent that it is caused by the Manager's or the delegate's own fraud, gross negligence or breach of duty or contract; or

(c) for any loss, costs, liabilities or expenses caused by its failure to check any information, document, form or list supplied or purported to be supplied to it by the Issuer, an Originator or the Servicer except to the extent that the loss is caused by the Manager's or the delegate's own fraud, gross negligence or breach of duty or contract.

In addition, the Manager will not be liable:

(a) in connection with anything done by it in good faith in reliance upon any document, form or list except when it has reason to believe that the document, form or list is not genuine;

(b) if it fails to do anything because it is prevented or hindered from doing it by law or order;

(c) to anyone for payments (except when made negligently or made contrary to the provisions of the Transactions Documents) made by it in good faith to a fiscal authority in connection with Taxes or other charges in respect of the Trust or the Series Business, even if the payment need not have been made;

(d) subject to the Corporations Act, if a person (other than a company under its control) fails to carry out an agreement with the Issuer in respect of the Trust or the Series or the Manager in connection with the Trust or the Series (except when the failure is due to its own neglect, fraud or default);

(e) to anyone because of any error of law or any matter done or omitted to be done by it in good faith in the event of the liquidation or dissolution of a company (other than a company under its control and except where the liability arises due to its own neglect, fraud or default);

(f) for any act, omission or default of the Originator or the Servicer;

(g) because any person other than the Manager does not comply with its obligations under the Transaction Documents; or

(h) because any statement, representation or warranty of any person other than the Manager in a Transaction Document is incorrect or misleading.

***Manager's voluntary retirement***

The Manager may retire as the manager of the Series upon giving to the Issuer 3 months' notice in writing, or such lesser time as the Manager and the Issuer agree, provided that the Manager may not retire unless:

(a) it has appointed a replacement manager which is acceptable to the Issuer;

(b) the Manager has issued a Rating Notification in respect of its retirement; and

(c) the replacement manager executes a deed under which it agrees to act as Manager in respect of the Series on, substantially, the same terms and for a fee determined on a market basis.

***Removal of the Manager***

Upon the occurrence of a Manager Termination Event, the Issuer may terminate the appointment of the Manager as manager in respect of the Series by giving notice to the Manager. The Manager must comply with the terms of any such notice.

It is a "**Manager Termination Event**" in respect of the Series if:

(a) the Manager commits a breach of any material obligation of a Transaction Document of the Series (other than a provision to which paragraph (c) below applies) (as determined in the reasonable opinion of the Issuer) and in the case of a breach that is capable of remedy, such breach is not remedied to the satisfaction of the Issuer (the Issuer may conclusively rely on the opinion or advice of any legal or other advisers of the Issuer or the Issuer in this regard) within 30 days of notice of such breach by the Issuer to the Manager;

(b) any representation or warranty by the Manager in or in connection with the execution, delivery or performance of a Transaction Document is untrue or incorrect in any material respect and either:

(i) such inaccuracy is not remedied to the satisfaction of the Issuer (the Issuer may conclusively rely on the opinion or advice of any legal or other advisers of the Issuer or the Issuer in this regard) within 30 days of notice of such inaccuracy by the Issuer to the Manager; or

(ii) the Manager has not paid an amount to the Issuer representing the loss suffered by the Issuer as a result of that inaccuracy (being an amount agreed between the

Manager and the Issuer or, failing agreement, by the Issuer's auditors) within 30 days of notice of such inaccuracy by the Issuer to the Manager;

(c) the Manager becomes Insolvent;

(d) the Manager ceases to carry on a financial services business; or

(e) the Manager fails to prepare and transmit to the Issuer any information necessary to enable the Issuer to make payments in relation to the Series by the date set out in the Transaction Documents and such failure is not remedied within 10 Business Days (or such longer period as the Issuer may agree) of notice being given by the Issuer to the Manager and as a result there is a failure to pay any amount due by the Issuer to any person in full on the date due.

***Appointment of a replacement Manager***

Upon service of the notice of termination by the Issuer following a Manager, the Issuer is required as soon as practicable procure the appointment of a replacement manager.

If the Manager is removed or gives notice of its retirement and no replacement manager has been appointed by the end of the applicable notice period, the Issuer must either:

(a) subject to any approval required by law and on receipt of confirmation from each Rating Agency that no Adverse Effect would be caused, act as Manager (or appoint an agent to do so) until the appointment of a replacement manager is complete; or

(b) call a meeting of Noteholders to give directions to the Issuer in connection with the appointment of any replacement manager.

If the Issuer acts as manager, the Issuer will not be responsible for, and will not be liable for, any inability to perform or deficiency in performing, its duties and obligations as manager if it is unable to perform those duties and obligations due to the state of affairs of the previous Manager, and its books and records or if it is unable (after using reasonable endeavours) to obtain information and documents or obtain access to software or resources which it requires and which are reasonably necessary for it to perform those duties and obligations.

***Costs of retirement or removal***

The outgoing Manager must reimburse the Issuer for all reasonable costs and expenses incurred by the Issuer in connection with the termination or retirement of the Manager as described above.

***Manager's fees and expenses***

The Issuer must pay such fees to the Manager in respect of the Series on such terms as are agreed between the Issuer and the Manager from time to time. Any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

The reasonable and proper fees, disbursements and expenses, duties and outgoings payable in relation to any person from whom the Manager obtains an opinion, advice or information under the Management Deed in relation to the Series are to be paid by the Issuer from the Series Assets.

**12.6 The Servicing Deed**

***Appointment of the Servicer***

Under the Servicing Deed, the Issuer appoints the Servicer to service, manage and administer the Series Receivables.

***Obligations of the Servicer***

The Servicing Deed requires the Servicer to manage the Series Receivables using all proper care, skill and diligence, and all its experience and expertise in the management of Receivables, in

accordance with Servicing Deed, the Servicing Procedures, the requirements of any relevant Insurance Policy and the written instructions of the Issuer, the Manager or the relevant Insurer.

In addition, the Servicer is required (among other things) to:

(a) maintain the Title Documents for the Series Assets in accordance with the Servicing Procedures;

(b) maintain appropriate account records for each Series Receivable;

(c) operate and maintain the receivables management system so as to ensure the maintenance of an adequate system for tracking all transactions in relation to the Series Receivables;

(d) provide agreed reports to the Issuer and the Manager;

(e) comply with the requirements of any relevant laws including, without limitation, the National Consumer Credit Protection Laws, in exercising its rights and carrying out its obligations under the Servicing Deed and ensure that it does not cause the Issuer to breach such laws;

(f) not do or omit to do anything which might or which cause or contribute to a deterioration in the value of any Series Receivable;

(g) protect and enforce the Series Receivables;

(h) remit Collections received by it in respect of the Series Receivables in accordance with the Transaction Documents; and

(i) not release any Debtor from its obligations or vary or discharge any obligations under a Series Receivable or Related Security without the consent of the Issuer or as required by law or the Servicing Procedures.

***Servicing Procedures***

The Servicer may amend the Servicing Procedures from time to time, provided that 5 Business Days prior written notice is provided to each Rating Agency of amendments which, in the reasonable opinion of the Servicer, are material.

***Delegation and other dealings***

The Servicer may not delegate any part of its functions under the Servicing Deed to any person, except to a person appointed in accordance with the terms of the Servicing Deed or the Servicing Procedures.

The Servicer may, with the approval of the Issuer (acting on the direction of the Manager):

(a) assign the whole, or any part, of its rights under the Servicing Deed or the fee arrangement between the Servicer and the Issuer to any person; or

(b) create, incur or permit to exist, any Encumbrance over the whole, or any part of its rights under the Servicing Deed,

provided that the Issuer shall not give its approval unless the Manager has issued a Rating Notification in respect of that event.

The Issuer may delegate its functions (in whole or in part) under the Servicing Deed to any person. The Issuer remains liable to the Servicer for any act or omission of any delegate. If the Issuer delegates its functions to a person, the Servicer is entitled to assume that the delegate is acting with the authority in the performance of the duties which have been delegated to it and is not liable to any person in any manner whatsoever for relying on the acts of the delegate.

***Servicer's voluntary retirement***

Except where an Event of Default or Servicer Termination Event has occurred, and is continuing, in respect of the Series, the Servicer may retire as servicer in respect of the Series upon giving to the Issuer and the Manager 3 months written notice (or such lesser time as the Servicer and the Manager agree), provided that the Servicer may not retire unless and until:

(a) the Manager has issued a Rating Notification in respect of the Servicer's retirement; and

(b) if the Standby Servicing Deed has terminated or the Standby Servicer has been removed as standby servicer in accordance with the Standby Servicing Deed and not replaced:

(i) a successor servicer is appointed for the Series; and

(ii) the Manager has issued a Rating Notification in respect of the Servicer's retirement and the appointment of that successor servicer.

Upon the retirement of the Servicer, the Standby Servicer will, provided that the Standby Servicing Deed has not terminated and the Standby Servicer remains appointed as the standby servicer in accordance with the Standby Servicing Deed, be required to act as servicer in respect of the Series in accordance with the Standby Servicing Deed as described in Section 12.7 ("The Standby Servicing Deed").

***Removal of the Servicer***

Upon the occurrence of a Servicer Termination Event in respect of the Series, the Issuer may terminate the appointment as Servicer in respect of the Series by giving notice to the Servicer. The Servicer agrees to comply with the terms of any such notice.

It is a "**Servicer Termination Event**" in respect of the Series if:

(a) the Servicer commits a breach of any material obligation of the Servicing Deed in respect of the Series (as determined in the reasonable opinion of the Manager) and in the case of a breach that is capable of remedy, such breach is not remedied to the satisfaction of the Manager (the Manager may conclusively rely on the opinion or advice of any legal or other advisers of the Manager in this regard) within 30 days of notice of such breach by the Manager to the Servicer;

(b) any representation or warranty or agreement by the Servicer in or in connection with the execution, delivery or performance of the Servicing Deed in respect of the Series is untrue or incorrect in any material respect and either:

(i) such inaccuracy is not remedied to the satisfaction of the Manager (the Manager may conclusively rely on the opinion or advice of any legal or other advisers of the Manager in this regard) within 30 days of notice of such inaccuracy by the Manager to the Servicer; or

(ii) the Servicer has not paid an amount to the Issuer or Manager representing the loss suffered by the Manager as a result of that inaccuracy (being an amount agreed between the Servicer and the Issuer or Manager, as relevant, or, failing agreement, by the Manager's auditors) within 30 days of notice of such inaccuracy by the Issuer or Manager to the Servicer;

(c) the Servicer becomes Insolvent;

(d) the Servicer ceases to carry on a financial services business;

(e) the Servicer fails to remit any amount received by it in respect of the Series Assets of the Series to the Issuer within the time period specified in the Servicing Deed and such failure is not remedied to the satisfaction of the Issuer within 3 Business Days of notice being given by the Issuer or the Manager to the Servicer; or

(f) the Servicer fails to prepare and transmit to the Manager any information necessary to enable the Manager to instruct the Issuer to make payments in relation to the Series by the date set out in the Transaction Documents and such failure is not remedied within 3 Business Days of notice being given by the Issuer or the Manager to the Servicer and as a result there is a failure to pay any amount due by the Issuer to any person in full on the date due.

Upon service of a notice of termination by the Issuer to the Servicer following a Servicer Termination Event, the Issuer will as soon as practicable procure the appointment of a replacement servicer.

Upon service of a notice of termination by the Issuer to the Servicer following a Servicer Termination Event, the Standby Servicer will be required to act as servicer in accordance with the Standby Servicing Deed as described in Section 12.7 ("The Standby Servicing Deed").

***Servicer to provide full co-operation***

Following termination of the Servicing Deed or the removal or the retirement of the Servicer, the Servicer must immediately deliver to the new Servicer (including the Standby Servicer if applicable), any Title Documents held by the Servicer and all other documents (including, without limitation, loan and security documentation) held by the Servicer in relation to the Series (as applicable).

Following termination of the Servicing Deed or the removal or retirement of the Servicer, the Servicer must:

(a) in respect of any computer equipment used by the Servicer in the servicing of the Series Receivables, grant any new Servicer (including the Standby Servicer if applicable) (or its agent) access to such computer equipment; and

(b) make available its employees to assist, or use its best endeavours to assist the new Servicer (including the Standby Servicer if applicable) (or its agent) in procuring the employment of persons to assist the new Servicer (including the Standby Servicer if applicable) in the performance of its duties.

For these purposes, the Servicer has agreed to grant to the new Servicer, or use its best endeavours to procure for the new Servicer, an irrevocable non-exclusive licence to use the software used by the Servicer in the course of performing its duties under the Servicing Deed and also to grant any new Servicer a licence to enter and occupy any premises occupied by the Servicer from time to time from which it conducts the servicing of Receivables.

***Costs of retirement or removal***

The Servicer must reimburse the Issuer for all reasonable costs and expenses incurred by the Issuer in connection with the termination or retirement of the Servicer.

***Indemnity***

The Servicer indemnifies the Issuer on demand against any loss, cost, expense, damage or action which the Issuer may suffer or incur as a result of:

(a) a breach by the Servicer of any of its representations, warranties, undertakings or covenants contained in the Servicing Deed or any other Transaction Document in respect of the Series;

(b) any Penalty Payments the Issuer may become liable for or that arise directly or indirectly as a result of:

(i) the performance or non-performance by the Servicer of its obligations or the exercise of its powers under the Servicing Deed or any other Transaction Document; and

(ii) any breach by the Servicer of any of its representation and warranties under the Servicing Deed or any other Transaction Document,

except to the extent that any such loss, cost, expense, damage or action was caused by the fraud, negligence or wilful default of the Issuer.

***Servicer's liability***

The Servicer is not liable for any loss, costs, liabilities, damages or expenses suffered or incurred by the Issuer as a result of the Servicer acting, or failing to act, at the direction or instruction of the Manager.

In addition, the Servicer will not be in breach of its duties under the Servicing Deed, or be otherwise liable to the Issuer, in respect of its actions performed strictly in accordance with the Servicing Procedures (provided that the Servicer is not aware that the Servicing Procedures do not materially comply with any law).

However, if the Servicer does not comply with the Servicing Procedures or any direction of the Manager or the Issuer, the Servicer will nevertheless not be liable if it reasonably believes and has a reasonable basis for believing that it would contravene any law by complying with the Servicing Procedures or the relevant direction.

***Servicer's fees and expenses***

The Issuer must pay such fees to the Servicer in respect of the Series as are agreed between the Issuer (at the direction of the Manager) and the Servicer from time to time. Any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

### 12.7 The Standby Servicing Deed

***Appointment of the Standby Servicer***

Under the Standby Servicing Deed, the Standby Servicer is appointed to step in and act as servicer in respect of the Series Receivables in the event that the Servicer retires or is removed in the circumstances described in Section 12.6 ("The Servicing Deed") above. From the date of retirement or removal of the Servicer, the Standby Servicer is required to act as servicer and will be bound by and must comply with the relevant obligations of the Servicer under the Transaction Documents to which the Servicer was a party.

***Delegation***

The Standby Servicer may delegate any of its rights or obligations as Standby Servicer and may appoint professional advisers without notifying any person of the appointment. However, the Standby Servicer must not delegate a material part of its obligations under the Standby Servicing Deed without the prior written consent of the Manager, and (unless otherwise agreed in writing) will remain liable for its obligations under the Standby Servicing Deed notwithstanding any such delegation. Where the delegate is a Related Entity of the Standby Servicer, the Standby Servicer at all times remains liable for the acts and omissions of the Related Entity.

***Liability of Standby Servicer***

The liability of the Standby Servicer is limited in the same manner as that which applies in respect of its capacity as Issuer, as described in Section 12.3 ("The role of the Issuer under the Master Trust Deed") above. In addition, the Standby Servicer will not be liable for any inability perform, or any deficiency in performing, its duties and obligations as servicer to the extent that the Standby Servicer is unable to perform those duties and obligations due to matters including:

- the state of affairs of the Servicer, its books and records, business date, data collection, storage or retrieval systems or computer equipment or software prior to, or at the time of, the termination or retirement of the Servicer in accordance with the Servicing Deed;

- any acts or omissions at any time of the Servicer, the Manager or any agent of the Servicer or the Manager;

- any failure of any other person to perform its obligations under, and in accordance with, the Transaction Documents; or

- because the Standby Servicer complies with the Servicing Procedures,

except to that such liabilities are as a result of the fraud, negligence or wilful default of the Standby Servicer.

***Retirement and termination of appointment***

The Standby Servicer may retire as Standby Servicer in respect of the Series (whether or not the Standby Servicer has become obliged to act as servicer in accordance with the Standby Servicing Deed) immediately by written notice to the Issuer, the Manager and each Rating Agency, if any amounts owing to the Standby Servicer in respect of the Series are not paid when due and remain unpaid 30 days after the due date for payment.

The Manager may terminate the Standby Servicer's appointment as Standby Servicer in respect of the Series (whether or not the Standby Servicer has become obliged to act as servicer in accordance with the Standby Servicing Deed) upon giving not less than 90 days' notice in writing to the Issuer, the Standby Servicer and each Rating Agency.

In addition, the rights obligations of the Standby Servicer will cease (whether or not the Standby Servicer has become obliged to act as servicer in accordance with the Standby Servicing Deed) on the date that the Issuer ceases to be the trustee of the Trust.

***Standby Servicer's fees and indemnification***

The Standby Servicer is entitled to a fee payable by the Issuer in accordance with the Cashflow Allocation Methodology. In addition, the Standby Servicer (or its agent) is indemnified by the Issuer in relation to matters relating to the performance of its obligations or duties as standby servicer, except to the extent that the costs, charges or expenses arose from the Standby Servicer's (or its agent's) fraud, negligence or wilful default.

**12.8 The Liquidity Facility Agreement**

***General***

Under the Liquidity Facility Agreement, the Liquidity Facility Provider grants to the Issuer a loan facility in Australian Dollars in respect of the Series in an amount equal to the Liquidity Limit.

The Liquidity Facility is only available to be drawn to fund any Liquidity Draws up to the Liquidity Limit.

***Liquidity Advances***

If, on any Determination Date during the Availability Period, the Manager determines that a Liquidity Draw is required as described in Section 11.9 ("Liquidity Draw"), the Manager must arrange, by giving a direction to the Issuer, for a Liquidity Advance to be made under the Liquidity Facility on the Payment Date immediately following that day in accordance with the Liquidity Facility Agreement. The Liquidity Advance must be equal to the lesser of:

(a) the amount of such Liquidity Draw on that day; and

(b) the Available Liquidity Amount on that day.

***Interest***

Interest on each Liquidity Advance accrues from day to day and is to be calculated on actual days elapsed and a 365 day year.

The rate of interest payable to the Liquidity Facility Provider in respect of a Liquidity Interest Period is the sum of the bank bill rate (as determined in accordance with the Liquidity Facility Agreement) on

the first day of that Liquidity Interest Period and 1.50% per annum (or such other rate as the Manager and the Liquidity Facility Provider may agree from time to time, provided that a Rating Notification is given) ("**Liquidity Interest Rate**"). However, if such calculation of the Liquidity Interest Rate in respect of a Liquidity Interest Period produces a rate of less than zero per cent per annum, the Liquidity Interest Rate for the relevant Liquidity Interest Period will be zero per cent per annum.

A "**Liquidity Interest Period**" in respect of a Liquidity Advance commences on (and includes) its Drawdown Date and ends on (but excludes) the next Payment Date. Each subsequent Liquidity Interest Period will commence on (and include) a Payment Date and end on (but exclude) the next Payment Date. However, a Liquidity Interest Period in respect of a Liquidity Advance which would otherwise end after the termination date of the Trust ends on (but excludes) that termination date.

Interest is payable in arrears on each Payment Date. If, on any Payment Date, all amounts on account of interest due under the Liquidity Facility Agreement are not paid in full, on each following Payment Date the Issuer must pay so much of the amounts as are available for that purpose in accordance with the Issue Supplement until such amounts are paid in full.

***Downgrade of Liquidity Facility Provider***

If at any time (during the Availability Period for so long as any Notes are outstanding) the Liquidity Facility Provider does not have the Required Liquidity Rating, the Liquidity Facility Provider must do one of the following (as determined by the Liquidity Facility Provider in its discretion):

(a) procure a replacement Liquidity Facility within 30 calendar days;

(b) request the Manager to request a Collateral Advance for an amount equal to the Available Liquidity Amount within 14 calendar days; or

(c) implement such other structural changes so that the downgrading of the Liquidity Facility Provider does not have an Adverse Rating Effect within 30 calendar days,

(or such longer period as may be agreed by the Manager and the Liquidity Facility Provider and provided a Rating Notification has been given in respect of such longer period) of such downgrade.

***Collateral Advance***

On receipt of a request from the Liquidity Facility Provider as described in paragraph (b) of the section entitled "Downgrade of Liquidity Facility Provider" above, the Manager must arrange, by giving a direction to the Issuer, for a Collateral Advance to be made under the Liquidity Facility equal to the Available Liquidity Amount.

The Liquidity Facility Provider must, subject to the terms of the Liquidity Facility Agreement, deposit in the Liquidity Collateral Account the amount of any Collateral Advance in immediately available funds by 12.00pm on the relevant day on which that advance is required by the Manager.

If, on any Determination Date after a Collateral Advance has been made, the Manager would, but for the fact that the Liquidity Facility has been fully drawn, be required to arrange for a Liquidity Advance in accordance with Section 11.9 ("Liquidity Draw") (and the Liquidity Facility Provider would, but for the fact that the Liquidity Facility has been fully drawn, be required to provide the Liquidity Advance), the Manager must direct the Issuer to transfer from the Liquidity Collateral Account into the Collection Account an amount equal to the lesser of:

(a) the Liquidity Advance; and

(b) the Liquidity Collateral Account Balance,

by no later than 12.00pm on the immediately following Payment Date.

Any such withdrawal from the Liquidity Collateral Account will be deemed to be a Liquidity Advance.

If at any time after a Collateral Advance has been made:

(a) the Liquidity Facility Provider obtains the Required Liquidity Rating (or, if the credit rating of the Liquidity Facility Provider continues to be less than the Required Liquidity Rating, but the Manager determines that it may give a direction as described below and has provided Rating Notification in respect of that direction);

(b) the Liquidity Facility Provider complies with sub-paragraphs (a) or (c) of the section above entitled "Downgrade of Liquidity Facility Provider"; or

(c) the Liquidity Facility granted under the Liquidity Facility Agreement is terminated in accordance with the Liquidity Facility Agreement (other than as a result of the occurrence of the Availability Termination Date),

then the Liquidity Facility Provider must notify the Manager of that event and the Manager must then direct the Issuer to, and the Issuer must, repay to the Liquidity Facility Provider the Liquidity Collateral Account Balance (if any) within 1 Business Day of being so directed by the Manager in repayment of the then outstanding Collateral Advances.

Except as described in the following sentence, all interest or other returns accrued (net of all costs properly incurred by the Issuer in respect of the operation of the Liquidity Collateral Account under the Liquidity Facility Agreement) on the Liquidity Collateral Account Balance, or on any Authorised Investments purchased with the Liquidity Collateral Account Balance, which have been credited to the Liquidity Collateral Account must be paid by the Issuer to the Liquidity Facility Provider on each Payment Date. However, if losses are realised on any Authorised Investments purchased with the Liquidity Collateral Account Balance or on the Liquidity Collateral Account Balance, no such interest or other returns will be paid to the Liquidity Facility Provider until the aggregate of such interest or other returns exceeds the aggregate of such losses, in which case the Liquidity Facility Provider will be entitled only to receive such excess amount.

A "**Collateral Advance**" is the principal amount of each advance made by the Liquidity Facility Provider pursuant to a request by the Manager in accordance with the Liquidity Facility Agreement where the Liquidity Facility Provider does not have the Required Liquidity Rating, or the balance of such advance outstanding from time to time as the context requires and includes any deemed Collateral Advance.

The "**Liquidity Collateral Account**" is a segregated account opened at the direction of the Manager in the name of the Issuer with an Eligible Bank to which the proceeds of any Collateral Advance are to be deposited.

The "**Liquidity Collateral Account Balance**" is, at any time, the balance of the Liquidity Collateral Account at that time plus, if any amount from the Liquidity Collateral Account has been invested in Authorised Investments, the face value of such Authorised Investments.

***Availability Fee***

The Issuer will pay to the Liquidity Facility Provider an availability fee on the then un-utilised portion of the Liquidity Limit. The fee will be calculated and accrue daily from the first day of the Availability Period on the basis of a 365 day year and paid monthly in arrears on each Payment Date in accordance with the Issue Supplement.

The availability fee may be varied from time to time by the Manager and the Liquidity Facility Provider (and notified to the Issuer) provided that a Rating Notification has been provided.

***Liquidity Event of Default***

A Liquidity Event of Default occurs if:

(a) the Issuer fails to pay:

(i) any amount owing under the Liquidity Facility Agreement where funds are available for that purpose under the Issue Supplement; or

(ii) without limiting paragraph (i) above, any amount due in respect of interest on Liquidity Advances under the Liquidity Facility Agreement where funds are available for that purpose under the Issue Supplement,

in the manner contemplated by the Liquidity Facility Agreement, in each case within 3 Business Days of the due date for payment of such amount;

(b) the Issuer alters or the Manager instructs it to alter the priority of payments under the Transaction Documents without the consent of the Liquidity Facility Provider or the Issuer breaches any of its undertakings under the Liquidity Facility Agreement and that breach has a Material Adverse Effect in respect of the Liquidity Facility Provider;

(c) an Event of Default occurs and the Security Trustee enforces the General Security Deed;

(d) the Issuer becomes Insolvent and the Issuer is not replaced in accordance with the Master Trust Deed within 60 days of it becoming Insolvent;

(e) a representation or warranty made or taken to be made by the Issuer in connection with the Liquidity Facility Agreement is found to have been incorrect or misleading when made or taken to be made and that breach has a Material Adverse Effect in respect of the Liquidity Facility Provider; or

(f) the Security Trustee requests the Issuer to obtain a priority agreement under the General Security Deed in respect of an Encumbrance over the Series Assets (where the law entitles the Issuer to create another Encumbrance over the Collateral without the consent of the Security Trustee and that law cannot be excluded) and the Issuer has not complied with that request by the time that Encumbrance is created.

If a Liquidity Event of Default occurs, then the Liquidity Facility Provider may, without being obliged to do so and notwithstanding any waiver of any previous default:

(a) declare at any time that the Liquidity Principal Outstanding, interest on the Liquidity Principal Outstanding, and all other amounts actually or contingently payable under the Liquidity Facility Agreement are immediately due and payable; and/or

(b) terminate the Liquidity Facility Provider's obligations in respect of the Liquidity Facility.

The Liquidity Facility Provider may do either or both of these things with immediate effect.

***Termination of Liquidity Facility***

The Liquidity Facility will terminate on the earlier of the Liquidity Facility Termination Date and the Liquidity Facility Provider Termination Date.

The "**Liquidity Facility Termination Date**" is the earliest of:

(a) the Availability Termination Date;

(b) the date which is one month after the date upon which all Notes have been fully and finally redeemed in full in accordance with the Transaction Documents in respect of the Series;

(c) the date on which the Liquidity Facility Provider terminates the Liquidity Facility in accordance with its terms on the basis of illegality or impossibility in continuing to provide the Liquidity Facility following a change in law, regulation, code of practice or directive;

(d) the date upon which the Liquidity Facility Limit is cancelled or the Liquidity Limit is reduced to zero following a request by the Issuer (provided that a Rating Notification has been given in respect of the cancellation or reduction); and

(e) the date upon which the Liquidity Facility Provider terminates the Liquidity Facility following a Liquidity Event of Default.

The "**Liquidity Facility Provider Termination Date**" is the later of:

(a) the Payment Date declared by the Manager (by giving not less than 5 Business Days' notice to the Liquidity Facility Provider) as the date upon which the Liquidity Facility Provider will be replaced by a substitute Liquidity Facility Provider and the Liquidity Facility will terminate; and

(b) the date upon which the Issuer has paid or repaid to the Liquidity Facility Provider all Liquidity Advances outstanding on the Payment Date declared by the Issuer pursuant to paragraph (a) above together with all accrued but unpaid interest and all other money outstanding under the Liquidity Facility Agreement.

On or before the declaration of a Payment Date upon which the Liquidity Facility Provider will be replaced by a substitute Liquidity Facility Provider and the Liquidity Facility will terminate, the Manager must provide a Rating Notification in respect of the termination of the Liquidity Facility and the appointment of the proposed substitute Liquidity Facility Provider on that Payment Date.

## 13 AUSTRALIAN TAXATION

*The following is a general summary of the material Australian tax consequences under the Income Tax Assessment Act 1936 (Cth), Income Tax Assessment Act 1997 (Cth) (together, "**Australian Tax Act**"), the Taxation Administration Act of 1953 ("**Tax Administration Act**") and any relevant rulings, judicial decisions or administrative practice, at the date of this Information Memorandum of the purchase, ownership and disposition of the Offered Notes by Noteholders who purchase the Offered Notes during the original issuance at the stated offering price. This summary represents the Australian tax law enacted and in force as at the date of this Information Memorandum which is subject to change, possibly with retrospective effect.*

*The summary is not exhaustive and does not deal with the position of certain classes of holders of the Offered Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Offered Notes on behalf of any person).*

*This summary is not intended, nor should it be, construed as legal or tax advice to any particular Noteholder or prospective Noteholder. It is a general guide only and should be treated with appropriate caution. Prospective Noteholders should consult their professional advisers on the tax implications of an investment in the Offered Notes for their particular circumstances.*

**Interest Withholding Tax on interest payments**

The Australian Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act ("**IWT**") and dividend withholding tax. IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to:

(a) a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia); or

(b) a resident of Australia acting at or through a permanent establishment outside Australia unless an exemption is available.

An exemption from IWT is available in respect of the Offered Notes issued by the Issuer under section 128F of the Australian Tax Act if the following conditions are met:

(c) the Issuer is a company as defined in section 128F(9) (which includes certain companies acting in their capacity as trustee) and a resident of Australia when it issues those Offered Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts;

(d) those Offered Notes are debentures that are not equity interests, are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in overseas capital markets are aware that the Issuer is offering those Offered Notes for issue. In summary, the five methods are:

    (i) offers to 10 or more unrelated financiers, securities dealers or entities that carry on a business of providing finance or investing or dealing in securities;

    (ii) offers to 100 or more investors of a certain type;

    (iii) offers of listed Offered Notes;

    (iv) offers via publicly available information sources; and

    (v) offers to a dealer, manager or underwriter who offers to sell those Offered Notes within 30 days by one of the preceding methods above;

(e) the Issuer does not know or have reasonable grounds to suspect, at the time of issue, that those Offered Notes or interests in those Offered Notes were being, or would later be, acquired directly or indirectly by an "associate" of the Issuer (as defined in section 128F(9) of the Australian Tax Act), except as permitted by section 128F(5) of the Australian Tax Act; and

(f) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Issuer (as defined in section 128F(9) of the Australian Tax Act), except as permitted by section 128F(6) of the Australian Tax Act.

***Associates***

Since the Issuer is a trustee of a trust, the entities that are "associates" of the Issuer for the purposes of section 128F of the Australian Tax Act include:

(a) any entity that benefits, or is capable of benefiting, under the Trust ("**Beneficiary**"), either directly or through any interposed entities; and

(b) any entity that is an associate of a Beneficiary that is a company. An associate of a Beneficiary for these purposes includes:

(i) an entity that holds more than 50% of the voting shares of, or otherwise controls, the Beneficiary;

(ii) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Beneficiary;

(iii) a trustee of a trust where the Beneficiary is capable of benefiting (whether directly or indirectly) under that trust; and

(iv) an entity that is an "associate" of an entity that is an "associate" of the Beneficiary under sub-paragraph (i) above.

However, sections 128F(5) and (6) do not prevent payments under the Offered Notes from being tax exempt under section 128F, where the Offered Notes are issued to and the interest is paid to:

(a) onshore associates (ie Australian resident "associates" who acquire the Offered Notes in carrying on business at or through a permanent establishment outside Australia and non-resident associates who acquire the Offered Notes in the course of carrying on business at or through a permanent establishment in Australia); or

(b) offshore associates (ie Australian resident "associates" who acquire the Offered Notes in carrying on business at or through a permanent establishment outside Australia and non-resident associates who acquire hold the Offered Notes in carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:

(i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Offered Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme; or

(ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

***Compliance with section 128F of the Australian Tax Act***

It is intended that the Issuer will offer and issue the Offered Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

***Noteholders in Specified Countries***

The Australian Government has signed new or amended double tax conventions ("**New Treaties**") with a number of countries (each a "**Specified Country**") which contain certain exemptions from IWT.

In broad terms, the New Treaties effectively prevent or reduce IWT applying to interest derived by:

(a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or

(b) a "financial institution" which is a resident of the Specified Country and which is unrelated to and dealing wholly independently with the Issuer. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which is available to the public on the website of the Federal Treasury Department.

*No payment of additional amounts*

Despite the fact that the Offered Notes are intended to be offered and issued in a manner which will satisfy the requirements of section 128F of the Australian Tax Act, if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia, the Issuer is not obliged to pay any additional amounts in respect of such deduction or withholding.

If the Issuer is compelled by law in relation to any Offered Notes to deduct or withhold an amount in respect of any withholding taxes, the Manager may (at its option) direct the Issuer to redeem the Offered Notes in accordance with the Conditions.

**Other matters**

Under Australian laws as presently in effect:

(a) income tax – non-Australian Holders – other than IWT (see the discussion above), the payment of principal and interest to a holder of the Offered Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Offered Notes in carrying on business at or through a permanent establishment in Australia ("**non-Australian Holder**"), should not be subject to any other Australian income taxes; and

(b) income tax – Australian Holders – Australian residents or non-Australian residents who hold the Offered Notes in carrying on business at or through a permanent establishment in Australia ("**Australian Holders**"), will be assessable for Australian tax purposes on income either received or accrued to them in respect of the Offered Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Noteholder and the terms and conditions of the Offered Notes. Special rules apply to the taxation of Australian residents who hold the Offered Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(c) gains on disposal of Offered Notes – non-Australian Holders – a non-Australian Holder will not be subject to Australian income tax on gains realised during that year on the sale or redemption of the Offered Notes, provided such gains do not have an Australian source. A gain arising on the sale of Offered Notes by a non-Australian Holder to another non-Australian Holder where the Offered Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be regarded as having an Australian source;

(d) gains on disposal of Offered Notes – Australian Holders – Australian Holders will be required to include any gain or loss on disposal of the Offered Notes in determining their taxable

income. Special rules apply to the taxation of Australian residents who hold the Offered Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(e) deemed interest – there are specific rules that can apply to treat a portion of the purchase price of Offered Notes as interest for IWT purposes when certain Offered Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian Holder.

These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Offered Notes had been held to maturity by a non-resident;

(f) death duties – no Offered Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(g) stamp duty and other taxes – no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Offered Notes;

(h) other withholding taxes on payments in respect of Offered Notes – section 12-140 of Schedule 1 to the Taxation Administration Act imposes a type of withholding tax on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**") (or, in certain circumstances, an Australian Business Number ("**ABN**")) or proof of an appropriate exemption. Where IWT applies the requirements of section 12-140 do not apply to payments to a holder of Offered Notes in registered form who is not a resident of Australia and not holding those Offered Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Offered Notes in registered form may be subject to withholding where the holder of those Offered Notes does not quote a TFN (or, in certain circumstances, an ABN) or provide proof of an appropriate exemption.

The rate of withholding tax is currently 47%;

(i) supply withholding tax – payments in respect of the Offered Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act;

(j) additional withholdings from certain payments to non-Australian Holders – section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to "interest" (within the meaning of the IWT rules) payments that are subject to, or specifically exempt from, the IWT rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations that have so far been promulgated under section 12-315 as at the date of this Information Memorandum are not applicable to any payments in respect of the Offered Notes. The possible application of any future regulations to the proceeds of any sale of the Offered Notes will need to be monitored; and

(k) garnishee directions by the Commissioner of Taxation – the Commissioner may give a direction requiring the Issuer to deduct from any payment to a holder of Offered Notes any amount in respect of Australian tax payable by that holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction.

**Goods and Services Tax**

It is intended that the Trust will be a member of the AFG GST Group from the date the Trust is established (see below for further details). Neither the issue nor receipt of the Offered Notes will give

rise to a liability for GST in Australia on the basis that the supply of Offered Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Trust, nor the disposal of the Offered Notes, would give rise to any GST liability on the part of the Trust.

The supply of some services made to the Trust by entities outside of the AFG GST Group may give rise to a liability for GST on the part of the relevant service provider.

In relation to the acquisition of these taxable services by the Trust:

(a) in the ordinary course of business, the service provider would charge the Trust an additional amount on account of GST unless the agreed fee is already GST-inclusive;

(b) assuming that the AFG GST Group exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, the representative member of the AFG GST Group would not be entitled to a full input tax credit from the ATO to the extent that the acquisition relates to the Trust's input taxed supply of issuing Offered Notes (ie Offered Notes issued to (A) Australian residents or (B) to non-residents acting through a fixed place of business in Australia).

In the case of acquisitions which relate to the making of supplies of the nature described above, there may still be an entitlement to a "reduced input tax credit" (which is equal to 75% of 1/11th of the GST-inclusive consideration for the taxable supply) in relation to certain acquisitions prescribed in the GST regulations, but only where the Trust is the recipient of the taxable supply and the Trust either provides or is liable to provide the consideration for the taxable supply;

(c) to the extent that the Trust makes acquisitions that attract GST, and those services relate to the Trust's GST-free supply of the Offered Notes to non-residents, there will be an entitlement to full input tax credits; and

(d) where services are provided to the Trust from outside the AFG GST Group by an entity which is an associate of the Trust for income tax purposes, those services are provided for nil or less than market value consideration, and the Trust would not be entitled to a full input tax credit, the relevant GST (and any input tax credit) would be calculated by reference to the market value of those services.

In the case of supplies which are acquired for the purposes of the Trust's business which are not "connected with the indirect tax zone", these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they were connected with the indirect tax zone and if there would not have been an entitlement to a full input tax credit if the supply had been performed in Australia. This is known as the "reverse charge" rule. Where the rule applies, the liability to pay GST to the ATO falls not on the supplier or on the representative member of the AFG GST Group, but on the Trust.

Where services which are not connected with the indirect tax zone are acquired for the purposes of the Trust's business and the supplies relate solely to the issue of Offered Notes by the Trust to persons who are not residents of Australia who subscribe for the Offered Notes through a fixed place of business outside the indirect tax zone, the "reverse charge" rule should not apply to these supplies. This is because there would have been an entitlement to a full input tax credit for the acquisition of these supplies if the supplies had been connected with the indirect tax zone.

Where GST is payable on a taxable supply made to the Trust but a full input tax credit is not available, this will mean that less money is available to pay interest on the Offered Notes or other liabilities of the Trust.

***GST Grouping and the AFG Indirect Tax Sharing Deed***

The members of the AFG GST Group are jointly and severally liable for the AFG GST Group's GST obligations, unless the relevant liability is covered by a valid indirect tax sharing agreement. In order to be valid for GST purposes, a valid indirect tax sharing agreement is required, among other things,

to contain a way of working out a reasonable allocation of the GST group's liability between the group members. Where there is such a reasonable allocation under a valid indirect tax sharing agreement, the liability of each member of the AFG GST Group is limited to the amount of that reasonable allocation. It is expected that the Issuer will accede to the AFG Indirect Tax Sharing Deed which provides a method for determining a reasonable allocation of the AFG GST Group's liabilities (which, in the case of the Trust, should be a nil allocation).

## 14 SUBSCRIPTION AND SALE

### 14.1 Subscription

Pursuant to the Dealer Agreement, the Joint Lead Managers have agreed with the Issuer and the Manager, subject to the satisfaction of certain conditions, that they will use reasonable endeavours, subject to market conditions, to locate potential purchasers of the Offered Notes.

**Australia**

No prospectus, offer information statement, product disclosure statement or other disclosure document (as defined in the Corporations Act) in relation to the Offered Notes has been, or will be, lodged with ASIC.

Under the Dealer Agreement, each Dealer represents and agrees that, unless an applicable supplement to this Information Memorandum provides otherwise it:

(a) has not made or invited, and will not make or invite, directly or indirectly an offer of the Offered Notes for issue or sale in Australia (including an invitation which is received by a person in Australia);

(b) has not distributed or published and will not distribute or publish, this Information Memorandum or any other offering material or advertisement relating to any Notes in Australia,

unless:

(c) either:

(i) the aggregate consideration payable by each offeree is at least $500,000 (or its equivalent in an alternate currency, and in either case, disregarding moneys lent by the offeror or its associates)

(ii) the offer is to a professional investor for the purposes of section 708 of the Corporations Act;

(iii) or the offer or invitation otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

(d) the offer does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act;

(e) such action complies with all applicable laws, regulations and directives (including, without limitation, the financial services licensing requirements of the Corporations Act); and

(f) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

**The United Kingdom**

Each Dealer represents, warrants and agrees under the Dealer Agreement that:

(a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("**FSMA**") with respect to anything done by it in relation to any Offered Notes in, from or otherwise involving the United Kingdom; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Offered Notes in circumstances in which section 21(1) of the FSMA does not apply to the Manager or the Issuer.

**Hong Kong**

Each Dealer represents, warrants and agrees under the Dealer Agreement that it:

(a) has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the Peoples Republic of China, by means of any document, any Offered Notes other than:

(i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong as amended ("**SFO**") and any rules made under the SFO; or

(ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) of the laws of Hong Kong, as amended ("**CWMPO**"), or which do not constitute an offer to the public within the meaning of the CWMPO; and

(b) unless permitted to do so under the laws of Hong Kong, has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, (in each case, whether in Hong Kong or elsewhere) any advertisement, invitation, other offering material or other document relating to the Offered Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offered Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning given to that term by the Securities and Futures Ordinance and any rules made under the SFO.

**Singapore**

Each Dealer acknowledges under the Dealer Agreement that this Information Memorandum has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer represents and agrees that it will not offer, sell, deliver or transfer the Offered Notes, nor make the Offered Notes the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Information Memorandum or any relevant supplement, advertisement or other offering material in connection with the offer, sale, delivery or transfer, or an invitation for subscription or purchase, of the Offered Notes, whether directly or indirectly, to any persons in Singapore other than:

(a) to an institutional investor (as defined in section 4A of the Securities and Futures Act, Chapter 289 of Singapore as modified or amended from time to time (the "**SFA**")) under section 274 of the SFA;

(b) to a relevant person (as defined in section 275(2) of the SFA) pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Offered Notes are subscribed or purchased under section 275 of the SFA by a relevant person who is:

(a) a corporation (which is not an accredited investor as defined in section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor as defined in section 239(1) of the SFA) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 2(1) of the SFA) or securities-based derivatives contracts (as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred for 6 months after that corporation or that trust has acquired the Offered Notes under section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**The United States of America**

Each Dealer acknowledges under the Dealer Agreement that the Offered Notes have not been and will not be registered under the US Securities Act of 1933, as amended ("**Securities Act**") and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended ("**Investment Company Act**"). An interest in the Offered Notes may not be offered, sold, delivered or transferred (and each Dealer has agreed under the Dealer Agreement that it will not offer, sell, deliver or transfer any interest in the Offered Notes) within the United States of America, its territories or possessions or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the Securities Act ("**Regulation S**")) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

**European Economic Area and United Kingdom**

Each Dealer represents and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Offered Notes which are the subject of the offering contemplated by the Information Memorandum in relation thereto to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom. For these purposes:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended) , where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Notes.

**Japan**

The Offered Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) ("**Financial Instruments and Exchange Act**") and, accordingly, each Dealer has represented, warranted and agreed under the Dealer Agreement that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Offered Notes in Japan or to, or for the account or benefit of, any Japanese Person, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any

Japanese Person, except pursuant to an exemption from the registration requirements of and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

For the purposes of this paragraph, "**Japanese Person**" means a "resident" of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended). Any branch or office in Japan of a non-resident will be deemed to be a resident irrespective of whether such branch or office has the power to represent such non-resident.

**General**

Each Dealer acknowledges under the Dealer Agreement that no action has been, or will be, taken by the Issuer, the Manager, or any dealer that would permit a public offering of the Offered Notes or distribution of the Information or any other offering or publicity material relating to the Offered Notes in or from any jurisdiction where action for that purpose is required. Accordingly, each Dealer has agreed under the Dealer Agreement that it will not offer or sell, directly or indirectly, and neither this Information Memorandum nor any circular, prospectus, form of application, advertisement or other material, may be distributed by it in or from or published by it in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws or regulation.

### 14.2 Weighted Average Life of the Offered Notes

The weighted average life of the Offered Notes refers to the average amount of time that will elapse from the Closing Date until the Offered Notes have been repaid in full.

The weighted average life of the Offered Notes will be influenced by a number of factors including the rate of scheduled repayment of the Series Receivables, the rate of unscheduled repayment of the Series Receivables and the exercise of the Call Option. The weighted average lives of the Offered Notes cannot be predicted due to the uncertain nature of unscheduled principal repayments. However, given certain assumptions, the weighted average lives of the Offered Notes can be estimated.

Table 1 below represents possible weighted average lives of the Offered Notes and the Class F Notes (in years) and has been prepared on the following assumptions:

(a) The Series Receivables are subject to constant rates of principal prepayment ("**CPR**") as indicated in Table 1. The base case assumption is a constant 17% CPR for the life of the transaction.

(b) Table 1 shows the weighted average life of the Offered Notes under the assumption that the Issuer exercises the Call Option on the first Call Option Date.

(c) Redraws have not been specifically modelled.

(d) No Series Receivable is in arrears or incurs Losses.

(e) No Series Receivables are sold by the Issuer other than in order to exercise the Call Option.

(f) Series Receivables sold are assumed to be sold at their Outstanding Balance.

(g) The portfolio of Series Receivables is acquired on the Closing Date at the aggregate Outstanding Balance on the Cut-Off Date.

(h) Payments of principal in respect of the Offered Notes are made on each Payment Date commencing on the first Payment Date irrespective of whether such day is a Business Day.

The actual characteristics of the Series Receivables are likely to differ from the above assumptions used in constructing the following Table 1, which is only hypothetical in nature and are provided only to give a general indication of how principal cashflows may behave under various CPR scenarios. For example, it is not expected that the Series Receivables will prepay at a constant rate until maturity, that all of the Series Receivables will prepay at the same rate or that there will be no arrears or Losses on the Series Receivables.

Any difference between such assumptions and the actual characteristics and performance of the Series Receivables will cause the weighted average lives of the Offered Notes to differ from the corresponding information in the table for each indicated CPR. It should not be assumed that the CPR would always be in the ranges as indicated in Table 1.

**Table 1**

| Prepayment Scenario | 50% | 75% | 100% | 125% | 150% |
|---|---|---|---|---|---|
| **CPR Range** | 8.50% | 12.75% | 17.00% | 21.25% | 25.50% |
| **Class A1-S Notes** | 1.7 | 1.2 | 0.9 | 0.7 | 0.6 |
| **Class A1-L Notes** | 3.0 | 3.0 | 2.9 | 2.7 | 2.5 |
| **Class AB Notes** | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 |
| **Class B Notes** | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 |
| **Class C Notes** | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 |
| **Class D Notes** | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 |
| **Class E Notes** | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 |
| **Class F Notes** | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |

## 15 GLOSSARY

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| **$, A$, AUD and Australian Dollars** | means the lawful currency of the Commonwealth of Australia (unless the contrary intention appears). |
| **Accrual Adjustment** | in relation to a Series Receivable acquired by the Issuer pursuant to a Reallocation in accordance with the Master Trust Deed, means the income (including any interest and amounts in the nature of interest) accrued on any Reallocated Asset up to but excluding the Reallocation Date. |
| **Adverse Rating Effect** | in respect of the Series, means an effect which either causes or contributes to a downgrading or withdrawal of the rating given to any Notes of the Series by a Rating Agency. |
| **Affected Party** | in respect of a Derivative Contract, has the meaning given to it in the relevant Derivative Contract. |
| **AFG GST Group** | means the GST group of which Australian Finance Group Limited (ABN 11 066 385 822) is the representative member. |
| **AFGS** | means AFG Securities Pty Ltd (ABN 90 119 343 118). |
| **Amortisation Amount** | has the meaning set out in Section 11.13 ("Calculation of Amortisation Amount"). |
| **Amortisation Ledger** | has the meaning set out in Section 11.17 ("Amortisation Ledger"). |
| **ANZ** | means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522). |
| **Approved External Dispute Resolution Scheme** | means the AFCA scheme (as defined in the NCCP Regulations). |
| **Approved Valuer** | means a registered valuer within the meaning of the Valuers Registration Act, 1975 (NSW) or a registered valuer within the meaning of the corresponding legislation in other States and Territories of the Commonwealth of Australia, instructed by the Originator or Servicer to provide a valuation of a property the subject of or proposed to be the subject of a Housing Loan, which valuer is approved by the Issuer. |
| **Arranger** | means NAB. |
| **Arrears Ratio** | means, on a Determination Date, the percentage of the Outstanding Balance of the Series Receivables in relation to which default in payment of any amount due has occurred and has continued for a period of 90 days or more as at the last day of the immediately preceding Collection Period to the total Outstanding Balance of all Series Receivables (calculated on the last day of the immediately preceding Collection Period). |
| **ASIC** | means the Australian Securities and Investments Commission. |
| **Asset** | means:<br>(a) in relation to the Trust, all the Issuer's rights, property and undertaking which are the subject of the Trust;<br>(i) of whatever kind and wherever situated; and<br>(ii) whether present or future; and<br>(b) in relation to the Series, the right, title and interest of the Issuer, in its capacity as trustee, in the following (to the extent to which they |

relate to the Series):

(i) any Receivables and Related Securities of the Series;

(ii) the Collection Account;

(iii) the Authorised Investments;

(iv) the Transaction Documents;

(v) any asset which is Reallocated to the Series;

(vi) any bank account or other account established in the name of the Issuer in respect of the Series in accordance with the Transaction Documents; and

(vii) any other asset so described in the Issue Supplement for the Series.

**ASX** means ASX Limited.

**Austraclear** means Austraclear Limited or Austraclear Services Limited (including, where applicable, the computer based system for holding notes and recording and settling transactions in those notes between members of that system maintained by Austraclear).

**Australian Credit Licence** has the meaning given to that term in the NCCP.

**Australian Financial Services Licence** means an Australian financial services licence within the meaning of Chapter 7 of the Corporations Act.

**Australian Tax Act or Tax Act** means the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth), as the case may be.

**Authorised Investments** means:

(a) cash deposited in an interest bearing bank account in the name of the Issuer with an Eligible Bank;

(b) any debt securities which:

(i) are issued by the Commonwealth of Australia or any State or Territory;

(ii) have the Required Credit Rating at the time of the acquisition of such investment by the Issuer;

(iii) mature on or prior to the next date on which the proceeds from such Authorised Investments will be required to be applied in accordance with the Cashflow Allocation Methodology;

(iv) are denominated in Australian Dollars;

(v) are held in the name of the Issuer; and

(vi) do not constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority including any amendment or replacement of that Prudential Standard).

**Availability Period** in respect of the Liquidity Facility, means the period from the date of the Liquidity Facility Agreement to the date which is 30 days after the Maturity

Date.

**Availability Termination Date** — in respect of the Liquidity Facility, means the last day of the Availability Period.

**Available Income** — has the meaning given to it in Section 11.7 ("Determination of Available Income").

**Available Liquidity Amount** — means on any day an amount equal to:

(a) the Liquidity Limit on that day; less

(b) the Liquidity Principal Outstanding on that day.

**Available Principal** — has the meaning given to it in Section 11.3 ("Determination of Available Principal").

**Average Arrears Ratio** — means, on any Determination Date, the amount (expressed as a percentage) calculated as follows:

$$A = \frac{B}{4}$$

where:

A = the Average Arrears Ratio; and

B = the sum of the Arrears Ratio for that Determination Date and the Arrears Ratios for the 3 Determination Dates immediately preceding that Determination Date.

**Bank** — has the meaning given to the expression "Australian bank" in the Corporations Act.

**Bank Bill Rate** — means, for a Note for an Interest Period:

(a) the rate designated "AVG-MID" for prime bank eligible securities having a tenor of one month, as displayed on the "BBSW" page of the Reuters system at or about 10.30am (Sydney time) (or such other time as that rate is usually published), on the first day of that Interest Period; or

(b) if a rate cannot be determined in accordance with the procedure in paragraph (a), the rate specified in good faith by the Calculation Agent at or around that time on that date, having regard, to the extent possible, to comparable indices then available for prime bank eligible securities of that tenor at that time,

subject, in respect of the first Interest Period for that Note, to condition 6.9 ("Interpolation") of the Conditions.

**Borrowings** — means, in respect of the Trust or the Series, any amount borrowed or raised by the Issuer in its capacity as trustee of the Trust.

**Break Payments** — means any break costs due to the Issuer in relation to any Derivative Contract to the extent such break costs are to be paid by the Issuer to a Debtor in respect of a Series Receivable.

**Business Day** — means a day on which banks are open for general banking business in Sydney, Melbourne and Perth (excluding Saturday, Sunday and any public holiday in Sydney, Melbourne or Perth).

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| **Business Day Convention** | means the convention for adjusting any date if it would otherwise fall on a day that is not a Business Day, such that the date is postponed to the next Business Day. |
| **Calculation Agent** | means the Manager. |
| **Call Option** | means the Issuer's option to redeem Notes before the Maturity Date on each Call Option Date. |
| **Call Option Date** | means any Payment Date occurring on or following the earliest to occur of:<br>(a) the Date Based Call Option Date; and<br>(b) the Payment Date following the first Determination Date on which the aggregate Invested Amount of all Notes is less than 25% of the aggregate Initial Invested Amount of all Notes on the Closing Date. |
| **Carryover Charge-Off** | has the meaning given in Section 11.15 ("Allocation of Charge-Offs"). |
| **Cashflow Allocation Methodology** | means the cashflow allocation methodology described in Section 11 ("Cashflow Allocation Methodology"). |
| **Charge-Off** | has the meaning given to it in Section 11.14 ("Calculation of Losses and Charge-Offs"). |
| **Class** | means each class of Notes specified in Section 2.3 ("General Information on the Notes"). |
| **Class A1-L Note** | means any Note designated as a "Class A1-L Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class A-L Noteholder** | means a Noteholder of a Class A-L Note. |
| **Class A1-S Note** | means any Note designated as a "Class A1-S Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class A1-S Noteholder** | means a Noteholder of a Class A1-S Note. |
| **Class AB Note** | means any Note designated as a "Class AB Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class AB Noteholder** | means a Noteholder of a Class AB Note. |
| **Class B Note** | means any Note designated as a "Class B Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class B Noteholder** | means a Noteholder of a Class B Note. |
| **Class C Note** | means any Note designated as a "Class C Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class C Noteholder** | means a Noteholder of a Class C Note. |
| **Class D Note** | means any Note designated as a "Class D Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class D Noteholder** | means a Noteholder of a Class D Note. |
| **Class E Note** | means any Note designated as a "Class E Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class E Noteholder** | means a Noteholder of a Class E Note. |

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| **Class F Note** | means any Note designated as a "Class F Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll. |
| **Class F Noteholder** | means a Noteholder of a Class F Note. |
| **Clearstream, Luxembourg** | means the settlement system operated by Clearstream Banking, société anonyme. |
| **Closing Date** | means 30 July 2020, or such other date notified by the Manager to the Issuer. |
| **Collateral** | means all Series Assets of the Series which the Issuer acquires or to which the Issuer is or becomes entitled on or after the date of the General Security Deed. |
| **Collateral Advance** | has the meaning given to it in Section 12.8 ("The Liquidity Facility Agreement"). |
| **Collateral Support** | means, on any day:<br>(a) in respect of any Derivative Contract, the amount of collateral (if any) paid or transferred to the Issuer by a Counterparty in accordance with the terms of that Derivative Contract that has not been applied by or on behalf of the Issuer before that day in accordance with the terms of that Derivative Contract; and<br>(b) in respect of the Liquidity Facility Agreement, the Liquidity Collateral Account Balance. |
| **Collection Account** | means the account opened with an Eligible Bank in the name of the Issuer and designated by the Manager as the collection account for the Series. |
| **Collection Period** | means the period from (and including) the first day of a calendar month to (and including) the last day of that calendar month, provided that the first Collection Period will commence on (and include) the Closing Date and end on (and include) 31 August 2020. |
| **Collection Period Distributions** | has the meaning given to it Section 11.2 ("Distributions during a Collection Period"). |
| **Collections** | means, in respect of a Collection Period, all amounts received by, or on behalf of, the Issuer in respect of the Series Receivables during that Collection Period including, without limitation:<br>(a) all principal, interest and fees;<br>(b) the proceeds of sale or Reallocation of any Series Receivables;<br>(c) any proceeds recovered from any enforcement action<br>(d) any amount received as damages in respect of a breach of any representation or warranty; and<br>(e) any fixed rate break costs paid by the Debtors,<br>after deduction of all Taxes and bank and government charges in respect of such amounts. |
| **Conditions** | means the conditions of the Notes set out in Section 6 ("Conditions of the Notes"). |
| **Control** | of a corporation includes the direct or indirect power to directly or indirectly:<br>(a) direct the management or policies of the corporation; or<br>(b) control the membership of the board of directors. |

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| **Controller** | has the meaning given to it in the Corporations Act. |
| **Corporations Act** | means the Corporations Act 2001 (Cth). |
| **Costs** | includes costs, charges and expenses, including those incurred in connection with advisers. |
| **Counterparty** | means, any counterparty with which the Issuer has entered into one or more Derivative Contracts in respect of the Series. |
| **COVID-19 Hardship Loan** | means a Housing Loan which the Servicer has implemented hardship assistance (including but not limited to payment plans, payment deferrals and other hardship arrangements) pursuant to the Servicing Guidelines or applicable law and the Servicer has identified in its records as being subject to such arrangements due to COVID-19. |
| **Custodian** | means the Issuer, acting as Custodian under the Master Trust Deed. |
| **Cut-Off Date** | See Section 2.2 ("Summary – Transaction"). |
| **Date Based Call Option Date** | means the Payment Date occurring in August 2023. |
| **Dealers** | means the persons specified as such in Section 2.1 ("Summary – Transaction Parties"). |
| **Dealer Agreement** | means the document entitled "AFG 2020-1 Trust Dealer Agreement – Series 2020-1" dated 22 July 2020 between the Issuer and others. |
| **Debtor** | means, in relation to a Receivable, the person who is obliged to make payments with respect to that Receivable, whether as a principal or secondary obligation and includes, where the context requires, another person obligated to make payments with respect to that Receivable (including any mortgagor or guarantor). |
| **Defaulting Party** | in respect of a Derivative Contract, has the meaning given to it in that Derivative Contract. |
| **Derivative Contract** | means any interest rate swap, forward rate agreement, cap, collar, floor, collar or other rate or price protection transaction or agreement, currency swap, any option with respect to any such transaction or agreement, or any combination of any such transactions or agreements or other similar arrangements entered into by the Issuer in connection with the Series:<br>(a) on terms in respect of which a Rating Notification has been given; and<br>(b) with a counterparty in respect of which a Rating Notification has been given. |
| **Determination Date** | means the day which is 3 Business Days prior to a Payment Date. |
| **Disposing Series** | means each of the following series of the Disposing Trust:<br>(a) Warehouse Series No.4; and<br>(b) Warehouse Series No.5. |
| **Disposing Trust** | means the AFG 2010-1 Trust. |
| **Disposing Trustee** | means the trustee of the Disposing Trust. |
| **Drawdown Date** | means the date on which a Liquidity Advance or Collateral Advance is or is deemed to be made under the Liquidity Facility. |

**Eligible Bank** means any Bank with a rating equal to or higher than:

(a) in respect of S&P:

(i) a long term credit rating of A; or

(ii) if the relevant entity does not have a long term credit rating from S&P, a short term credit rating of A-1; and

(b) in respect of Fitch, a short term credit rating of F1 or a long term credit rating of A,

or such other credit rating or ratings as may be notified in writing by the Manager to the Issuer and in respect of which a Rating Notification has been given.

**Eligible Receivable** means a Receivable which satisfies the Eligibility Criteria on the Closing Date.

**Eligibility Criteria** has the meaning given to it in Section 5.2 ("Eligibility Criteria for Series Receivables").

**Encumbrance** means any:

(a) security interest as defined in section 12(1) or section 12(2) of the PPSA; or

(b) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement; or

(c) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or

(i) right that a person (other than the owner) has to remove something from land (known as a profit á prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or

(ii) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

**Enforcement Expenses** means all expenses paid by or on behalf of the Servicer in connection with the enforcement of any Series Receivable or any Related Security in accordance with the Transaction Documents.

**EU Due Diligence and Retention Rules** has the meaning given to it in Section 2.4 ("EU Due Diligence and Retention Rules").

**EU Securitisation Regulation** has the meaning given to it in Section 2.4 ("EU Due Diligence and Retention Rules").

**Euroclear** means the settlement system operated by Euroclear Bank S.A./NV.

**Event of Default** has the meaning given to it in Section 12.4 ("The role of the Security Trustee under the Master Trust Deed and the General Security Deed").

**Extraordinary Expense Loan** has the meaning set out in Section 11.10 ("Extraordinary Expense Reserve Draw").

**Extraordinary Expense** means the ledger account of the Collection Account established in

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| **Reserve** | accordance with Section 11.10 ("Extraordinary Expense Reserve Draw"). |
| **Extraordinary Expense Reserve Balance** | means, at any time, the amount standing to the credit of the Extraordinary Expense Reserve at that time. |
| **Extraordinary Expense Reserve Draw** | has the meaning set out in Section 11.10 ("Extraordinary Expense Reserve Draw"). |
| **Extraordinary Expense Reserve Required Amount** | means $150,000. |
| **Extraordinary Resolution** | means a Resolution which is passed by 75% of votes cast by the persons present and entitled to vote at a meeting. |
| **FATCA** | means:<br>(a) sections 1471 to 1474 (inclusive) of the United States of America Internal Revenue Code of 1986 (including any regulations or official interpretations issued with respect thereof and any amended or successor provisions);<br>(b) any treaty, law, regulation, or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or<br>(c) any agreement pursuant to the implementation of paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any government or governmental or taxation authority in any other jurisdiction. |
| **FATCA Withholding Tax** | means any withholding or deduction arising under or in connection with, or to ensure compliance with, FATCA. |
| **Fitch** | means Fitch Australia Pty Ltd (ABN 93 081 339 184). |
| **Fixed WAM** | has the meaning set out in Section 5.7 ("Fixed Rate Housing Loans"). |
| **Further Advance** | in relation to a Receivable, means any advance to the relevant Debtor after the settlement date of that Receivable which results in an increase in the Scheduled Balance of that Receivable. |
| **Further Liquidity Shortfall** | has the meaning set out in Section 11.9 ("Liquidity Draw"). |
| **General Security Deed** | means the document entitled "AFG 2020-1 Trust General Security Deed – Series 2020-1" dated 22 July 2020 between the Issuer, the Security Trustee and the Manager. |
| **Governmental Agency** | means any government, whether federal, state, territorial or local, and any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organ thereof, whether statutory or otherwise. |
| **Group Tax Liability** | means the tax-related liabilities listed in section 721-10(2) of the Australian Tax Act. |
| **GST** | means the goods and services tax payable under the A New Tax System (Goods and Services Tax) Act 1999 (Cth). |

**Housing Loan** means a Receivable secured by a Mortgage over Land.

**Improvements** means all improvements to the Land including, without limitation, all buildings, fences, structures, fixtures and fittings which are, from time to time, situated on the Land.

**Income Collections** means in respect of a Collection Period (without double-counting):

(a) any Collections received during that Collection Period which are in the nature of interest or income; and

(b) any Recoveries received by, or on behalf of, the Issuer during that Collection Period.

**Initial Invested Amount** means, in respect of:

(a) a Note other than a Redraw Note, $1,000; and

(b) a Redraw Note, such amount as may be determined by the Manager in accordance with the Issue Supplement.

**Initial Reallocation Notice** means a Reallocation Notice dated on or prior to the Closing Date from the Disposing Trustee to the Manager and the Issuer.

**Insolvent** a person is Insolvent if:

(a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or

(b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property; or

(c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Security Trustee); or

(d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or

(e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or

(f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Security Trustee (or the Manager, in the case of the solvency of the Security Trustee) reasonably deduces it is so subject); or

(g) it is otherwise unable to pay its debts when they fall due; or

(h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Insurance Policy** means, in respect of a Receivable, any policy of insurance in force in respect of a Receivable or its Related Security (if any), including:

(a) any Lender's Mortgage Insurance Contract; and

(b) any property insurance insuring damage to the relevant Property.

**Interest** means, at any time in respect of a Note the interest which is due and

payable in respect of that Note at that time.

**Interest Period** means, in respect of a Note:

(a) initially, the period from (and including) the Issue Date of that Note to (but excluding) the immediately following Payment Date;

(b) thereafter, the period from (and including) each Payment Date to (but excluding) the next following Payment Date,

provided that the last period ends on (but excludes) the Maturity Date.

**Interest Rate** in respect of a Note, has the meaning given to it in Section 1 ("Summary – Principal Terms of the Offered Notes").

**Invested Amount** means at any time in respect of a Note:

(a) the Initial Invested Amount of that Note; less

(b) the aggregate of any principal repayments made in respect of that Note prior to that time.

**Issue Date** means, for a Note, the date on which that Note is, or is to be, issued.

**Issue Supplement** means the document entitled "AFG 2020-1 Trust Issue Supplement – Series 2020-1" dated 27 July 2020 between the Issuer and others.

**Issuer** has the meaning given to it in Section 2.1 ("Summary – Transaction Parties").

**Japan Due Diligence and Retention Rules** has the meaning given to it in Section 2.5 ("Japan Due Diligence and Retention Rules").

**Joint Lead Managers** means the persons specified as such in Section 2.1 ("Summary – Transaction Parties").

**Land** means:

(a) land (including tenements and hereditaments corporeal and incorporeal and every estate and interest in it whether vested or contingent, freehold or Crown leasehold, the terms of which lease is expressed to expire not earlier than five years after the maturity of the relevant Mortgage, and whether at law or in equity) wherever situated and including any fixtures to land; and

(b) any parcel and any lot, common property and land comprising a parcel within the meaning of the Strata Schemes (Freehold Development) Act 1973 (New South Wales) or the Community Land Development Act 1989 (New South Wales) or any equivalent legislation in any other Australian jurisdiction.

**Lender's Mortgage Insurance Contract** means, in relation to a Receivable, a contract of insurance under which a Mortgage Insurer insures the Issuer (or which has been assigned or novated to the Issuer) against the non-payment by a Debtor of amounts owing in respect of that Receivable.

**Lending Procedures** means, from time to time, the then current policies and procedures of the Originator in relation to the origination of Receivables.

**Line of Credit Loan** means a Receivable which is designated by the Manager as a "line of credit loan" in accordance with the Lending Procedures.

**Liquidity Advance** has the meaning given to it in Section 12.8 ("The Liquidity Facility

Agreement").

**Liquidity Collateral** has the meaning given to it in Section 12.8 ("The Liquidity Facility Agreement").

**Liquidity Collateral Account** has the meaning given to it in Section 12.8 ("The Liquidity Facility Agreement").

**Liquidity Collateral Account Balance** has the meaning given to it in Section 12.8 ("The Liquidity Facility Agreement").

**Liquidity Draw** has the meaning given to it in Section 11.9 ("Liquidity Draw").

**Liquidity Facility** means the facility granted to the Issuer pursuant to the Liquidity Facility Agreement.

**Liquidity Facility Agreement** means:

(a) the document entitled "AFG 2020-1 Trust – Series 2020-1 Liquidity Facility Agreement" dated 27 July 2020 between the Issuer, the Manager and National Australia Bank Limited; and

(b) any other agreement which the Issuer and the Manager agree is a "Liquidity Facility Agreement" and a Transaction Document in respect of the Series and in respect of which a Rating Notification has been given.

**Liquidity Facility Provider** means the person specified as such in Section 2.1 ("Summary – Transaction Parties").

**Liquidity Facility Termination Date** has the meaning given to it in Section 12.8 ("The Liquidity Facility Agreement").

**Liquidity Interest Period** has the meaning given to it in Section 12.8 ("The Liquidity Facility Agreement").

**Liquidity Interest Rate** has the meaning given to it in Section 12.8 ("The Liquidity Facility Agreement").

**Liquidity Limit** means at any time the lesser of:

(a) the amount equal to the greater of:

(i) $700,000; and

(ii) 1.00% of the aggregate Invested Amount of all of the Notes at that time;

(b) the amount agreed from time to time by the Liquidity Facility Provider and the Manager and in respect of which a Rating Notification has been given; or

(c) the amount (if any) to which the Liquidity Limit has been reduced at that time in accordance with the Liquidity Facility Agreement by the Issuer (at the direction of the Manager); or

(d) the Performing Mortgage Loans Amount at that time.

**Liquidity Principal Outstanding** means, at any time, an amount equal to:

(a) the aggregate of all Liquidity Advances made prior to that time (including any interest capitalised under the Liquidity Facility Agreement); less

(b) any repayments or prepayments of all such Liquidity Advances made by the Issuer on or before that time.

**Liquidity Shortfall** means, on a Determination Date, the amount (if positive) equal to:

A - B

where:

A = the Required Payments payable on the immediately following Payment Date; and

B = the aggregate of the Available Income on the Determination Date.

If this calculation is negative, the Liquidity Shortfall is equal to zero.

**Liquidity Support Amount** means any amount paid by (or on behalf of) the Servicer to the Issuer in accordance with the terms of any Reimbursement Agreement.

**Liquidity Support Reimbursement Amount** means any amount payable by the Issuer to (or as directed by) the Servicer in accordance with the terms of any Reimbursement Agreement.

**Loan Agreement** means the document or documents which evidence the obligation of a Debtor to repay amounts owing under a Receivable and to comply with the other terms of that Receivable.

**Losses** means, for a Collection Period, the aggregate losses (as determined by the Manager) for all Series Receivables which arise during that Collection Period after all enforcement action has been taken by the Servicer (in accordance with the Servicing Deed) in respect of any Series Receivables and after taking into account:

(a) all proceeds received as a consequence of enforcement under any Series Receivables (less the relevant Enforcement Expenses); and

(b) any payments received from the Manager, the Servicer or any other person for a breach of its obligations under the Transaction Documents,

and "**Loss**" has a corresponding meaning.

**LVR** means, at any time in relation to a Receivable, the ratio of:

(a) in the case of Receivable which is not a Line of Credit Loan, the Outstanding Balance of that Receivable at that time; or

(b) in the case of a Receivable which is a Line of Credit Loan, the approved credit limit of that Receivable at that time,

to the value of the Land at the date the Receivable was settled, or the date of the last valuation report from an Approved Valuer (whichever is the most recent at the relevant time).

**Management Deed** means the document entitled "AFG Trusts Master Management Deed" dated 29 October 2010 between the Issuer and the Manager.

**Manager** means, any person appointed as such in accordance with the Management Deed. The initial Manager is specified in Section 2.1 ("Summary – Transaction Parties").

**Manager Termination Event** has the meaning given to it in Section 12.5 ("Management Deed").

**Margin** in respect of a Note, has the meaning given to it in the Conditions.

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| **Master Definitions Schedule** | means the document entitled "AFG Trusts Master Definitions Schedule" dated 29 October 2010 between the Issuer and the Manager (as amended from time to time). |
| **Master Trust Deed** | means the document entitled "AFG Trusts Master Trust and Security Trust Deed" dated 29 October 2010 between the Issuer, the Manager and the Security Trustee (as amended from time to time). |
| **Material Adverse Effect** | in relation to the Liquidity Facility Provider, means a material and adverse effect on the amount of any payment or repayment of any interest, Availability Fee, Liquidity Advances or Collateral Advances to the Liquidity Facility Provider or the timing of any such payment or repayment. |
| **Material Adverse Payment Effect** | means an event or circumstance which will, or is likely to have, a material and adverse effect on the amount of any payment of the Senior Obligations or the timing of any such payment. |
| **Maturity Date** | means the Payment Date in January 2052. |
| **Meetings Provisions** | means the provisions relating to meetings of Secured Creditors set out in schedule 6 of the Master Trust Deed. |
| **Mortgage** | means, in respect of a Receivable, each registered mortgage over Land and the Improvements on it, securing, amongst other things, payment of interest and the repayment of principal in respect of the Receivable. |
| **Mortgage Insurers** | See Section 2.1 ("Summary – Transaction Parties"). |
| **NAB** | means National Australia Bank Limited (ABN 12 004 044 937). |
| **National Consumer Credit Protection Laws** | means each of:<br>(a) the National Consumer Credit Protection Act 2009 (Cth), including the National Credit Code that comprises Schedule 1 to that Act;<br>(b) the National Consumer Credit Protection (Fees) Act 2009 (Cth);<br>(c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth);<br>(d) any acts or regulations enacted in connection with any of the acts set out in paragraphs (a) to (c) above; and<br>(e) Division 2 of Part 2 of the Australian Securities and Investment Commission Act 2001 (Cth), so far as it relates to obligations in respect of an Australian Credit Licence issued under the NCCP or registration as a registered person under the Transitional Act. |
| **NCCP** | means the National Consumer Credit Protection Act 2009 (Cth). |
| **NCCP Regulations** | means the National Consumer Credit Protection Regulations 2010. |
| **Note Deed Poll** | means the document entitled "AFG 2020-1 Trust Note Deed Poll – Series 2020-1" dated 27 July 2020 signed by the Issuer. |
| **Noteholder** | means, for a Note, each person whose name is entered in the Register for the Series as the holder of that Note. |
| **Notes** | means the Class A1-S Notes, the Class A1-L Notes, the Redraw Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, or any of them as the context requires. |

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| **Notice of Creation of Security Trust** | means the document entitled "Notice of Creation of Security Trust - AFG 2020-1 Trust – Series 2020-1 Security Trust" dated 29 June 2020 signed by the Security Trustee. |
| **Notice of Creation of Trust** | means the document entitled "Notice of Creation of Trust – AFG 2020-1 Trust" dated 29 June 2020 signed by the Issuer. |
| **Offered Notes** | means the Class A1-S Notes, the Class A1-L Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. |
| **Originator** | means AFGS. |
| **Other Income** | means, in respect of a Collection Period, any miscellaneous income (other than income earned on Authorised Investments) or other amounts (deemed by the Manager to be in the nature of income or interest) received by or on behalf of the Issuer during that Collection Period, other than any interest credited to the Extraordinary Expense Reserve and which is to be paid to the Extraordinary Expense Lender in accordance with Section 11.10 ("Extraordinary Expense Reserve Draw"). |
| **Other Series** | means any "Series" (as defined in the Master Definitions Schedule) relating to the Trust other than the Series. |
| **Other Trust** | means any "Trust" (as defined in the Master Definitions Schedule) other than the Trust. |
| **Outstanding Balance** | means, at any time in respect of a Series Receivable, the outstanding principal amount of that Series Receivable (including any interest and fees which have been capitalised under that Series Receivable). |
| **Payment Date** | means the 10th day of each month, subject to the Business Day Convention, provided that the first Payment Date will be in September 2020. |
| **Penalty Payment** | means:<br>(a) any amount (including, without limitation, any civil or criminal penalty) for which the Issuer is liable under the National Consumer Credit Protection Laws;<br>(b) any amount which the Issuer agrees to pay (with the consent of the Servicer, such consent not to be unreasonably withheld) to a Debtor or other person in settlement of any liability or alleged liability or application for an order under the National Consumer Credit Protection Laws; or<br>(c) any reasonable legal costs or other costs and expenses payable or incurred by the Issuer in relation to that application or settlement,<br>to the extent to which a person can be indemnified for that liability, money or amount under the National Consumer Credit Protection Laws and includes all amounts ordered by a court or other judicial, regulatory or administrative body or any other body which may bind the Issuer, including an Approved External Dispute Resolution Scheme, to pay (in each case charged at the usual commercial rates of the relevant legal services provider) in connection with paragraphs (a) to (c) above. |
| **Performing Mortgage Loans Amount** | means, at any time, the Outstanding Balance of the Series Receivables in relation to which no default in payment of any amount due has continued for a period of 90 days or more as at the last day of the immediately preceding Collection Period. |

**Permitted Encumbrance** means:

(a) the security interest created under the General Security Deed;

(b) any Encumbrance arising under any other Transaction Document or which is expressly permitted by any Transaction Document; or

(c) any Encumbrance which the Security Trustee consents to (at the direction of an Extraordinary Resolution of the Voting Secured Creditors).

**Permitted Retention** means a holding of exposures in respect of any trust (established under the Master Trust Deed from time to time) in connection with the EU Due Diligence and Retention Rules, in effect from time to time, any similar requirements in effect in the EU prior to implementation of the EU Due Diligence and Retention Rules, the Japan Due Diligence and Retention Rules or the similar risk retention rules, in effect from time to time, of any other jurisdiction, including pursuant to section 15G of the Securities Exchange Act of 1934 of the United States of America or any similar risk retention rules of any jurisdiction).

**PPSA** means:

(a) the Personal Property Security Act 2009 (Cth) ("**PPS Act**");

(b) any regulation made at any time under the PPS Act;

(c) any provision of the PPS Act or regulation referred to in paragraph (b) above;

(d) any amendment made at any time to any of the above; or

(e) any amendment made at any time to any other legislation as a consequence of the PPSA referred to in paragraphs (a) to (d) above.

**Prepayment Costs** means any amount payable by a Debtor in respect of a Series Receivable as a result of the Debtor prepaying any amount in respect of that Series Receivable.

**Principal Draw** has the meaning given to it in Section 11.8 ("Principal Draw").

**Property** means property, in any form, which is the subject of a Related Security.

**Purchase Price** means, in respect of any assets which are to be Reallocated, the amount which is specified as such in the relevant Reallocation Notice.

**Rating Agencies** means each of S&P and Fitch.

**Rating Notification** in relation to an event or circumstance means that the Manager has confirmed in writing to the Issuer and the Security Trustee that it has notified each Rating Agency of the event or a circumstance and that the Manager is satisfied that the event or circumstance is unlikely to result in an Adverse Rating Effect in respect of the Series.

**RBA** means the Reserve Bank of Australia.

**Reallocation** means reallocation of Trust Assets from one trust to a different trust with the same trustee in accordance with the Master Trust Deed.

**Reallocation Date** means, in respect of a Reallocation, the date specified as such in the relevant Reallocation Notice.

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| **Reallocation Notice** | means a completed notice in or substantially in the form set out in schedule 7 to the Master Trust Deed. |
| **Receivable** | means a Housing Loan and any Related Security in respect of such Housing Loan. |
| **Recoveries** | means amounts received from or on behalf of Debtors or under any Related Security in respect of Receivables that were previously the subject of a Loss. |
| **Receiver** | means, in respect of the Series, a person or persons appointed under or by virtue of the General Security Deed as receiver or receiver and manager. |
| **Redemption Amount** | means, on any day in respect of a Note an amount equal to the aggregate of:<br>(a) the Invested Amount of that Note (or the Stated Amount of that Note, if approved by an Extraordinary Resolution of the Noteholders of that Class of Notes); and<br>(b) all accrued and unpaid interest in respect of that Note,<br>on that day. |
| **Redraw** | means, in relation to a Receivable, any advance to the relevant Debtor after the settlement date of that Receivable which does not result in an increase in the Scheduled Balance of that Receivable. |
| **Redraw Note** | means a Note issued pursuant to Section 5.8 ("Redraws and Further Advances") and the Note Deed Poll and which is designated as a "Redraw Note". |
| **Redraw Noteholder** | means a Noteholder of a Redraw Note. |
| **Redraw Note Limit** | means, at any time, 1.00% of the aggregate Invested Amount of the Notes. |
| **Redraw Reserve Account** | means the ledger account in the Collection Account designated as such and established and maintained by the Manager as described in Section 5.8 ("Redraws and Further Advances"). |
| **Redraw Shortfall** | has the meaning set out in Section 5.8 ("Redraws and Further Advances"). |
| **Redraw Trigger** | means the Notes are not redeemed in full in accordance with condition 8.2 ("Redemption of Notes – Call Option") of the Conditions on the first Date Based Call Option Date. |
| **Register** | means, the register of Noteholders maintained for the Series by the Issuer pursuant to the Master Trust Deed. |
| **Registrar** | means the Issuer such other person appointed by the Issuer to maintain the Register for the Series. |
| **Reimbursement Agreement** | means any document entered into between, among others and the Servicer which the Issuer, the Trust Manager and Servicer agree is a "Reimbursement Agreement" for the purposes of the Trust. |
| **Related Entity** | of an entity means another entity which is related to the first within the meaning of section 50 of the Corporations Act. |
| **Related Security** | means, in respect of a Receivable, any Encumbrance which secures or otherwise provides for the repayment or payment of amounts owing under the Receivable. |
| **Relevant Party** | means each party to a Transaction Document. |

**Required Credit Rating** means in respect of:

(a) S&P:

(i) for debt securities with remaining maturities at the time of purchase of less than or equal to 60 days, a short term credit rating by S&P of at least A-1;

(ii) for debt securities with remaining maturities at the time of purchase of more than 60 days, but less than or equal to 365 days, a short term credit rating by S&P of A-1+; and

(b) Fitch:

(i) for debt securities with remaining maturities at the time of purchase of less than or equal to 30 days, a short term credit rating by Fitch of at least F1 or a long term credit rating by Fitch of at least A;

(ii) for debt securities with remaining maturities at the time of purchase of more than 30 days but less than or equal to 365 days, a short term credit rating by Fitch of F1+ or a long term credit rating by Fitch of at least AA-,

or such other credit ratings by the relevant Rating Agency as may be notified by the Manager to the Issuer from time to time provided that a Rating Notification is given in respect of such other credit ratings

**Required Liquidity Rating** means:

(a) in the case of S&P:

(i) a long term rating equal to or higher than BBB; or

(ii) a short term rating equal to or higher than A-2 (if the Liquidity Facility Provider does not have any long term rating from S&P); and

(b) in the case of Fitch, a short term credit rating equal to or higher than F1 or a long term credit rating equal to or higher than A,

or such other credit rating or ratings by the Rating Agencies as may be agreed by the Manager and the Liquidity Facility Provider from time to time (and notified in writing by the Manager to the Issuer) provided that the Manager has delivered to the Issuer a Rating Notification in respect of such other credit rating or ratings.

**Required Payments** means, in respect of a Payment Date:

(a) if the Stated Amount of the Class E Notes is equal to or less than 95% of the Invested Amount of the Class E Notes, the aggregate of payments payable on that Payment Date in accordance with Section 11.12(a) to 11.12(l) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)");

(b) if the Stated Amount of the Class D Notes is equal to or less than 95% of the Invested Amount of the Class D Notes, the aggregate of payments payable on that Payment Date in accordance with Section 11.12(a) to 11.12(k) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General

Security Deed)");

(c) if the Stated Amount of the Class C Notes is equal to or less than 95% of the Invested Amount of the Class C Notes, the aggregate of payments payable on that Payment Date in accordance with Section 11.12(a) to 11.12(j) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)");

(d) if the Stated Amount of the Class B Notes is equal to or less than 95% of the Invested Amount of the Class B Notes, the aggregate of payments payable on that Payment Date in accordance with Section 11.12(a) to 11.12(i) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"); and

(e) in all other circumstances, the aggregate of payments payable on that Payment Date in accordance with Section 11.12(a) to 11.12(m) ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)").

**Residual Capital Unit** means, with respect to the Trust, a unit in that Trust which is designated as a "Residual Capital Unit" in the Register of Unitholders for the Trust.

**Residual Capital Unitholder** means, with respect to the Trust, a person registered as the holder of a Residual Capital Unit in the Trust.

**Residual Income Unit** means, in respect of the Trust, a unit in the Trust which is designated as a "Residual Income Unit" in the Register of Unitholders for the Trust.

**Residual Income Unitholder** means, in respect of the Trust, a person registered as the holder of a Residual Income Unit in the Trust.

**Retention Notes** has the meaning given to it in Section 3 ("Risk Factors - European Union Risk Retention & Due Diligence Requirements and other regulatory initiatives").

**Retention Vehicles** means each of AFG 2010-2 Pty Ltd (ACN 631 780 633) and AFG 2010-3 Pty Ltd (ACN 636 187 927).

**S&P** means S&P Global Ratings Australia Pty Ltd (ABN 62 007 324 852), trading as "S&P Global Ratings".

**Scheduled Balance** means, at any time, the scheduled amortising balance of a Receivable calculated in accordance with the terms of that Receivable on its settlement date.

**Secured Creditor** means:

(b) the Security Trustee (for its own account);

(c) the Manager;

(d) each Noteholder;

(e) each Counterparty;

(f) the Liquidity Facility Provider;

(g) the Servicer; and

(h) the Issuer (for its own account).

**Secured Money** in respect of the Series, means all money which:

at any time;

for any reason or circumstance in connection with the Transaction Documents for the Series (including any transaction in connection with them);

whether at law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation); and

whether or not of a type within the contemplation of the parties at the date of the General Security Deed:

(a) the Issuer is or may become actually or contingently liable to pay any Secured Creditor of the Series; or

(b) any Secured Creditor of the Series has advanced or paid on the Issuer's behalf or at the Issuer's express or implied request; or

(c) any Secured Creditor of the Series is liable to pay by reason of any act or omission on the Issuer's part, or that any Secured Creditor of the Series has paid or advanced in protecting or maintaining the Collateral or any security interest in the General Security Deed following an act or omission on the Issuer's part; or

(d) the Issuer would have been liable to pay any Secured Creditor of the Series but the amount remains unpaid by reason of the Issuer being Insolvent.

This definition applies:

(i) irrespective of the capacity in which the Issuer or the Secured Creditor of the Series became entitled to, or liable in respect of, the amount concerned;

(ii) whether the Issuer or the Secured Creditor of the Series is liable as principal debtor, as surety, or otherwise;

(iii) whether the Issuer is liable alone, or together with another person;

(iv) even if the Issuer owes an amount or obligation to the Secured Creditor of the Series because it was assigned to the Secured Creditor, whether or not:

(A) the assignment was before, at the same time as, or after the date of the General Security Deed; or

(B) the Issuer consented to or was aware of the assignment; or

(C) the assigned obligation was secured before the assignment;

(v) even if the General Security Deed was assigned to the Secured Creditor of the Series, whether or not:

(A) the Issuer consented to or was aware of the assignment; or

(B) any of the Secured Money was previously unsecured;

(vi) whether or not the Issuer has a right of indemnity from the Series Assets.

**Security Trust** means the trust known as the "AFG 2020-1 Trust – Series 2020-1 Security Trust" established under the Master Trust Deed and the Notice of Creation of Security Trust.

**Security Trustee** such person who is, from time to time, acting as Security Trustee pursuant to the Transaction Documents. The initial Security Trustee is specified in Section 2.1 ("Summary – Transaction Parties").

**Senior Obligations** means the obligations of the Issuer:

(a) in respect of the Class A1-S Notes, the Class A1-L Notes and the Redraw Notes and any obligations ranking equally or senior to the Class A1-S Notes, the Class A1-L Notes and the Redraw Notes (as determined in accordance with the order of priority set out in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), at any time while the Class A1-S Notes, the Class A1-L Notes or the Redraw Notes are outstanding; and

(b) in respect of the Class AB Notes and any obligations ranking equally or senior to the Class AB Notes (as determined in accordance with the order of priority set out in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), at any time while the Class AB Notes are outstanding but no Class A1-S Notes, Class A1-L Notes or Redraw Notes are outstanding; and

(c) in respect of the Class B Notes and any obligations ranking equally or senior to the Class B Notes (as determined in accordance with the order of priority set out in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), at any time while the Class B Notes are outstanding but no Class A1-S Notes, Class A1-L Notes, Redraw Notes, or Class AB Notes are outstanding; and

(d) in respect of the Class C Notes and any obligations ranking equally or senior to the Class C Notes (as determined in accordance with the order of priority set out in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), at any time while the Class C Notes are outstanding but no Class A1-S Notes, Class A1-L Notes Redraw Notes, Class AB Notes or Class B Notes are outstanding; and

(e) in respect of the Class D Notes and any obligations ranking equally or senior to the Class D Notes (as determined in accordance with the order of priority set out in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), at any time while the Class D Notes are outstanding but no Class A1-S Notes, Class A1-L Notes Redraw Notes, Class AB Notes, Class B Notes or Class C Notes are outstanding; and

(f) in respect of the Class E Notes and any obligations ranking equally or senior to the Class E Notes (as determined in accordance with the order of priority set out in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), at any time while the Class E Notes are outstanding but no Class A1-S Notes, Class A1-L Notes,

Redraw Notes, Class AB Notes, Class B Notes, Class C Notes or Class D Notes are outstanding; and

(g) in respect of the Class F Notes and any obligations ranking equally or senior to the Class F Notes (as determined in accordance with the order of priority set out in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)"), at any time while the Class F Notes are outstanding but no Class A1-S Notes, Class A1-L Notes Redraw Notes, Class AB Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes are outstanding; and

(h) under the Transaction Documents generally, at any time while no Notes are outstanding.

**Series** means the series relating to the Trust which is known as Series 2020-1.

**Series Assets** means the Assets in respect of the Series.

**Series Business** has the meaning given to it in Section 12.2 ("General Features of the Trust").

**Series Expenses** means all costs, charges and expenses incurred by the Issuer in connection with the Series and under the Transaction Documents and any other amounts for which the Issuer is entitled to be reimbursed or indemnified out of the Series Assets (including (without limitation) any Liquidity Support Reimbursement Amount payable by the Trustee to (or as directed by) the Servicer in accordance with the terms of any Reimbursement Agreement, but excluding any amount of a type otherwise referred to in Section 11.12 ("Application of Total Available Income (prior to an Event of Default and enforcement of the General Security Deed)") or Section 11.5 ("Application of Total Available Principal (prior to an Event of Default and enforcement of the General Security Deed)").

**Series Receivable** means, at any time, a Receivable which is then, or is then to immediately to become, a Series Asset of the Series.

**Servicer** means, any person appointed as such in accordance with the Servicing Deed. The initial Servicer is specified in Section 2.1 ("Summary – Transaction Parties").

**Servicer Termination Event** has the meaning given to it in Section 12.6 ("The Servicing Deed").

**Servicing Deed** means the document entitled " AFG Trusts Master Servicer Deed" dated 29 October 2010 between, the Issuer, the Manager and the Servicer.

**Servicing Procedures** means, from time to time, the then current policies and procedures of the Servicer in relation to the servicing of Receivables.

**Standby Servicer** see Section 2.1 ("Summary – Transaction Parties").

**Standby Servicing Deed** means the document entitled "Standby Servicing Deed AFG Trusts" dated 2 August 2012 between the Manager, the Servicer, the Standby Servicer and the Issuer.

**Stated Amount** means, at any time in relation to a Note, an amount equal to:

(a) the Invested Amount of that Note; less

(b) the amount of any Charge-Offs to be allocated to that Note under Section 11.15 ("Allocation of Charge-Offs") prior to that time which have not been reimbursed on or before that time under Section

11.16 (“Re-instatement of Carryover Charge-Offs”).

**Step-Down Conditions** has the meaning given to it in Section 2.2 (“Summary – Transaction”).

**Step-up Margin** in respect of a Class A1-S Note, a Class A1-L Notes or a Class AB Note, means 0.50% per annum.

**Step-Up Margin Date** means the first day of the Interest Period ending immediately after the first Call Option Date.

**Subordinated Note Percentage** means, on any day, the amount (expressed as a percentage) equal to:

$$\frac{A}{B}$$

where:

A = the aggregate Invested Amount of the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on that day; and

B = the aggregate Invested Amount of all outstanding Notes on that day.

**Tax Account** means an account with an Eligible Bank established in the name of the Issuer in accordance with Section 11.21 (“Tax Account”).

**Tax Amount** means, in respect of a Payment Date, the amount (if any) of Tax that the Manager reasonably determines will be payable in the future by the Issuer in respect of the Trust and which accrued during the immediately preceding Collection Period.

**Tax Shortfall** means, in respect of a Payment Date, the amount (if any) determined by the Manager to be the shortfall between the aggregate Tax Amounts determined by the Manager in respect of previous Payment Dates and the amounts set aside and retained in the Tax Account on previous Payment Dates.

**Tax** includes any levy, charge, impost, fee, deduction, stamp duty, financial institutions duty, bank account debit tax or other tax of any nature payable, imposed, levied, collected, withheld or assessed by any Governmental Agency and includes any interest, expenses, fine penalty or other charge payable or claimed in respect thereof but does not include any tax on overall net personal income of the Issuer and **Taxes** and **Taxation** shall be construed accordingly.

**Termination Event** in respect of a Derivative Contract, has the meaning given to it in that Derivative Contract.

**Threshold Rate** means, in respect of a Determination Date and the immediately following Payment Date, the aggregate of:

(a) the weighted average rate required to be paid on all the Series Receivables (taking into account the amounts received under fixed rate Series Receivables (if any) and any corresponding Derivative Contract) such that the Issuer will have sufficient funds available to it to at least meet the Required Payments in full (assuming that all parties comply with their obligations under the Transaction Documents and the Series Receivables (excluding any Series Receivables which have been written off) and taking into account income on other investments) on that Payment Date; and

(b) 0.25% per annum.

**Threshold Rate Subsidy** means, on any day, the amount calculated as follows:

(A-B) x C x D

where:

A = the Threshold Rate as at that day;

B = the weighted average interest rate on the Series Receivables as at that day (taking into account amounts received under fixed rate Series Receivables (if any) and any corresponding Derivative Contract);

C = the aggregate Outstanding Balance of all Series Receivables on that day; and

D = the number of days in the period commencing on (and including) that day and ending on (but excluding) the immediately following Payment Date, divided by 365,

provided that if this calculation is negative, the Threshold Rate Subsidy will be zero.

**Title Documents** in respect of a Receivable means the documents of title and other supporting documents with respect to the relevant Housing Loan including, without limitation:

(i) the mortgage cover sheet and any schedule or annexure to it; and

(ii) the Loan Agreement; and

(iii) any guarantee in respect of the borrower's obligations under the Loan Agreement; and

(iv) any acknowledgment that the obligations of the borrower under the Loan Agreement or a guarantor under the guarantee are secured under the Housing Loan; and

(v) the certificate of title or its equivalent (if issued) to the property over which the Housing Loan is taken; and

(vi) a copy of the solicitor's certificate given in respect of the Housing Loan; and

(vii) if applicable, a copy of all Insurance Policies or evidence of the currency or existence of such Insurance Policies required in relation to the Housing Loan; and

(viii) such other originals or copies of documents relating to the Housing Loan as may have been entered into or prepared and which evidence the obligations of the borrower, mortgagor or guarantor in respect of the Housing Loan, or the interest of the Issuer in respect of the Housing Loan; and

(ix) such other documents as are agreed by the Security Trustee and the Issuer to be title documents,

which are, or are to be, held by the Custodian.

**Total Available Income** has the meaning given to it in Section 11.11 ("Determination of Total Available Income").

**Total Available Principal** has the meaning given to it in Section 11.4 ("Determination of Total Available Principal").

**Transaction Documents** means, in respect of the Series:

(a) the Master Trust Deed (insofar as it applies to the Series);

(b) the Master Definitions Schedule (insofar as it applies to the Series);

(c) the Servicing Deed (insofar as it applies to the Series);

(d) the Standby Servicing Deed (insofar as it applies to the Series);

(e) the Management Deed (insofar as it applies to the Series);

(f) the Notice of Creation of Trust;

(g) the General Security Deed;

(h) the Issue Supplement;

(i) the Note Deed Poll;

(j) the Conditions;

(k) the Liquidity Facility Agreement;

(l) any Derivative Contract in respect of the Series;

(m) the Dealer Agreement;

(n) any Reimbursement Agreement; and

(o) any other document which the Issuer and the Manager agree is a "Transaction Document" for the purposes of the Issue Supplement and the Series from time to time, provided that a Rating Notification is given in relation to the designation of that additional Transaction Document.

**Trust** means the AFG 2020-1 Trust.

**Unitholder** means each of the Residual Capital Unitholder and the Residual Income Unitholder.

**Voting Secured Creditors** means:

(a) for so long as any Class A1-S Notes, Class A1-L Notes or Redraw Notes remain outstanding:

(i) the Class A1-S Noteholders, Class A1-L Noteholders and the Redraw Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class A1-S Noteholders, the Class A1-L Noteholders and the Redraw Noteholders (as determined in accordance with the order of priority set out in 11.18 ("Application of proceeds following an Event of Default and enforcement

of the General Security Deed”));

(b) if no Class A1-S Notes, Class A1-L Notes or Redraw Notes remain outstanding and for so long as any Class AB Notes remain outstanding:

(i) the Class AB Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class AB Noteholders (as determined in accordance with the order of priority set out in Section 11.18 (“Application of proceeds following an Event of Default and enforcement of the General Security Deed”));

(c) if no Class A1-S Notes, Class A1-L Notes, Redraw Notes or Class AB Notes remain outstanding and for so long as any Class B Notes remain outstanding:

(i) the Class B Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class B Noteholders (as determined in accordance with the order of priority set out in Section 11.18 (“Application of proceeds following an Event of Default and enforcement of the General Security Deed”));

(d) if no Class A1-S Notes, Class A1-L Notes, Redraw Notes, Class AB Notes or Class B Notes remain outstanding and for so long as any Class C Notes remain outstanding:

(i) the Class C Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class C Noteholders (as determined in accordance with the order of priority set out in Section 11.18 (“Application of proceeds following an Event of Default and enforcement of the General Security Deed”));

(e) if no Class A1-S Notes, Class A1-L Notes, Redraw Notes, Class AB Notes, Class B Notes or Class C Notes remain outstanding and for so long as any Class D Notes remain outstanding:

(i) the Class D Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class D Noteholders (as determined in accordance with the order of priority set out in Section 11.18 (“Application of proceeds following an Event of Default and enforcement of the General Security Deed”));

(f) if no Class A1-S Notes, Class A1-L Notes, Redraw Notes, Class AB Notes, Class B Notes, Class C Notes or Class D Notes remain outstanding and for so long as any Class E Notes remain outstanding:

(i) the Class E Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class E Noteholders (as determined in accordance with the order of priority set out in Section 11.18 (“Application of proceeds following an Event of Default and

enforcement of the General Security Deed")); and

(g) if no Class A1-S Notes, Class A1-L Notes, Redraw Notes, Class AB Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes remain outstanding and for so long as any Class F Notes remain outstanding:

(i) the Class F Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class F Noteholders (as determined in accordance with the order of priority set out in Section 11.18 ("Application of proceeds following an Event of Default and enforcement of the General Security Deed")); and

(h) if no Notes remain outstanding, the remaining Secured Creditors.

# DIRECTORY

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