

NOTICE OF LODGMENT

AUSTRALIAN COMPETITION TRIBUNAL

This document was lodged electronically in the AUSTRALIAN COMPETITION TRIBUNAL and has been accepted for lodgment pursuant to the Practice Direction dated 3 April 2019. Filing details follow and important additional information about these are set out below.

Lodgment and Details

Document Lodged: Statement of Taras Mysak

File Number: ACT1 of 2019

File Title: Re Application for authorisation AA1000439 lodged by Australian Energy Council, Clean Energy Council, Smart Energy Council and Energy Consumers Australia in respect of the New Energy Tech Consumer Code and the determination made by the ACCC on 5 December 2019

Registry: VICTORIA – AUSTRALIAN COMPETITION TRIBUNAL



DEPUTY REGISTRAR

Dated: 24/04/2020 4:28 PM

Important information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Tribunal and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.



IN THE AUSTRALIAN COMPETITION TRIBUNAL

File No: ACT 1 of 2019

Re Application for authorisation AA1000439 lodged by Australian Energy Council, Clean Energy Council, Smart Energy Council and Energy Consumers Australia in respect of the New Energy Tech Consumer Code

FLEXIGROUP LIMITED

Applicant

STATEMENT OF TARAS MYSAK

I, Taras Mysak, of Level 7, 55 Currie Street, Adelaide in the State of South Australia, say as follows:

1. I am the Head of Credit Risk - BNPL of flexigroup Limited (**flexigroup**). I have held this role since 2019.
2. I make this statement from my own knowledge and from the records of flexigroup referred to below to which I have access and am familiar with as a manager within the management team of flexigroup.
3. I commenced employment at Certegy Ezi-Pay Pty Ltd (**Certegy Ezi-Pay**) in 2004. flexigroup acquired Certegy Ezi-Pay in 2008 and Certegy Ezi-Pay is a wholly owned subsidiary of flexigroup.
4. In my 16 years of employment at flexigroup, I have held many roles. I have held various management roles including head of Credit Risk (Certegy Ezi-Pay/humm) in the period from 2010 to date.
5. In my current role at flexigroup I am responsible for credit risk management.
6. Now shown to me is a bundle of documents marked **Exhibit TM-1** and a further bundle of documents marked **Confidential Exhibit TM-2** which contain information that is commercially sensitive and confidential to flexigroup. Each of those documents is numbered with a unique document ID. When I refer to a document in

this statement, I set out the document's name and document ID, and the document is hyperlinked to **Exhibit TM-1** or **Confidential Exhibit TM-2**.

flexigroup

7. flexigroup is an Australian company listed on the Australian Securities Exchange (**ASX**). The shares in flexigroup trade under the ASX Code "FXL".
8. flexigroup is a diversified financial services group with operations in Australia, New Zealand and Ireland across a diverse range of industries including: home improvement, solar energy, fitness, IT, electrical appliances, travel and trade equipment. Throughout these countries flexigroup serves over 1.76 million customers.
9. flexigroup provides a range of finance products and payment solutions to consumers and businesses through a network of retail and business partners. This includes interest free cards, no interest ever payment plans, and business leasing solutions.
10. flexigroup is the oldest and one of the largest providers of Buy Now Pay Later (**BNPL**) payment solutions in Australia. This form of financing has been provided in Australia for decades.
11. flexigroup has been a regular issuer of asset-backed-securities (**ABS**) to provide finance for flexigroup's BNPL business, and predominantly humm. Since 2011, flexigroup has executed 10 ABS transactions issuing notes totalling ~A\$2.6 billion.
12. In 2016, flexigroup was the first Australian corporate to issue green ABS certified by the Climate Bonds Initiative. flexigroup has issued over A\$375m of green notes ABS across five transactions since 2016. The Flexi ABS Trust 2019-2 transaction had a proportion of 47.9% of solar loan receivables. A copy of the Information Memorandum provided to prospective investors with respect to the Flexi ABS Trust 2019-2 transaction appears at **tab 1 of Exhibit TM-1 [FXL.001.002.0086]**. A copy of Fitch Ratings rating agency pre-sale report with respect to the transaction appears at **tab 2 of Exhibit TM-1 [FXL.001.002.0229]**. A copy of and Moody's Investors Service rating agency pre-sale report with respect to the transaction appears at **tab 3 of Exhibit TM-1 [FXL.001.002.0245]**.

hummm product

13. flexigroup's hummm product was previously known as 'Certegey Ezi-Pay' and has been provided in Australia for two-decades. hummm is supplied by Certegey Ezi Pay. For ease of reference, where this statement refers to flexigroup as the supplier of hummm, it is a reference to Certegey Ezy-Pay.
14. hummm provides the ability for a customer to purchase goods and services from certain sellers (or merchants) at a low and capped cost and with no interest. It is an alternative to conventional finance with interest rates, for example, up to 20% with some credit cards. hummm provides an interest-free payment platform with repayment options over periods from 10 weeks to 60 months. This is described on the flexigroup webpage at <https://www.flexigroup.com.au/consumer/hummm>.
15. hummm allows customers to purchase goods or services from those sellers (or merchants) to a maximum purchase price of \$30,000 and repay the purchase price over a fixed term chosen by the customer within certain maximum timeframes. For purchases up to \$2,000 (described in the hummm product as 'Little Things') the customer can repay fortnightly or in 5 or 10 instalments (slices) over 2.5 or 5 months (purchases of less than \$500 are not eligible for 5 months repayment plans). For purchases up to \$30,000 (described in the hummm offer as 'Big Things'), the customer can repay in instalments up to a maximum of 60 months, depending on where the customer shops and what they buy and the instalments proposed by the merchant. This is described on the hummm webpage at <https://www.shophummm.com.au/>.
16. hummm is regulated by the *Australian Securities and Investments Commission Act 2001* (Cth) and Australian Consumer Law in Schedule 2 to the *Competition and Consumer Act 2010* (Cth). However, hummm is not regulated under the *National Consumer Credit Protection Act (2009)* (Cth) (**NCCPA**). In this statement, where I use the term "unregulated products" I mean products that are not regulated under the NCCPA and where I use the term "regulated products" I mean products that are regulated under the NCCPA.

hummm merchants

17. flexigroup provides hummm via authorised sellers (or merchants). hummm is available for purchases from sellers (or merchants) in over 60 unique industries, including Appliances, Audiology, Auto, Babies, Bikes, Camping & Adventure, Dentistry, Fashion, Fitness, Furniture & Bedding, Garden, Hair & Beauty, Health, Heating &

Cooling, Home Improvement, Jewellery & Watches, Kids, Lifestyle, Mobility & Therapy, Mowers, Optometrists, Pets, Photography, Pools & Spas, Security, Solar, Tech and Toys.

18. These authorised sellers (or merchants) must enter into agreements with flexigroup before the seller or merchant may make humm available to customers for purchases from that seller or merchant. An example of a current humm Retailer Agreement for solar merchants appears at **tab 4 of Exhibit TM-1 at [FXL.001.002.0267]**. humm transactions are either direct ecommerce transactions, where the customer transacts directly online, or are merchant-led, where the customer transacts with the merchant in store (including by telephone and home appointments, in the case of solar products).
19. flexigroup currently has about 8,000 humm seller or merchant subscribers, of which 350 are solar merchants offering humm within the solar industry. humm transactions for solar products are merchant-led and settle after the installation of the solar product at the customer's home.
20. In order to become an authorised seller (or merchant) of humm, the prospective seller (or merchant) must pass an accreditation process conducted by flexigroup. That accreditation process involves flexigroup checking some key details and credentials of the prospective seller (or merchant). Checks which flexigroup conducts for this purpose for solar merchants include:
 - (a) an ASIC company search to check that the company is active and corporate information in order and up to date;
 - (b) a comprehensive company search from Equifax to check whether the company or its owners have any adverse credit history;
 - (c) media searches for any adverse publicity relating to the company or its principals;
 - (d) confirming whether the merchant conducts unsolicited sales;
 - (e) for those merchants that do conduct unsolicited sales, reviewing the merchant's terms with their customers to ensure that those terms:
 - (i) have at least a 10 day cooling off period in case of a change of mind by the customer;

- (ii) describe the customer's consumer and other rights in compliance with the Australian Consumer Law.

21. By conducting these checks, flexigroup seeks to ensure, as far as possible, that its merchants comply with the Australian Consumer Law provisions relating to unsolicited sales practices applying to telemarketing contained in Division 2 of each of Parts 3.1 and 3.2 of the Australian Consumer Law. A template New Solar Merchant form which is completed by flexigroup to perform the accreditation process for a new merchant appears at **tab 5 of Exhibit TM-1 [FXL.001.002.0228]**. A completed, and part redacted, New Solar Merchant form appears at **tab 6 of Exhibit TM-1 [FXL.001.002.0308]**.

flexigroup policies

22. flexigroup also has a number of policies which govern flexigroup's dealings with customers in respect of the humm product. flexigroup's current policies include the following:

- (a) Certegy Ezi-Pay Risk Management Policy and Process which appears at **tab 1 of Confidential Exhibit TM-2 [FXL.001.002.0001]**;
- (b) Parts of the Credit Policy AU Cards & Leasing which appears at **tab 2 of Confidential Exhibit TM-2 [FXL.001.002.0008]**;
- (c) Collection Operational Process which appears at **tab 3 of Confidential Exhibit TM-2 [FXL.001.002.0050]**;
- (d) humm Hardship Policy which appears at **tab 4 of Confidential Exhibit TM-2 [FXL.001.004.0001]**; and
- (e) Certegy-Ezi Pay Internal Dispute Resolution policy which appears at **tab 5 of Confidential Exhibit TM-2 [FXL.001.002.0056]**.

23. flexigroup continuously makes improvements to these policies. Examples of recent improvements include changes introduced to the Internal Dispute Resolution Process flow in 2018 and changes introduced to the Hardship Policy in 2020. flexigroup also became a member of the Australian Financial Complaints Authority from its inception in October 2018, commencing on 1 November 2018

hummm application process

24. A customer that wishes to use the hummm product to finance a purchase of any product, including solar products, must apply to flexigroup through the hummm application process. flexigroup classifies solar purchases in its Big Things category of purchases referred to in paragraph 15 above.
25. The hummm application process has been designed in accordance with flexigroup's risk management and credit policies referred to in paragraph 22 above. It is designed to be easy to use and to obtain the information from applicants which flexigroup requires to assess their application. flexigroup also continuously makes improvements to its hummm application process.
26. The hummm application process has two parts, data capture and assessment. This process applies to both manual and online applications.
27. The data capture part of the hummm application process requires a potential customer (applicant) to answer each question in the hummm Credit Schedule, or the hummm Online Portal. A copy of the hummm Credit Schedule appears at **tab 7 of Exhibit TM-1 [FXL.001.003.0006]**, and screenshots of the hummm Online Portal appear at **tab 8 of Exhibit TM-1 [FXL.001.003.0001]**. That data is then captured by flexigroup.
28. flexigroup's assessment process for hummm is highly confidential. It involves the use of an algorithm developed by flexigroup and checks of the customer's confidential repayment history with flexigroup in circumstances where a significant percentage of the entire hummm portfolio is from repeat customers that have transacted with flexigroup in the past. Details of the assessment part of the process appear at **tab 6 of Confidential Exhibit TM-2 [FXL.001.005.0001]**.
29. In addition, in my experience, there is a relatively low default rate for purchases in industries that have a higher correlation to home ownership such as the solar industry, where the purchase is more considered and less likely to be impulsive, involves a number of points of contact with the customer, where there is an installation element at the customer's address and where the purchasers tend to be older than in some other industries in which hummm is available. As a result, in my opinion, hummm solar purchases are relatively low risk.
30. hummm's application process requires the customer to meet hummm's standard lending criteria set out in the hummm Credit Contract, being the customer is in full time employment, or in permanent part time employment for more than 25 hours/week, or

on age or veteran's pensions. The merchant is trained to check that the customer meets the criteria. The humm Credit Contract consists of the humm Terms and Conditions together with a humm Credit Schedule. A copy of the humm Terms and Conditions appears at **tab 9 of Exhibit TM-1 [FXL.001.002.0276]**. An example of a humm Credit Schedule appears at **tab 7 of Exhibit TM-1 [FXL.001.003.0006]**..

31. flexigroup staff make calls to customers to verify information provided by the customer. flexigroup introduced this process in 2010, at the time flexigroup extended humm to solar products. At that time, flexigroup attempted to contact every customer who purchased solar products. As the number of customers increased and solar merchants became more experienced in offering humm for solar products, flexigroup's service calls focussed on calls to customers of specific merchants such as new merchants where flexigroup staff make a service call to the first five customers as a matter of course.
32. Where flexigroup finds that an applicant does not meet the standard lending criteria, or the information provided by the merchant is incorrect, flexigroup's practice is to set the contract to non-valid. flexigroup pays the purchase price less merchant charges to the merchant up front. Where a contract is set to non-valid, flexigroup claws back from the merchant the funds flexigroup had previously transferred to the merchant and works through an escalation process for any further merchant activities, that may include immediate suspension if there has been sales person fraud. The claw back requirement is in place so that the merchant cannot profiteer by signing up customers who do not meet the lending criteria.
33. Clause 11 of the humm Terms and Conditions set out the process for a customer to dispute a transaction or make a complaint. The Terms and Conditions also provide contact details for the Australian Financial Complaints Authority, who offers an independent dispute resolution process to customers. A copy of the humm Terms and Conditions appears at **tab 9 Exhibit TM-1 [FXL.001.002.0276]**.

Use of humm for solar purchases

34. Currently flexigroup has merchant agreements in place with about 350 solar sellers (merchants) that offer humm. A list of solar sellers and merchants who offered humm in the period 1 April 2019 to 31 March 2020 appears at **tab 7 of Confidential Exhibit TM-2 [FXL.001.002.0065]**.

35. In the period since 1 Jan 2010, flexigroup's product humm has financed the purchase of more than 210,000 solar installations in Australia. During that period, there have been approximately 2.3 million solar installations in Australia. flexigroup estimates that humm has financed approximately 9% of all such installations in Australia.

flexigroup's competitors in solar

36. **Tab 10 of Exhibit TM-1 [FXL.001.002.0337]** is a table that sets out the solar finance product competitive landscape, featuring various financing products available to finance solar installations. Some of those products are regulated products. Others are unregulated.

37. flexigroup has a number of competitors that compete with humm in offering finance for solar purchases. The products offered by those competitors include all of the finance options set out at **tab 10 of Exhibit TM-1 [FXL.001.002.0337]**. Some of those products have similar features to humm and other products have different features. Examples of the products offered by flexigroup's competitors to finance solar products include the products offered by Brighte described in paragraph 38 below.

38. Brighte offers a zero percent interest product that is nearly identical to humm. Like humm, Brighte's product is not regulated under the NCCPA. Brighte also offers a regulated "green loan".

39. A number of flexigroup's competitors also offer regulated green loans. Green loans are a type of interest-bearing personal loan that can be used to finance an approved range of energy and cost saving purchases. Depending on the provider, green loans can be secured or unsecured, have varying repayment periods, varying interest rates, and a range of borrowing limits. Approved energy and cost saving purchases generally include things such as home solar systems, electric or hybrid vehicles, rainwater tanks, home insulation, battery energy storage systems and energy efficient appliances.

40. I am not aware of any reason why a licensed credit provider would not be able to provide an unregulated product.

41. **Tab 11 of Exhibit TM-1 [FXL.001.002.0063]** sets out a humm BNPL and personal loan product cost comparison of flexigroup's estimates of costs to consumers of those options. Compared with other financing products available to finance solar

installations, BNPL is a cheaper and more flexible financing option than regulated products because consumers are not charged interest and the fees that are payable under BNPL are limited.

42. For example, humm is a zero interest BNPL product. The customer must pay the agreed repayment amounts over the agreed term, with no interest ever. The agreed repayment amounts in total repay the purchase price of the relevant product purchased by the customer. In addition to those repayment amounts, the customer must pay a Monthly Fee of \$8 which applies to payment plans 5 months or greater. For purchases up to \$30,000, an establishment fee of \$35 - \$90 also applies if a customer is new to humm or a \$22 additional purchase fee if the customer has used humm before. If a customer is late with payment, there is a \$6 late payment fee. flexigroup may also charge a \$30 collection fee. These are the only fees that a customer is required to pay. flexigroup's contracts with merchants provide that the merchant must not on charge to customers the merchant service fees the merchant pays to flexigroup.
43. For example, the average cost of a solar purchase is \$8,735. If a customer purchases a solar product with a value of \$8,735 financed over 60 months, the customer would incur the following costs depending on what financing option they obtained, in addition to the \$8,735:
- (a) using humm financing a customer would be required to pay a Monthly Fee of \$8 per month for each month in the 60 month period plus an establishment fee of \$85, in total \$565;
 - (b) using a personal loan at an interest rate of 13.42%, a customer would pay interest of \$4,315; and
 - (c) using a personal loan at the cheapest available rate of 4.85%, the customer would pay \$1,832.

humm solar lending outcomes

44. **Tab 8 of Confidential Exhibit TM-2 [FXL.001.002.0064]** is a spreadsheet that I prepared by extracting data from flexigroup's "*Source Production Database*". It sets out:
- (a) details of the number of humm solar contracts settled in each year in the period 2015-2019 and includes the total amount financed;

- (b) the net write off (total amount in arrears after 120 days less any recoveries post write off);
 - (c) the number of customers currently assigned as experiencing hardship before and after the start of the COVID-19 crisis; and
 - (d) the historical number of Internal Dispute Resolution (IDR) inquires.
45. The number of humm solar customers that default is low. The number of hardship customers for humm with solar is also low. These numbers are set out in the spreadsheet appearing at **tab 8 of Confidential Exhibit TM-2 [FXL.001.002.0064]**.
46. In my view, the low number of customers that default on humm solar repayment plans is a result of:
- (a) flexigroup's humm application and merchant accreditation processes referred to above and below, built from more than 20 years' experience in the BNPL industry;
 - (b) terms offered to each merchant under which humm can be sold (eg a \$1000 purchase cannot be facilitated under a 6 month contract, but generally over 24-60 months);
 - (c) flexigroup's Internal Dispute Resolution (IDR), External Dispute Resolution (EDR) and Hardship policies and processes in place;
 - (d) proactive customer communications;
 - (e) continuous improvement of each of the matters listed in paragraphs 46(a) to 46(d) above; and
 - (f) the matters described in paragraph 28 above. .
47. The total number of IDR inquires for solar humm loans is also low. In the period 2015 - 2019, IDR inquires amounted to less than 1% of total contracts settled over the whole period. The number of IDR inquiries for each year in that period is set out in the spreadsheet appearing at **tab 8 of Confidential Exhibit TM-2 [FXL.001.002.0064]**.
48. In the period since 2010, I held the position of head of Credit Risk, as set out in paragraph 4 above. In that position I am responsible for managing all disputes, related to humm. In my experience, the internal dispute resolution disputes

generally relate to the merchant or the product. In rare instances will the dispute relate to affordability.

49. flexigroup received hardship or financial difficulty complaints or disputes for less than 1% of the total number of humm contracts for solar products settled in the period 2015 - 2019. The number of disputes received by Flexigroup relating to humm contracts for solar products in that period is set out in the spreadsheet appearing at **tab 8 of Confidential Exhibit TM-2 at [FXL.001.002.0064]**.
50. Where a dispute or complaint from a customer involves a merchant, flexigroup's practice is to investigate the complaint as set out in the Merchant Compliance Action Process which appears at **tab 9 of Confidential Exhibit TM-2 [FXL.001.002.0227]**.. flexigroup's practice is to consider the nature of the complaint and the profile of the merchant and investigate the merchant's conduct in one of the ways outlined in paragraph 51 below. If flexigroup determines that the fault lies with the merchant, an outcome could be suspension or termination of the merchant's contract with flexigroup. For example, if flexigroup's investigation concludes that the conduct complained of was attributable to one sales person and the merchant removes that person from sales using humm, flexigroup would be unlikely to terminate that merchant's humm contract. However, if the merchant keeps on the sales person or removes the sales person but there still are repeat instances of complaint or dispute, flexigroup is likely to terminate that merchant's contract.
51. As part of any investigation, flexigroup's practice is for flexigroup staff to contact customers who have made a recent purchase from the merchant in question and obtain the following from the customer who made the complaint:
 - (a) information that relates to the product that was installed, and the customer's satisfaction with the process and product;
 - (b) confirmation that the customer has paid a deposit;
 - (c) the length of the repayment term understood by the customer;
 - (d) the employment status of the customer;
 - (e) confirmation that the customer did not request any other quotes for the purchase from the merchant;
 - (f) confirmation of the name of the sales person the customer dealt with; and

(g) any other issues experienced by the customer.

52. Pending the outcome of the investigation, flexigroup's practice is to flag the merchant's conduct in flexigroup's Compliance Register. flexigroup may also suspend the merchant at the start, middle or end of the investigation if, through the course of investigating the complaint and gathering information from the merchant and customer, flexigroup considers the merchant has not behaved in accordance with the terms of their contract with flexigroup.

Impact of Code as Authorised

53. Of the top 50 solar sellers and merchants with whom flexigroup does business, flexigroup expects that the majority are likely to become signatories to the New Energy Tech Consumer Code (**Code**).

54. I understand that clause 3(d) of the Code would prevent merchants that use BNPL such as humm from making unsolicited calls offering BNPL other than regulated products.

55. Unsolicited sales underpin the operating model for a large number of merchants in the solar industry. When I use the term unsolicited in this context I use it to refer to contact initiated by the merchant through phone as distinct from contact which is initiated by the customer in response to website and/or other advertising. I do not include door to door sales in my use of the term unsolicited, although door to door sales are a form of unsolicited sales, because it is a very minor component of all sales that flexigroup sees within the solar industry with humm.

56. A significant proportion of sales of our merchants originate through some form of unsolicited contact. Our top 10 merchants account for the majority of humm sales and, of those merchants, the majority of their humm sales are as a result of merchant-led contact with customers. The numbers are set out in the spreadsheet appearing at **tab 7 of Confidential Exhibit TM-2 [FXL.001.002.0065]**. I believe that merchants offering solar products use this model because it is both low cost and effective to obtain new customers through making unsolicited approaches.

57. The humm product is used by merchants with this business model because it offers certainty of repayments. Merchants can inform potential customers of the total amount they will need to pay, and the fixed repayment amount and instalments up front, before installation. humm provides certainty to the customer with a fixed fortnightly instalment amount that can be stated upfront. It is simple, quick and clear

to convey to customers. BNPL repayment plans such as humm are also cheaper than regulated products for the purchase of solar products as I described in paragraphs 41 to 43 above.

58. In addition, I understand that clause 25(a) of the Code will require flexigroup to collect further information from the customer in support of an application for humm in respect of solar products. In my experience, customers who are required to provide further information are less likely to complete the process.
59. By way of a like for like comparison, flexigroup offers a credit card under the brand "Skye". When flexigroup amended the credit card application process in August 2019 to include the provision of additional information such as bank statements online, conversion rates dropped significantly. The percentage of customers that started but did not complete the application process after the introduction of additional information was 23%.
60. With the proposed code provisions, I consider that flexigroup would need to change its data capture and assessment process and merchant training guides, and incur costs in doing so. flexigroup would need to increase the data points required from potential customers for income and expense validation and verification and would need to verify data with external sources, either electronically or by way of call centre operators. A manual assessment done on a series of bank statements presents scalability challenges. As a result, I believe flexigroup may need to use electronic document generation such as bank statements online to enable it to access that data using a scalable process used by other products within the flexigroup suite of products.
61. Based on the matters referred to in paragraphs 55 to 60 above, in my opinion, the Code, if implemented, would likely see a significant fall in the number of customers acquiring solar products in Australia and the number of customers using humm.
62. In addition, under the Code as authorised, different requirements would apply to solar merchants offering BNPL compared with other merchants offering BNPL. flexigroup would have to modify its merchant agreements and systems to accommodate the provisions that would apply to merchants selling solar products arising from the Code that would not also apply to merchants selling products in the other industries. Having different requirements where humm is used for solar purchases to those that apply where humm is used for other purchases is likely to

cause confusion, particularly for merchants who sell solar products as well as other products to which the code does not apply (such as LED lights, landscaping).

63. Under the code as authorised, I estimate that flexigroup would lose sales in the order of \$50 million per annum. I estimate that flexigroup would face increased costs with a corresponding increase in fees to customers. humm is currently used in more than 200,000 transactions each year. As I stated at paragraph 60, I believe that to comply with the Code flexigroup would need to change the humm product application assessment process, to introduce an electronic process to access bank statements online. Not only with this increase costs, if flexigroup were to introduce such a process, I believe it is likely to face a reduction in humm transactions within the solar industry of approximately 25%, based on our Skye credit card experience described in paragraphs 58-60 above.

AFIA BNPL code

64. To my knowledge, the BNPL industry has been developing a code of conduct for BNPL products (**BNPL Industry Code**). I understand that the BNPL Industry Code is being developed by the Australian Finance Industry Association Limited (**AFIA**) and its members flexigroup and other providers of BNPL (such as Afterpay, Brighte, Latitude, Openpay, Payright and Zip Co).
65. A copy of the draft of the BNPL Industry Code that was circulated by AFIA in or around February 2020 appears at **tab 12 of Exhibit TM-1 [FXL.001.002.0066]**.
66. I have read the draft version of the BNPL Industry Code referred to in paragraph 65 above. AFIA's draft BNPL Industry Code contains provisions requiring signatories to be fair, honest and ethical; keep consumers properly informed about products, including strategies to help consumers stay in control and to make informed decisions about purchases; make sure that products are suitable for the consumer; and deal fairly with consumer complaints and offer hardship assistance.
67. The draft BNPL Industry Code also requires providers to only provide products or services to consumers who are assessed as having the ability to pay for the products over time using the information provided; and not provide any additional products or services or increase the transaction amount of existing products or services if the customer is in arrears at the time of the request.
68. AFIA originally proposed that the BNPL Industry Code would become operational by 1 July 2020. It is contemplated that it will be approved under ASIC Regulatory

Guide 183. flexigroup remains committed to supporting and developing the BNPL Industry Code, and will be a signatory to the Code when it is finalised.

Dated: 24 April 2020

Signed:  Taras Mysak

IN THE AUSTRALIAN COMPETITION TRIBUNAL

FLEXIGROUP LIMITED

ACT 1 of 2019

Re: Application for authorisation AA1000439 lodged by Australian Energy Council, Clean Energy Council, Smart Energy Council and Energy Consumers Australia in respect of the New Energy Tech Consumer Code

EXHIBIT CERTIFICATE

This is the exhibit marked "**TM-1**" to the statement of **Taras Mysak** dated **24 April 2020**.

Exhibit TM-1

Filed on behalf of flexigroup Limited

Prepared by Kirsten Webb

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Exhibit TM-1: Index**RE: ACT 1 of 2019 - Application by flexigroup Limited**

Tab	Document Description	Document ID
1.	FlexiGroup Information Memorandum for Flexi ABS Trust 2019-2 transaction	FXL.001.002.0086
2.	Fitch Ratings rating agency pre-sale report for Flexi ABS Trust 2019-2 transaction	FXL.001.002.0229
3.	Moody's Investors Service rating agency pre-sale report for Flexi ABS Trust 2019-2 transaction	FXL.001.002.0245
4.	hummm Retailer Agreement for solar merchants	FXL.001.002.0267
5.	New Solar Merchant form	FXL.001.002.0228
6.	Completed, and part redacted, New Solar Merchant form	FXL.001.002.0308
7.	hummm Credit Schedule	FXL.001.003.0006
8.	hummm Online Portal	FXL.001.003.0001
9.	hummm Terms and Conditions	FXL.001.002.0276
10.	Solar Finance Products - Competitor Landscape table	FXL.001.002.0337
11.	hummm BNPL and personal loan product comparison	FXL.001.002.0063
12.	Draft BNPL Industry Code	FXL.001.002.0066

Product Features:

Table with 3 columns: Metrics, Units, Comments. Rows include Average Finance Amount (\$8,735), Upfront Fees (\$85), Account Keeping Fee (\$8), Late Fees (\$6), Interest Rate (0.00%), Average Term (60 months), Repayment Frequency (130).

Table with 4 columns: Metrics, Units, Comments, Source. Rows include Average Finance Amount (\$8,735), Upfront Fees (\$300), Account Keeping Fee (\$10), Late Fees (\$90), Interest Rate (13.42%), Average Term (60 months), Repayment Frequency (60 months).

Table with 4 columns: Metrics, Units, Comments, Source. Rows include Average Finance Amount (\$8,735), Upfront Fees (\$100), Account Keeping Fee (\$10), Late Fees (N/A), Interest Rate (4.85%), Average Term (60 months), Repayment Frequency (60 months).

Summary table comparing Humm and Personal Loan metrics: Total Customer Charge over 60 months (\$565 vs \$4,315), Comparison Rate (2.54% vs 16.47%), Customer Charge as a % of ATV (6.47% vs 49.40%).

Summary table for Personal Loan - Cheapest rate: Total Customer Charge over 60 months (\$1,832), Comparison Rate (7.44%), Customer Charge as a % of ATV (20.98%).

Schedule table for Humm with columns: Date, Repayment Timeline, Cashflows. Shows monthly payments of \$75 from 28/04/2020 to 22/04/2025.

Schedule table for Personal Loan with columns: Date, Repayment Timeline, Opening Balance, Pmt, Principal, Interest, Fees, Closing Balance. Shows monthly payments of \$110 from 28/04/2020 to 20/03/2025.

For comparison rate calc:

Schedule table for Personal Loan - Cheapest rate with columns: Date, Repayment Timeline, Opening Balance, Pmt, Principal, Interest, Fees, Closing Balance. Shows monthly payments of \$100 from 28/04/2020 to 20/03/2025.

For comparison rate calc:

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National Consumer Credit Protection Regulations 2010

- F2012C00463
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not include all fees and charges. Different terms, fees or other loan amounts might result in a different comparison rate.

100 Calculation of comparison rates

- For section 166 of the Code, comparison rates are to be calculated in accordance with this regulation.
- The comparison rate must be calculated as a nominal rate per annum, together with the compounding frequency.
- The comparison rate is calculated using the formula:

$$n \times r \times 100\%$$
 where:
 - n is the number of repayments per annum to be made under the credit contract (annualised if the term of the contract is less than 12 months), except that:
 - if repayments are to be made weekly, n is 52.18; and
 - if repayments are to be made fortnightly, n is 26.09; and
 - if the contract does not provide for a constant interval between repayments, n is to be derived from the interval selected for the purposes of the definition of j .
 - r is the solution of the following:

$$\sum_{j=1}^t \frac{A_j}{(1+r)^j} = \sum_{j=0}^t \frac{R_j + C_j}{(1+r)^j}$$
 where:
 - A_j is the amount of credit to be provided under the contract at time j (the value of j for the provision of the first amount of credit is taken to be zero).
 - C_j is the fee or charge (if any) payable by the debtor at time j in addition to the repayments R_j , being a credit fee or charge (other than a government fee, charge or duty) that is ascertainable when the comparison rate is disclosed (whether or not the credit fee or charge is payable if the credit is not provided).
 - j is the time, measured as a multiple (not necessarily integral) of the interval between contractual repayments that will have elapsed since the first amount of credit is provided under the credit contract, except that if the contract does not provide for a constant interval between repayments an interval of any kind is to be selected by the credit provider as the unit of time.
 - R_j is the repayment to be made at time j .
 - t is the time, measured as a multiple of the interval between contractual repayments (or other interval so selected) that will elapse between the time when the first amount of credit is provided and the time when the last repayment is to be made under the contract.

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- R_j is the repayment to be made at time j .
- t is the time, measured as a multiple of the interval between contractual repayments (or other interval so selected) that will elapse between the time when the first amount of credit is provided and the time when the last repayment is to be made under the contract.

- The comparison rate must be correct to at least the nearest one hundredth of 1% per annum.
- In the application of the formulae, reasonable approximations may be made if it would be impractical or unreasonably onerous to make a precise calculation.

Example

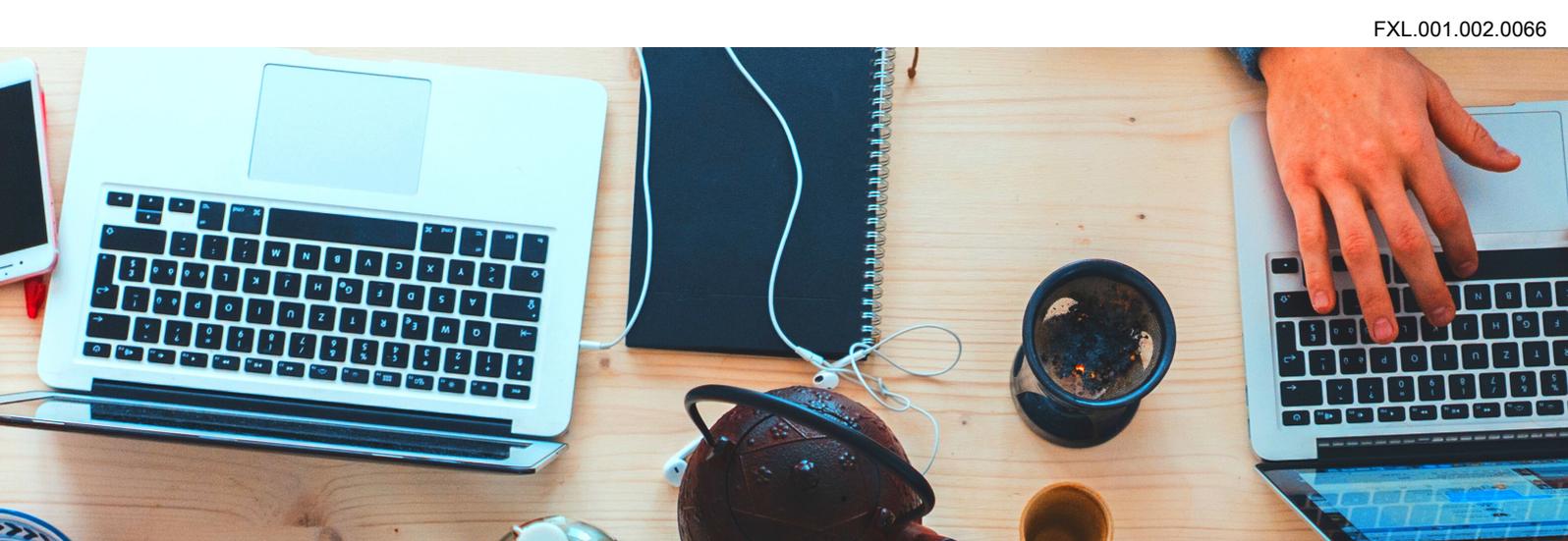
If repayments are to be made on a fixed day each month, it may be assumed that repayments will be made on that day each month even though the credit contract provides for payment on the preceding or succeeding business day when the due date is not a business day.
- The tolerances and assumptions under sections 180 to 182 of the Code apply to the calculation of the comparison rate.
- The comparison rate must be accompanied by a statement of the amount of credit on which it is based and the term for which credit is provided.

Part 7-9 Consumer leases

102 Consumer lease excluded from application of Part 11 of the Code

- For subsection 171 (3) of the Code, a consumer lease is excluded from the application of Part 11 of the Code if the consumer lease is in the class of consumer leases mentioned in subregulation (2).

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AFIA

CODE OF PRACTICE

FOR BUY NOW PAY LATER PROVIDERS

AFIA BUY NOW PAY LATER PROVIDERS GROUP

AUSTRALIAN FINANCE INDUSTRY ASSOCIATION



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

CODE PART A – INTRODUCTION AND BACKGROUND

This is the Code of Practice for those Buy Now Pay Later Providers who are members of the Australian Finance Industry Association Limited (**AFIA**) (the **Code**).

This Code is effective from 1 July 2020. AFIA will arrange for a review of this Code to start within 2 years or sooner (as outlined in clause 8).

1. OBJECTIVES OF THIS CODE

- 1.1 This Code has been voluntarily developed by the AFIA Buy Now Pay Later Providers Group to assist them to:
- (a) Promote a customer-centric approach to the design, marketing and distribution of a Buy Now Pay Later Product or Service;
 - (b) Promote high industry standards of service for customers and build best practices across the BNPL Industry; and
 - (c) Support compliance with legal and industry obligations.

2. WHO IS BOUND BY THIS CODE?

- 2.1 Subject to the terms of this Code, this Code is binding on Code Compliant Members of the AFIA Buy Now Pay Later Providers Group when they provide Buy Now Pay Later Products or Services (the particular circumstances in which the Code will apply are set out in the balance of this Part A).
- 2.2 A list of Code Compliant Members, and when they became Code Compliant Members, can be found on the AFIA website.
- 2.3 Code Compliant Members are subject to the oversight of the Code Compliance Committee (CCC).
- 2.4 The CCC is an independent committee that has been established by AFIA to monitor and investigate compliance by Code Compliant Members with this Code.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

2.5 All Members of the AFIA Buy Now Pay Later Providers Group must at all times comply with the terms and conditions of the AFIA Constitution including clause 6.3.

3. **READING THIS CODE**

3.1 Commitments in this Code reflect the broad nature the products or services of BNPL Buy Now Pay Later Providers' products or services and their merchants and retail partners.

3.2 The commitments represent the proposed minimum standards that the AFIA Buy Now Pay Later Providers Group will meet in the provision of Buy Now Pay Later Products or Services.

3.3 This Code is drafted to be an important set of standards, reflecting the nature of the BNPL Industry and the expectations of our customers.

3.4 The commitments in this Code have originally been set as best practice and we will monitor domestic and international developments to ensure they remain best practice.

3.5 We will consider developments in technology, data, comprehensive credit reporting and open banking as a means of undertaking a process of continuous improvement and developing a more holistic view of our customers.

3.6 In this and the following parts of this Code, the words "You" and "Your" – refer to an individual who is our customer.

3.7 In this and the following Parts of this Code, the words "we", "us" and "our" are to be read as referring to a relevant Code Compliant Member that is bound by this Code and that has agreed with you that it will comply with this Code.

3.8 Some words or phrases used in this Code have special meaning and are identified by the use of capital letters, such as in the case of 'BNPL'. These words and phrases are defined in clause 10 of Part B of this Code.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

4. **APPLICATION OF THIS CODE TO BNPL PRODUCTS OR SERVICES PROVIDED BY CODE COMPLIANT MEMBERS**

- 4.1 This Code is applicable to Buy Now Pay Later Products or Services provided by us when we are or were a Code Compliant Member at the time that the relevant product or service was provided
- 4.2 For Buy Now Pay Later Products or Services, provided by us prior to the date we became a Code Compliant Member, this Code will apply in our future dealings with you in the manner set out in clause 6 below.

5. **WHAT IS A BNPL PRODUCT OR SERVICE?**

- 5.1 Buy Now Pay Later Product or Service has a specific meaning as set out in clause 10 of Part B below.

6. **WHEN DOES THIS CODE APPLY TO YOU?**

- 6.1 Where you are a customer, this Code applies to the interactions and arrangements we have with you in relation to a Buy Now Pay Later Product or Service provided on or after the date that we became a Code Compliant Member.
- 6.2 Even where we cease to be a Code Compliant Member, where this Code applied to us in respect of your Buy Now Pay Later Product or Service, we will continue to be bound by this Code for that Buy Now Pay Later Product or Service.

7. **LEGAL STATUS OF THIS CODE**

- 7.1 This Code describes contractually enforceable commitments made by Buy Now Pay Later Providers.
- 7.2 These commitments are enforceable by customers through AFCA.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

- 7.3 This Code operates alongside, and is subject to, existing laws and regulations and does not limit your rights under such laws and regulations.
- 7.4 This Code endeavours to impose standards on Code Compliant Members that are above those required by the law or regulation and, where it does so, the commitment of Code Compliant Members is to the higher standards of the Code.
8. **REVIEW OF THE CODE**
- 8.1 This Code will be fully reviewed (**Full Review**) on a regular basis, but no later than two years after the commencement of the Code, to ensure that it continues to promote high industry standards of service for customers and build best practices across the BNPL Industry.
- 8.2 A Full Review of the Code will include open and wide public consultation, and AFIA's Board may appoint an independent person to conduct the review.
- 8.3 The AFIA Board may make minor or non-significant changes to the Code outside of a Full Review process, after consultation with, and seeking comments and suggestions from:
- (a) The then members of the CCC;
 - (b) The then Code Compliant Members; and
 - (c) Such other organisations (for example, consumer advocates, regulators) or people as it considers appropriate.
- 8.4 For significant changes to the Code, outside of a Full Review process, in addition to clause 8.1 and 8.3, the AFIA Board, where it considers it appropriate, will also undertake a public consultation process.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

9. COMPLAINTS

9.1 You can:

- (a) Access our complaints process set out in clause 6 of Part B of this Code, if you are unhappy with any aspect of your experience with us; or
- (b) Report any concerns about our Code compliance, or about possible Code breaches, to the CCC, which it can investigate at its discretion (see clause 6 of Part B of this Code); or
- (c) Go to AFCA, which can consider whether we have complied with the commitments of this Code when determining or dealing with a matter before it.

PART B – OUR 8 KEY COMMITMENTS TO YOU

1. WE WILL FOCUS ON CUSTOMERS

1.1 We will provide a high quality and responsive service. We will make sure our staff, agents or representatives are well trained and deliver our commitments to you.

1.2 To ensure we are providing a service that meets your needs, we will:

- (a) Ensure our Buy Now Pay Later Products or Services are suitable for you and we have appropriate safeguards in place while you continue to be our customer;
- (b) Review the reasons for customers contacting us and look for ways to improve our Buy Now Pay Later Products and Services;
- (c) Only provide our Buy Now Pay Later Products or Services to customers aged 18 and over;
- (d) Proactively engage with you to obtain feedback, both positive and negative; and
- (e) Respond to your queries promptly and acknowledge all queries within 3 Days of your enquiry.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

2. **WE WILL BE FAIR, HONEST AND ETHICAL**

We will always act fairly and honestly, be ethical and treat you reasonably in all our dealings.

3. **WE WILL KEEP YOU PROPERLY INFORMED ABOUT OUR PRODUCT OR SERVICE**

3.1 To help you stay in control and make informed decisions about your Buy Now Pay Later Products and Services, and repayments:

- (a) Our terms and conditions will be fair, clear and transparent and written in plain language. We will also provide you with a glossary of key terms and provide this information on our and AFIA's website.
- (b) Prior to you becoming a customer, we will provide clear and prominent information about your scheduled repayments obligations.
- (c) We will provide clear and prominent information upfront about the fees we charge.
- (d) We will send you relevant and useful reminders about your repayment obligations
- (e) If you miss a payment:
 - (i) We will contact you before commencing to charge late fees; or
 - (ii) If we do not contact you in accordance with sub-clause (i), we will reverse any late fees we have charged you, if you make a catch-up payment within 2 Days of the missed payment.
- (f) If we charge a late fee, it will be fair, reasonable, and capped.
- (g) We will give you at least 40 Days' notice before introducing new fees or increasing existing fees.
- (h) We will provide notice as soon as is reasonably possible, where we make any other material changes to our terms and conditions.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

- 3.2 In addition:
- (a) We will make sure our advertising and promotional material is clear and not misleading or deceptive. Furthermore, our terms and conditions will be distinguishable from our marketing material and we will comply with ASIC's best practice guidance on advertising.
 - (b) We will automatically opt you out of receiving promotional material if you are behind on repayments or we become aware that you are experiencing Financial Hardship.
 - (c) We will take reasonable steps to ensure that our merchants or retailers adhere to the minimum standards outlined in Part C of this Code.
 - (d) We will provide you with readily available account information, and information that we are required to provide under all applicable laws and regulations, within an appropriate timeframe.
- 3.3 To the extent permitted by law, we may provide any notice or other information required by this Code to you in writing, electronically or by telephone or by telling you that the information is available on our website or other electronic forum.
- 3.4 When providing disclosure documents, account statements, notices and other prescribed information to you electronically, we will ensure that we adopt practices that take appropriate account of online security risks and are consistent with ASIC's regulatory guidance on online disclosure.
- 3.5 We will provide information about how to close your account on our website in a readily available manner.
- 3.6 If you wish to close your account, we will enable you to do so quickly and easily. Some products may have a minimum notice period (however, this will be disclosed to you prior to you using our products and services).



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

4. WE WILL MAKE SURE OUR PRODUCT OR SERVICE IS SUITABLE FOR YOU

Our Upfront Assessment Process

- 4.1 We will assess customers to ensure our product or service will be suitable for them prior to providing it for every new Transaction Amount. We will take into account customers' characteristics based on the common aspects of their objectives, financial situation and needs.
- 4.2 As part of clause 4.1, we will have processes in place to identify customers who may have a higher likelihood of vulnerability – see clause 4.6 below.
- 4.3 Using the information provided to us, we will only provide our products or services to customers who we assess have the ability to pay for the product or service over time.
- 4.4 We will verify your identity when you first become a customer and undertake appropriate upfront and ongoing checks to meet our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
- 4.5 We will not provide any additional products or services or increase the Transaction Amount of the current product or service if you are in arrears at the time of the request for additional products or services or increase in limit.
- 4.6 To promote good customer outcomes and set industry standards, our Upfront Assessment Process will include and consider factors, such as:
- (a) The Transaction Amount;
 - (b) The repayment Term of the product or service;
 - (c) The amount and frequency of repayments;
 - (d) Your repayment history with us;
 - (e) Your method of payment, for example, use of direct funds transfer, BPay, or use of a debit or credit card;



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

- (f) Where and how you are using our product or service;
 - (g) The information you supply to us; and/or
 - (h) External data sources, for example, we may do a credit check.
- 4.7 The outcome of our Upfront Assessment Process may be that we:
- (a) Approve you for the full amount;
 - (b) Approve you for a lower amount;
 - (c) Require an initial payment to be made upfront;
 - (d) Require an initial payment within 25 Days from approval of the first Transaction Amount or installation of goods or services;
 - (e) Collect and consider more information to ensure you have the ability to pay for the product or service over time; and / or
 - (f) Decline to provide our product or service to you if we do not believe it will be suitable for you.
- 4.8 The types of information that we will consider and collect in clause 4.7 (e) will include one (1) or more of the following:
- (a) External data sources, for example, undertaking a credit check;
 - (b) Your repayment history with us;
 - (c) Information about your income; and / or
 - (d) Information about your existing expenses, which may also include existing debts.
- 4.9 We will always apply clause 4.8 if we are providing a Transaction Amount of more than \$3,000 or for Buy Now Pay Later Products or Services with a fixed term of more than 2 years.



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- 4.10 Once approved for our products or services, we will ensure there are safeguards so our product or service remains suitable for you. We will:
- (a) Cap our fees and keep them fair;
 - (b) Prevent you spending more through our product or service if your payments are not up to date with us;
 - (c) Adjust your future spending limit with us based on your repayment history; and
 - (d) Proactively provide Financial Hardship assistance – see clause 7.
- 4.11 If we have prevented you from spending more due to missed payments, we will ensure that you can still access your account for a reasonable period of time, so that you can monitor your debt, repayments and any fees.
5. **WE WILL UNDERTAKE AN ONGOING REVIEW OF THE SUITABILITY OF OUR PRODUCTS OR SERVICES**
- 5.1 To make sure we are providing our customers with a service that meets our customers' needs on an ongoing basis, we will review our products or services to make sure they remain suitable for them. We will also make sure that our products or services are not being used by customers for whom it is not suitable.
- 5.2 We will:
- (a) Monitor our products or services to ensure they remain suitable to our customers; and
 - (b) Monitor how customers are using our products or services to identify whether our products or services are meeting their needs and whether they remain suitable. For example, if some of our customers are incurring late fees on a repeated basis, we may decide that our products or services are not suitable for these types of customers.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

5.3 To ensure we are meeting this commitment, we will consider the following types of information:

- (a) Complaints data;
- (b) Consumer feedback (including on the performance of the products or services);
- (c) Requests for information from consumers;
- (d) Samples of recorded sales calls;
- (e) Conversion rates;
- (f) Volume of sales;
- (g) Web analytics (e.g. click data and website paths);
- (h) Feedback from our merchants or retailers;
- (i) Hardship data; and
- (j) Internal data and benchmarks.

6. **WE WILL DEAL FAIRLY WITH COMPLAINTS**

We will handle complaints promptly and fairly and, if we cannot reach agreement, give you information on ways to resolve disputes. As part of this commitment:

Complaints

- 6.1 We will have a complaints policy that is visible and easily accessible from our website and / or the digital platforms that we participate in.
- 6.2 We will work to resolve complaints as quickly as possible.
- 6.3 We will acknowledge all complaints within 3 Days and provide an initial response within 10 Days from the date of the complaint.
- 6.4 We are committed to responding to complaints and disputes in a way that is:
 - (a) Prompt and efficient;
 - (b) Consistent with the law; and
 - (c) Fair in all the circumstances.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

6.5 If you cooperate with us and respond to our requests for information, we will work with you (or your representative if you have one). Where relevant, we will draw your attention to clause 7 – Hardship Assistance.

AFCA

6.6 Even where we are not required by law, we will give you the opportunity to take your complaint to AFCA if you are unhappy with our response.

6.7 We will be subject to AFCA's Rules. AFCA may not deal with your dispute unless you have tried to resolve the problem with us first, and either:

- (a) We have provided you with a formal response; or
- (b) At least 20 Days (or the timeframe outlined by AFCA) has elapsed since you made your complaint.

6.8 AFCA can consider whether we have complied with this Code when seeking to resolve a matter. To lodge a complaint with AFCA, contact them on either 1800 931 678, or **info@afca.org.au**.

The Code Compliance Committee (CCC)

6.9 In addition to contacting us or AFCA, you can report an alleged breach of this Code to the CCC. The CCC is an independent committee that has been established to monitor our compliance with this Code (as outlined in the Terms of Reference for the CCC).

6.10 The CCC is authorised to investigate any activities within its Terms of Reference and, in carrying out its administrative, compliance and investigative roles, is authorised to take such actions as are within its powers and to make recommendations to the AFIA Board if appropriate further actions are required.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

- 6.11 The CCC will have unrestricted access to relevant records to carry out its task and will have the right to seek such additional information and explanations as (acting reasonably) it considers appropriate in the circumstance provided that a Code Compliant Member is not obliged to provide access to records if to do so would cause it to be in breach of existing obligations at law (including obligations of privacy and confidentiality).
- 6.12 We will co-operate and comply with all reasonable requests of the CCC in the performance of its monitoring and investigative functions.
- 6.13 The CCC can investigate any alleged breaches of this Code, at its discretion.
- 6.14 Where it is appropriate for it to do so, the CCC can make a range of recommendations to resolve a complaint. In some circumstances, the CCC is also able to impose sanctions upon us. You can access further detail about the powers of the CCC at [*hyperlink to be inserted later*].
7. **WE WILL OFFER FINANCIAL HARDSHIP ASSISTANCE**
- We will treat you fairly and respectfully if you are experiencing financial difficulty. As part of this commitment:
- Arrangements with you**
- 7.1 We will train our staff to treat our diverse and vulnerable customers with sensitivity, respect and compassion. This includes specific training to identify signs of vulnerability, such as where there may be mental health or domestic and family violence concerns, and training for staff who regularly assist customers from diverse cultural backgrounds.
- 7.2 We will make sure customers understand they can ask for financial hardship assistance for example, by including information on our websites and /or the digital platforms that we participate in.
- 7.3 If we become aware you are having trouble meeting your financial obligations with us, we will discuss your situation and the options available to help you, which may include negotiating a new repayment arrangement.



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- 7.4 If you prefer, we will work with your representative (such as, a family member or friend, a financial or legal representative or a financial counsellor).
- 7.5 We will not continue normal collection activity while we are considering how to help you. Our late fees will also be frozen during this time.
- 7.6 We will consider whether your payment method, i.e. the use of a debit card and / or credit card remains an appropriate payment method.
- 7.7 We will not list your default on your credit reference file while we are considering your request for Financial Hardship, unless legally required to do so.
- 7.8 If we agree and enter into a Financial Hardship arrangement with you, we will retain you as our customer and not refer you to a third-party debt collection agency.
- 7.9 If we reach agreement about assistance to help you with your financial difficulty, we will:
- (a) Provide confirmation in writing of what we have agreed with you, including what your obligations will be when our period of financial assistance ends;
 - (b) Not charge you late fees while you are meeting any conditions of the financial assistance;
 - (c) Make reasonable efforts to contact you if you breach any conditions of assistance agreed with you and not re-activate enforcement action until we have given you at least 5 Days' notice.
- 7.10 If we cannot agree a new repayment arrangement, we will give you information on how to contact AFCA. We will also refer you to financial support services, such as the National Debt Helpline.



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Recovering a debt

- 7.11 We and our agents will comply with the ACCC's and ASIC's *Debt collection guideline: For collectors and creditors* and the Code of Operation: Recovery of Debts, published by the Federal Government.
- 7.12 We will not seek recovery of, and will not sell, statute-barred debts.
- 7.13 We will never initiate bankruptcy proceedings against you, and we will never allow our agents to do so.
- 7.14 If you are in Financial Hardship, we will consider waiving our fees and charges (including those already applied) and take steps to work out a mutually acceptable repayment arrangement with you.

8. WE WILL COMPLY WITH OUR LEGAL AND INDUSTRY OBLIGATION

- 8.1 We will comply with our obligations under the law and this Code. We will act fairly and, in a way, consistent with good practice.
- 8.2 As part of this, we will:
- (a) Respect your privacy and comply with our privacy obligations;
 - (b) Treat your personal and financial information with respect and in accordance with our Privacy Policy;
 - (c) Not disclose that information to any other organisation unless:
 - (i) We are required to by law (for example, under the Anti-Money Laundering and Counter-Terrorism Act 2006 Cth.)
 - (ii) There is a duty to the public to disclose the information,
 - (iii) You ask us to disclose the information;
 - (iv) You have consented to us doing so; or
 - (v) We are otherwise not restricted from doing so under applicable laws.



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- 8.3 We will take reasonable steps to protect your personal and financial information from misuse or loss, and from unauthorised access, modification or disclosure. We will regularly review the security and reliability of our services.
- 8.4 We will not permit your personal and financial information to be shared with other lenders or credit providers, or anyone who sells such information to lenders or credit providers unless we receive your express consent.
- 8.5 We will comply with relevant unfair contract laws.
9. **WE WILL SUPPORT AND PROMOTE THIS CODE**
- 9.1 We will promote this Code, so you are aware of the protections we provide our customers. Promotion will include making available this Code on our website and / or the digital platforms that we participate in and engaging with key stakeholders, including via AFIA.
- 9.2 We will make sure our staff, agents and representatives are well trained so they can do their work and understand this Code and how to comply with it.
- 9.3 We will review regularly the effectiveness of our training programs for staff, agents and representatives.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

10. DEFINITIONS

AFCA means The Australian Financial Complaints Authority, an independent, external dispute resolution handling authority overseen by the Australian Securities and Investments Commission, that is able to review our handling of Complaints.

AFIA Buy Now Pay Later Providers Group means the AFIA Buy Now Pay Later Providers Group that has been established with the approval of the AFIA Board

AFIA Constitution means the Constitution of AFIA as amended from time to time.

BNPL Industry means that section of the Australian financial services industry in which Code Compliant Members are participants to consumer customers under any Buy Now Pay Later Products or Services

Buy Now Pay Later Product or Service means:

- a shorter-term product or service for the purchase of goods or services where the purchase price is repaid in equal instalments. Consumers pay no extra charges if they pay within a specified period; or
- a product or service that is a continuing credit contract for up to \$30,000 for the purchase of goods or services. Some contracts require a minimum periodic repayment; others involve a fixed repayment plan for each purchase. Multiple advances of credit may be available. Fees and charges are limited to \$200 in the first year and \$125 in each subsequent year; and
- there is a contract between the customer and the Buy Now Pay Later Provider, a contract between the consumer and the merchant or retailer, and a contract between the Buy Now Pay Later Provider and the merchant or retailer; and
- the customer buys and receives goods or services from a merchant; the Buy Now Pay Later Provider pays the merchant or retailer for the purchase (minus merchant fees); and the customer repays the Buy Now Pay Later Provider for their purchase.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

For the avoidance of doubt, the following types of product or service, or any arrangement of a similar nature, are not a Buy Now Pay Later Product or Service for the purposes of this Code:

- products or services offered to persons or strata corporations that are predominantly for a purpose that is not a consumer purpose (e.g. to be used for a business purpose).
- ‘Predominant’ (as defined in s5(4) of the National Credit Code) means: (a) the purpose for which ‘more than half’ of the credit is intended to be used and (b) if the credit is intended to be used to obtain goods or services—the purpose for which the goods or services are intended to be ‘most used’; and
- Buy Now Pay Later Products or Services that are offered as part of a product under the National Credit Code.

Buy Now Pay Later Provider means a provider who offers Buy Now Pay Later Products or Services in Australia and is a member of the AFIA and is a signatory to this Code.

Code Compliant Member means an AFIA Member that has been approved as a Code Compliant Member of the AFIA Buy Now Pay Later Providers Group and is a signatory to this Code.

Complaint means any expression of dissatisfaction made to us related to our products or services, or to our complaints handling process, where a response or resolution is explicitly or implicitly expected.

Days means business days.

Financial Hardship means a situation which occurs when you are unable to meet your existing Transactional Amount obligations for a period of time. It may be caused by a number of factors, such as unforeseen weather events, a major change in your circumstances, such as illness or injury, or a change in employment.



CODE OF PRACTICE FOR BUY NOW PAY LATER PROVIDERS

Merchant and retail partners mean third parties who distribute our products or services and can also include vendors, such as sellers of solar panels and services.

Minimum standards for merchant and retail partners are set out in Part C of this document.

Term means a defined period of time.

Transaction Amount means either

- (a) the dollar amount of a single or of cumulative transactions within a Term; or
- (b) the dollar amount of a continuing credit contract
(excluding any upfront payment made by you)

PART C – MINIMUM STANDARDS FOR OUR MERCHANT AND RETAIL PARTNERS

Each Code Compliant Member will require its merchant and retail partners to meet minimum standards. These standards are to:

- Act lawfully, fairly and ethically in their dealings with consumers;
- Communicate clearly when dealing with consumers and in marketing and advertising material that relates to Buy Now Pay Later Products or Services;
- Safeguard customer confidentiality;
- Respond to customer complaints on a timely basis; and
- Require that their employees or agents understand the standards and are trained to meet them.

Each Code Compliant Member will continue to monitor their merchant and retail partners to ensure they meet these minimum standards.

IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the Information Memorandum, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Information Memorandum. In accessing the Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THE INFORMATION MEMORANDUM IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. IN ORDER TO BE ELIGIBLE TO ACCESS THE INFORMATION MEMORANDUM OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES DESCRIBED THEREIN, YOU AND ANY ENTITY THAT YOU REPRESENT EITHER MUST BE OUTSIDE THE UNITED STATES OR NOT BE A "U.S. PERSON" WITHIN THE MEANING OF REGULATIONS OF THE SECURITIES ACT.

WITHIN THE UNITED KINGDOM, THE INFORMATION MEMORANDUM MAY NOT BE PASSED ON EXCEPT TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OR ARTICLE 49 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 OR OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). THE INFORMATION MEMORANDUM MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE INFORMATION MEMORANDUM RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES OR TO ANY U.S. PERSON. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: The Information Memorandum is being sent at your request and by accepting the email and accessing the Information Memorandum, you shall be deemed to have represented to each of FlexiGroup Management Pty Ltd, National Australia Bank Limited and Commonwealth Bank of Australia that you and any entity that you represent are outside the United States and not a U.S. person, and that you consent to delivery of the Information Memorandum by electronic transmission.

You are reminded that the Information Memorandum has been delivered to you on the basis that you are a person into whose possession the Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Information Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Information Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither FlexiGroup Management Pty Ltd, National Australia Bank Limited, Commonwealth Bank of Australia nor any director, officer, employee nor agent or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Information Memorandum distributed to you in electronic format herewith and the hard copy version available to you on request from any of FlexiGroup Management Pty Ltd, National Australia Bank Limited and Commonwealth Bank of Australia.

FLEXIGROUP

INFORMATION MEMORANDUM

Dated 28 November 2019

Perpetual Corporate Trust Limited
(ABN 99 000 341 533) as trustee of the
Flexi ABS Trust 2019-2
in respect of Series 2019-2

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

Notes

Class of Notes	A1	A1-G	B-G	C-G	D-G	E-G	F
Aggregate Initial Invested Amount	\$148,930,000	\$47,700,000	\$21,460,000	\$18,290,000	\$10,860,000	\$4,510,000	\$13,250,000
Issue Price	100%	100%	100%	100%	100%	100%	100%
Maturity Date	14 April 2025						
Expected ratings: • Moody's	Aaa(sf)	Aaa(sf)	Aa2(sf)	A2(sf)	Baa2(sf)	Baa3(sf)	Not rated
• Fitch	AAAsf	AAAsf	AA+sf	Asf	BBBsf	BB+sf	Not rated

Originator

Certegy Ezi-Pay Pty Ltd

Arranger, Joint Lead Manager and Dealer

National Australia Bank Limited

Joint Lead Manager and Dealer

Commonwealth Bank of Australia

This Information Memorandum is dated 28 November 2019

Purpose

This Information Memorandum has been prepared solely in connection with the Flexi ABS Trust 2019-2 in respect of Series 2019-2. This Information Memorandum relates solely to a proposed issue of Class A1 Notes, Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G 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. Without limitation, whilst this Information Memorandum contains information relating to the Class F Notes and the Class G Notes (together with the Offered Notes, the **Notes**), the Class F Notes and the Class G Notes are not being offered for issue, nor are applications for the issue of the Class F Notes or the Class G Notes being invited 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 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 Series Manager, a copy of the Transaction Documents for the Series may be inspected by potential investors or Noteholders in respect of the Series at the office of the Series Manager on a confidential basis, by prior arrangement during normal business hours.

Responsibility for information contained in this Information Memorandum

None of the Issuer, the Security Trustee, the Trust Administrator, the Disposing Trustees, the Interest Rate Swap Providers, the Arranger, the Dealers or the Joint Lead Managers have authorised or caused the issue of this Information Memorandum.

The Series Manager accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Series Manager (and the Series 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.

None of Perpetual Corporate Trust Limited (in its personal capacity or as trustee of any other trust) (**PCTL**), P.T. Limited (in its personal capacity or as trustee of any other trust) (**PTL**), the Issuer, the Security Trustee, the Trust Administrator, the Disposing Trustees, the Interest Rate Swap Providers, the Arranger, the Dealers, the Joint Lead Managers, Moody's and Fitch or their respective Related Entities (each a **Relevant Person**) have authorised, caused the issue of, or have (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). Furthermore, none of PCTL, PTL, the Issuer nor the Security Trustee has had any involvement in the preparation of any part of this Information Memorandum (other than where parts of this Information Memorandum that contain particular references to Perpetual Corporate Trust Limited or P.T. Limited in their corporate capacity).

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Relevant Persons 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, nor on any person affiliated with any of them, in connection with its investigation of

the accuracy of such information or its investment decisions except, in each case, with respect to the information for which they are expressed to be responsible in this Information Memorandum (if any).

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 herein 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 Series Manager based on information available to it and the facts and circumstances existing as at 27 November 2019 (**Preparation Date**). The Series 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 herewith 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 the same.

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.

Commonwealth Bank of Australia as Joint Lead Manager and Dealer and National Australia Bank Limited as Arranger, Joint Lead Manager and Dealer have no responsibility to or liability for and do not owe any duty to any person who purchases or intends to purchase Offered Notes, including without limitation in respect of the preparation and due execution of the Transaction Documents and the power, capacity or due authorisation of any other party to enter into and execute the Transaction Documents.

No guarantee and 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 or any affiliate of Perpetual Corporate Trust Limited. No Relevant Person guarantees the success or performance of the Offered Notes or the Trust, nor the repayment of capital or any particular rate of capital or income return.

The Offered Notes do not represent deposits with, or any other liability of, Commonwealth Bank of Australia (in any capacity, including without limitation in its capacity as Dealer, Joint Lead Manager and Interest Rate Swap Provider), National Australia Bank Limited (in any capacity, including without limitation in its capacity as Arranger, Dealer, Joint Lead Manager and Interest Rate Swap Provider) or their respective Related Entities and neither Commonwealth Bank of Australia nor National Australia Bank Limited guarantees or is otherwise responsible for payment or repayment of any moneys owing to Noteholders, the principal of the Offered Notes, the payment of interest in respect of any Offered Notes or the performance of any obligations whatsoever by any other party. The Offered Notes do not represent deposits with any other person.

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 Part 1.8.

No financial product advice

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 of the Series 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.

Disclosure

Each Relevant Person discloses that it, in addition to the arrangements and interests it will or may have with respect to the Series Manager, a Disposing Trust, the Servicer, the Trust Administrator, Perpetual Corporate Trust Limited in its capacity as trustee of the Trust in respect of the Series or any Other Series, and P.T. Limited acting in its capacity as trustee of the Security Trust in respect of the Series or any other Series (together, the **Group**), as described in this Information Memorandum (the **Transaction Document Interests**), its subsidiaries, directors and employees:

- (a) may from time to time, be a Noteholder or have other interests with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder or a 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 Notes,

(the **Note Interests**).

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

- (c) each Relevant Person and each of its Related Entities 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 member of the Group, both on the Relevant Entity's own account and/or for the account of other persons (the **Other Transaction Interests**); and
- (d) 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
- (e) to the maximum extent permitted by applicable law, the duties of each of the Arranger, Dealers, Joint Lead Managers and Interest Rate Swap Providers (each a **Finance Party**) and each of its Related Entities and employees in respect of the Notes are limited to the contractual obligations of the Finance Party to the Series 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
- (f) 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 Notes and which may or may not be publicly available to potential investors (**Relevant Information**); and
- (g) 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
- (h) 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 the Interest Rate Swap Providers) or from an Other Transaction may affect the ability of the Group member to perform its obligations in respect of the Notes. In addition, the existence of the Transaction Document Interests or Other Transaction Interests may affect how a Relevant Entity as a Noteholder may seek to exercise any rights it may have as a Noteholder. These interests may conflict with the interests of the Group or a Noteholder and 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 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.

Series segregation and limited recourse

The Offered Notes issued by the Issuer are limited recourse instruments and are issued only in respect of the Trust and 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 of the Series secured under the General Security Deed and the Master Security Trust Deed, and are limited in recourse to distributions with respect to such Series Assets from time to time.

Except to the extent expressly prescribed by the Transaction Documents in respect of the Series, the Series Assets of the Series are not available in any circumstances to meet any obligations of the Issuer in respect of any Other Series and if, upon enforcement of the General Security Deed for the Series, 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 of its assets in respect of any Other Series.

No disclosure under Corporations Act

This Information Memorandum is not a "Product Disclosure Statement" for the purposes of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission. 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) the amount payable by the transferee in relation to the relevant Offered Notes is A\$500,000 or more or if 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;
- (b) the offer or invitation does not constitute an offer to a "retail client" under Chapter 7 of the Corporations Act; and
- (c) the offer or invitation complies with all applicable laws and directives.

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 Series Manager to inform themselves about and to observe any such restrictions. In particular, see Part 6.2.

The Offered Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Offered Notes may not be offered, sold or, in the case of Offered Notes in bearer form, delivered within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Information Memorandum may only be communicated or caused to be communicated in the United Kingdom to persons authorised to carry on a regulated activity under the Financial Services and Markets Act 2000, as amended (the **FSMA**) or to persons otherwise having professional experience in matters relating to investments and qualifying as investment professionals under Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the **Order**) or to persons qualifying as high net worth persons under Article 49 of the Order or to any other persons to whom it may otherwise lawfully be communicated under the Order.

Neither the Offered Notes nor this Information Memorandum are available to other categories of persons in the United Kingdom and no one falling outside such categories is entitled to rely on, and they must not act on, any information in this Information Memorandum. The communication of this Information Memorandum to any person in the United Kingdom other than the categories stated above, or any other person to whom it is otherwise lawful to communicate this Information Memorandum, is unauthorised and may contravene the FSMA.

EU Securitisation Regulation

On 20 November 2017, the Council of the European Union approved (i) the final version of a regulation laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (Regulation (EU) 2017/2402) (as amended, the **Securitisation Regulation**) and (ii) a regulation amending Regulation (EU) 575/2013 (as amended, the **Capital Requirements Regulation** and together with the Securitisation Regulation (the **New Securitisation Regulations**)).

The New Securitisation Regulations became directly applicable across the European Union on 1 January 2019. The aim of the New Securitisation Regulations is to create and implement a harmonised securitisation framework within the European Union with provisions intended to harmonise and replace the risk retention and due diligence requirements previously applicable under the Capital Requirements Regulation and various sectoral legislation, including Directive 2011/61/EU, as amended (**AIFMD**) and Directive 2009/138/EC, as amended (**Solvency II**) (the **Previous EU Retention Rules**).

The New Securitisation Regulations impose certain requirements with respect to originators, original lenders, sponsors and securitisation special purpose entities (as each such term is defined for purposes of the New Securitisation Regulations) including:

- (a) a requirement under Article 6 of the New 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 New Securitisation Regulation that the originator, sponsor and securitisation special purpose entity of a securitisation make available to holders of a securitisation position, European Union competent authorities and (upon request) potential investors certain prescribed information in loan- level data (the **EU Transparency Requirements**); and

- (c) a requirement under Article 9 of the New 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**).

The New Securitisation Regulations apply to institutional investors (as defined in the Securitisation Regulation) (**Affected Investors**), which definition includes additional entities not caught under the Previous EU Retention Rules (including European Economic Area (**EEA**) management companies and funds regulated pursuant to the Undertakings for Collective Investment in Transferable Securities Directive (Directive 2009/65/EC) (collectively **UCITS**) and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 and certain other entities appointed by such institutions (collectively, **IORPS**)).

Prior to investing in (or otherwise holding an exposure to) a securitisation, such investors (other than the originator, sponsor or original lender) must, among other things verify that the originator or the original lender of the underlying exposures of the securitisation is in compliance with the EU Retention Requirement, the EU Transparency Requirements and the EU Credit-Granting Requirements.

The Originator explicitly discloses that, as contemplated by the EU Retention Requirement, it will retain on an ongoing basis, a net economic interest of at least 5 per cent. in the nominal value of the securitisation on the Closing Date by retaining the Class F Notes having an aggregate Initial Invested Amount not less than 5% of the aggregate Initial Invested Amount of all Offered Notes on the Closing Date (in accordance with Article 6(3)(d) of the New Securitisation Regulation). The Originator will confirm its ongoing retention of the net economic interest described above in the monthly investor reports and any change to the manner in which such interest is held will be notified to Noteholders. Such retention by the Originator will be subject to any requirement of law and the Originator will not be in breach of its risk retention undertaking where it cannot comply due to events, actions or circumstances beyond the Originator's control. Certain aspects of the EU regime, particularly aspects of the EU Transparency 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 not yet been adopted by the European Commission. As such, neither the Originator (as the originator of the receivables to be securitised and included in the Trust) nor any other party to the Transaction Documents undertakes to satisfy the EU Transparency Requirements or the EU Credit-Granting Requirements in accordance with the requirements of the New Securitisation Regulations.

Each Affected Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described above and in this Information Memorandum is sufficient for compliance by that Affected Investor with any applicable provisions of the New Securitisation Regulations. Any failure to comply with the provisions of the New Securitisation Regulations 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 as to: (1) the requirements of the provisions of the New Securitisation Regulations (and any technical standards which are to be passed in respect of them); (2) the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof); and (3) the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with the provisions of the New Securitisation Regulations (now and at any time in the future) and none of the Series Manager, the Issuer, the Security Trustee, the Originator nor any other person: (i) makes any representation that the information described above or in this Information Memorandum is sufficient in all circumstances for such purpose; or (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the provisions of the New Securitisation Regulations or any other applicable legal, regulatory or other requirements.

U.S. Risk Retention Rules

It is intended that the Offered Notes will be issued under the safe harbor for certain foreign transactions pursuant to the risk retention rules set out in section 15G of the Securities Exchange Act of 1934 of the United States of America (as amended) (the **Exchange Act**) as added by section 941 of the Dodd-Frank Act (**U.S. Risk Retention Rules**) regarding non-U.S. transactions that meet certain requirements. Consequently, the Offered Notes sold in this offering, until the date occurring 40 days after the completion of the distribution of the Offered Notes, may not be purchased by or transferred to any person except for (a) persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules (**Risk Retention U.S. Persons**) or (b) persons that have obtained a waiver with respect to the U.S. Risk Retention Rules from the Series Manager (on behalf of the Issuer) (**U.S. Risk Retention Waiver**). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S under the Securities Act of 1933 (**Regulation S**).

The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to transactions such as this offering and generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of the U.S. Risk Retention Rules, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Originator does not undertake to retain at least 5 per cent. of the credit risk of the Series Receivables for the purposes of compliance with the U.S. Risk Retention Rules. It is intended that the Originator will rely on a safe harbor exemption for certain non-U.S. transactions provided for by Section __.20 of the U.S. Risk Retention Rules. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under US GAAP) of all classes of securities issued in the securitization transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Information Memorandum as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer of the securitization transaction is organised under U.S. law or is a branch or office located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral collateralizing the Offered Notes was acquired by the sponsor or the issuer of the securitization transaction, directly or indirectly, from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Offered Notes may not be purchased by or transferred to U.S. persons unless a U.S. Risk Retention Waiver has been given by the Series Manager (on behalf of the Issuer). The Series Manager (on behalf of the Issuer) will not provide a U.S. Risk Retention Waiver to any investor in the Offered Notes if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under US GAAP) of all Classes of Offered Notes to be sold, transferred to or held by Risk Retention U.S. Persons on the Closing Date or during the 40 days after the completion of the distribution of the Offered Notes. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S.

The Offered Notes may not be purchased by, and will not be sold to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Series Manager (on behalf of the Issuer). Each holder of a Offered Note or a beneficial interest therein acquired prior to the date occurring 40 days after the completion of the distribution of the Offered Notes, by its acquisition of an Offered Note or a beneficial interest in an Offered Note, will be deemed to represent to the Issuer, the Originator, the Series Manager, the Arranger and the Joint Lead Managers that it (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Series Manager (on behalf of the Issuer), (2) is acquiring such Offered Note for its own account and not with a view to distribution of such Offered Note, and (3) is not acquiring such Offered Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Offered Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to

evade the 10 per cent. Risk Retention U.S. Person limitation in the safe harbor for certain non-U.S. Transactions provided for by Section __.20 of the U.S. Risk Retention Rules described above. Neither the Series Manager nor the Issuer is obliged to provide any waiver in respect of the U.S. Risk Retention Rules.

The Series Manager, the Originator, the Issuer, the Arranger and the Joint Lead Managers have agreed that none of the Series Manager, the Originator, the Issuer, the Arranger or the Joint Lead Managers or any person who controls any of them or any director, officer, employee, agent or Affiliate of the Series Manager, the Originator, the Issuer, the Arranger or the Joint Lead Managers shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the safe harbor for certain non-U.S. transactions provided for by Section __.20 of the U.S. Risk Retention Rules, and none of the Series Manager, the Originator, the Issuer, the Arranger or the Joint Lead Managers or any person who controls any of them or any director, officer, employee, agent or Affiliate of any of the Series Manager, the Originator, the Issuer, the Arranger or the Joint Lead Managers accepts any liability or responsibility whatsoever for any such determination, it being understood by the Series Manager, the Originator, the Issuer, the Arranger or the Joint Lead Managers that the characterisation of potential investors for such restriction or for determining the availability of the safe harbor for certain non-U.S. transactions provided for by Section __.20 of the U.S. Risk Retention Rules shall be made on the basis of certain representations that are made or otherwise deemed to be made by each prospective investor.

There can be no assurance that the safe harbor for certain non-U.S. transactions provided for by Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. In particular, the Series Manager (on behalf of the Issuer) may not be successful in limiting investment by Risk Retention U.S. Persons may not be limited to no more than 10 per cent. This may result from misidentification of Risk Retention U.S. Person investors as non-Risk Retention U.S. Person investors, or may result from market movements or other matters that affect the calculation of the 10 per cent. value on the Closing Date.

Failure on the part of the Originator or the Series Manager (on behalf of the Issuer) to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originator or the Series Manager (on behalf of the Issuer) which may adversely affect the Offered Notes and the ability of the Originator or the Series Manager (on behalf of the Issuer) to perform its obligations under the Master Sale and Servicing Deed. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by the Originator or Series Manager (on behalf of the Issuer) to comply with the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Offered Notes.

In addition, after the Closing Date, the U.S. Risk Retention Rules may have adverse effects on the Originator, the Issuer and/or the holders of the Offered Notes. Unless the safe harbor for certain non-U.S. transactions provided for by Section __.20 of the U.S. Risk Retention Rules or another exemption is available, the U.S. Risk Retention Rules would apply to a refinancing of the Offered Notes or in connection with material amendments to the terms of the Offered Notes and any additional notes offered and sold by the Issuer after the Closing Date or any refinancing of the Offered Notes or in connection with material amendments to the terms of the Offered Notes.

In addition, the U.S. Securities and Exchange Commission (the **SEC**) has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make a new "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to future material amendments to the terms of the Offered Notes, to the extent such amendments require investors to make a new investment decision with respect to the Offered Notes. As noted above, the Originator does not intend to or undertake to retain at least 5 per cent. of the credit risk of the Series Receivables for the purposes of compliance with the U.S. Risk Retention Rules, in reliance upon the safe harbor for certain non-U.S. transactions provided for by Section __.20 of the U.S. Risk Retention Rules. However, there can be no assurance that the safe harbor or any other exemption from the U.S. Risk Retention Rules will be available in connection with any such additional issuance, refinancing or amendment occurring after the Closing Date. As a result, the U.S. Risk Retention Rules may adversely affect the Originator or the Issuer (and the performance, market value or liquidity of the Offered Notes) if the Issuer is unable to undertake any such additional issuance, refinancing or amendment. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would

have any future material adverse effect on the business, financial condition or prospects of the Originator or the Issuer or on the market value or liquidity of the Offered Notes.

Japanese Due Diligence and Risk Retention Rules

On 15 March 2019 the Japanese Financial Services Agency (**JFSA**) published the Criteria for a Bank to Determine Whether the Adequacy of its Equity Capital is Appropriate in Light of the Circumstances such as the Assets Held by it under the Provision of Article 14-2 of the Banking Act (Financial Services Agency Notice No. 19 of 2006) (the **Notice**). The Notice provides new due diligence and risk retention rules in relation to regulatory capital requirements with respect to the investment by certain Japanese financial institutions in securitisation transactions (the **Japan Due Diligence and Risk Retention Rules**). The Japan Due Diligence and Risk Retention Rules became applicable to Japanese financial institutions investing in securitisation products from 31 March 2019.

The Japan Due Diligence and Risk Retention Rules will apply to securitisation exposures held by banks, bank holding companies, credit unions (*shinyo-kinko*), credit cooperatives (*shinyo-kumiai*), labour credit unions (*rodo-kinko*), agricultural credit cooperatives (*nogyo-kyodo-kumiai*), ultimate parent companies of large securities companies and certain other financial institutions regulated in Japan (collectively, **Japanese Affected Investors**).

Under the Japan Due Diligence and Risk Retention Rules, a Japanese Affected Investor will be required to apply higher risk weighting to securitisation exposures they hold for regulatory capital purposes unless:

- (a) it establishes an appropriate due diligence framework to be applied to the relevant securitisation exposure and the underlying assets of such securitisation exposure; and
- (b) not only at the time of acquisition of the securitisation exposure but also each time Japanese Affected Investor is required to calculate the risk weighting of its assets for regulatory capital purposes, either:
 - (i) it confirms that the relevant originator of the relevant securitisation transaction retains at least 5% of the exposure of the total underlying assets of this securitisation transaction in an appropriate form (the **Japanese Risk Retention Requirements**); or
 - (ii) it determines that the underlying assets were not inappropriately originated considering the originator's involvement with the underlying assets, the nature of the underlying assets or other relevant circumstances.

The Notice provides that, if the originator retains the most subordinated tranche, the amount of which is at least 5% of the exposure of the total underlying assets of this securitisation transaction, the Risk Retention Requirements are satisfied.

The Originator for the purposes of the Japan Due Diligence and Risk Retention Rules, intends to satisfy the Japanese Risk Retention Requirements by retaining the Class F Notes, the most subordinated tranche, the amount of which is at least 5% of the exposure of the total underlying assets of this securitisation transaction.

At this time, nevertheless, 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 Risk Retention Rules, and no assurances can be made as to the content, impact or interpretation of the Japan Due Diligence and Risk Retention Rules. The Japan Due Diligence and Risk Retention Rules or other similar requirements may deter Japanese Affected Investors from purchasing the Offered Notes, which may limit the liquidity of the Offered Notes and adversely affect the price of the Offered Notes in the secondary market. Whether and to what extent the JFSA may provide further clarification or interpretation as to the Japan Due Diligence and Risk Retention Rules is unknown.

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 Risk Retention Rules; (ii) as to the sufficiency of the information described in this Information Memorandum and (iii) as to the compliance

with the Japan Due Diligence and Risk Retention Rules in respect of the transactions contemplated by this Information Memorandum.

None of the Originator, the Issuer, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents (i) makes any representation that the performance of the retention 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 Japanese Affected Investor's compliance with the Japan Due Diligence and Risk Retention Rules, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the Japan Due Diligence and Risk 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 Japanese Affected Investors to enable compliance by such person with the requirements of the Japan Due Diligence and Risk 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 Risk Retention Rules or other regulatory or accounting changes.

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 Designated 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.

Each of Fitch and Moody's is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

Offshore Associates

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 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 section 128F(9)) of the Income Tax Assessment Act 1936) 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.

Certification as Climate Bonds

The Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes will, as at the Closing Date, be certified as Climate Bonds under the Climate Bonds International Standards and Certification Scheme (Version 2.1) dated January 2017 (the **Climate Bonds Standard**) by the Climate Bonds Standard Board of the Climate Bonds Initiative.

Certification as a Climate Bond is neither a recommendation to buy, sell or hold securities nor a credit rating and may be subject to withdrawal at any time.

See Part 1.11 (“Climate Bond Certification”) for further information.

Repo-eligibility

The Series Manager does not intend to make an application to the Reserve Bank of Australia (**RBA**) for any of the Offered Notes to be listed as “eligible securities” (or **repo eligible**) for the purposes of repurchase agreements with the RBA.

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1. Part 1 – The Notes and General Information

1.1 Summary – Principal Terms of the Notes

These tables provide a summary of certain principal terms of the Notes issued in respect of the Series. This summary is qualified by the more detailed information contained elsewhere in this Information Memorandum.

	NOTES						
	Class A1 Notes	Class A1-G Notes	Class B-G Notes	Class C-G Notes	Class D-G Notes	Class E-G Notes	Class F Notes
Denomination	A\$						
Aggregate Initial Invested Amount	148,930,000	47,700,000	21,460,000	18,290,000	10,860,000	4,510,000	13,250,000
Initial Invested Amount per Note	10,000	10,000	10,000	10,000	10,000	10,000	1,000
Issue price	100%	100%	100%	100%	100%	100%	100%
Coupon Frequency	Monthly						
Payment Dates	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020.	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020.	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020.	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020.	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020.	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020.	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020.
Business Day Convention	Following Business Day						
Interest Rate Date to (but excluding) the first Call Option Date	Bank Bill Rate (1 month) + Class Margin	Bank Bill Rate (1 month) + Class Margin	Bank Bill Rate (1 month) + Class Margin	Bank Bill Rate (1 month) + Class Margin	Bank Bill Rate (1 month) + Class Margin	Bank Bill Rate (1 month) + Class Margin	As determined on or before the Issue Date
Interest rate from (and including) the first Call Option Date	Bank Bill Rate (1 month) + Class Margin + Class Step-up Margin	Bank Bill Rate (1 month) + Class Margin + Class Step-up Margin	Bank Bill Rate (1 month) + Class Margin + Class Step-up Margin	Bank Bill Rate (1 month) + Class Margin + Class Step-up Margin	Bank Bill Rate (1 month) + Class Margin + Class Step-up Margin	Bank Bill Rate (1 month) + Class Margin + Class Step-up Margin	As determined on or before the Issue Date
Class Margin	0.90%	0.90%	1.35%	1.70%	2.50%	4.60%	Undisclosed
Class Step-up Margin	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%	Undisclosed
Day count	Actual/365						
Moody's	Aaa(sf)	Aaa(sf)	Aa2(sf)	A2(sf)	Baa2(sf)	Baa3(sf)	Not rated
Fitch	AAAsf	AAAsf	AA+sf	Asf	BBBsf	BB+sf	Not rated
Maturity Date	14 April 2025						
Selling Restrictions	Refer to Part 6.2						
Governing Law	New South Wales						
Form of notes	Registered						
Listing	ASX or other exchange ¹	ASX or other exchange	Not applicable				
Clearance	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear	Not applicable
Common Code	208175378	208175858	208176277	208176439	208176544	208176978	Not applicable
ISIN	AU3FN0051660	AU3FN0051678	AU3FN0051686	AU3FN0051694	AU3FN0051702	AU3FN0051710	Not applicable

¹ The Manager may, at its sole discretion, make an application for the Class A1 Notes and the Class A1-G Notes to be listed and quoted on the Australian Securities Exchange or any other stock exchange after the Closing Date. There can be no assurance that any such listing will be obtained. The issuance and settlement of the Class A1 Notes and the Class A1-G Notes on the Closing Date is not conditional on listing the Class A1 Notes and the Class A1-G Notes on the Australian Securities Exchange or admission of the A1 Notes and the Class A1-G Notes to trading on any regulated or unregulated market.

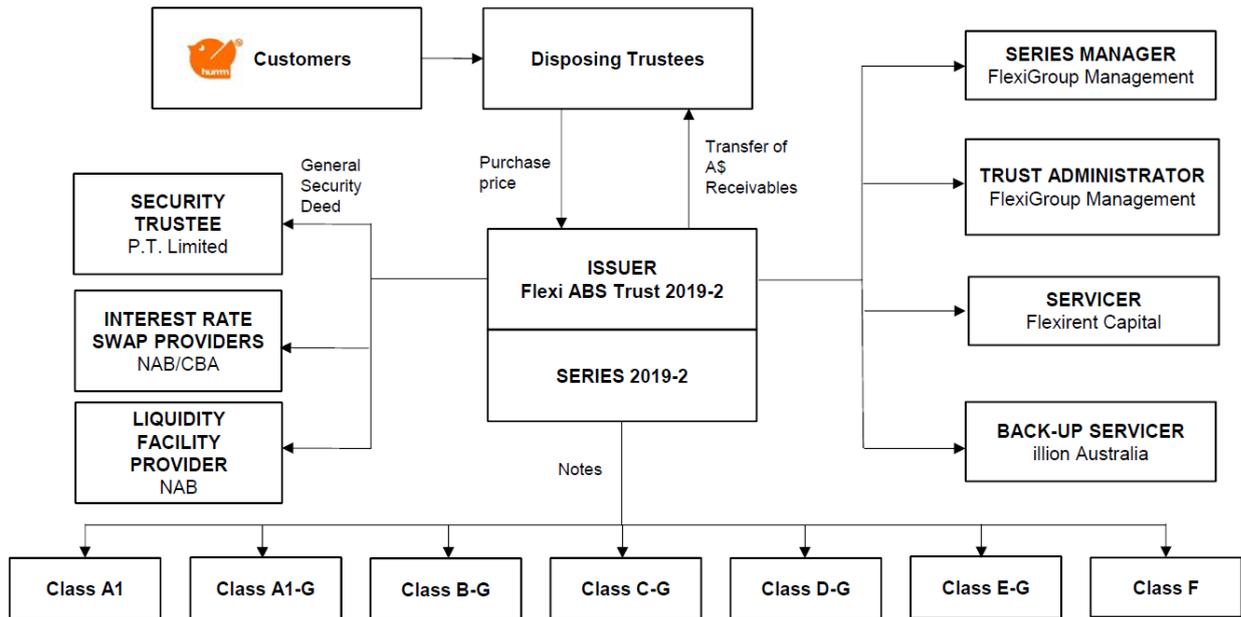
1.2 General information

Cut-Off Date	30 October 2019
Issue Date	28 November 2019
Payment Date	The 12th day of each month provided that the first Payment Date occurs on 13 January 2020, subject to the Business Day Convention.
Determination Date	The day which is two Business Days prior to each Payment Date.
Call Option Date	Each Payment Date following the Payment Date on which the aggregate of the Invested Amount of all Notes (other than the Class G Notes) is less than 10% of the aggregate of the Initial Invested Amount of all Notes (other than the Class G Notes).
Pro-rata Paydown Conditions	<p>The Pro-rata Paydown Conditions will be satisfied on a Payment Date if on the Determination Date immediately preceding that Payment Date:</p> <ul style="list-style-type: none"> (a) the aggregate Invested Amount of all Notes (excluding any Class G Notes) is greater than 10% of the aggregate Invested Amount of all Notes (excluding any Class G Notes) on the Issue Date; (b) the aggregate Invested Amount of all Notes (other than the Class A Notes and any Class G Notes) is equal to or greater than 34% of the aggregate Invested Amount of all Notes (excluding any Class G Notes); (c) there are no unreimbursed Carryover Charge-Offs; and (d) the Average Arrears Ratio on that Determination Date does not exceed 4%.
Listing	Subject to investor requests for such a listing, the Manager may, at its sole discretion, make an application for the Class A1 Notes and the Class A1-G Notes to be listed and quoted on the Australian Securities Exchange or any other stock exchange after the Closing Date. There can be no assurance that any such listing will be obtained. The issuance and settlement of the Class A1 Notes and the Class A1-G Notes on the Closing Date is not conditional on listing the A1 Notes and the Class A1-G Notes on the Australian Securities Exchange or admission of the Class A1 Notes and the Class A1-G Notes to trading on any regulated or unregulated market.

1.3 Summary – Transaction Parties

Issuer:	Perpetual Corporate Trust Limited in its capacity as trustee of the Flexi ABS Trust 2019-2 in respect of Series 2019-2
Trust Administrator:	FlexiGroup Management Pty Ltd
Series Manager:	FlexiGroup Management Pty Ltd
Servicer:	Flexirent Capital Pty Ltd
Backup Servicer:	illion Australia Pty Ltd
Disposing Trustees:	Perpetual Corporate Trust Limited in its capacity as trustee of the Flexi ABS 2010-2 Trust in respect of Series 1 and Perpetual Corporate Trust Limited in its capacity as trustee of the Flexi ABS Warehouse Trust No.3 in respect of Series 1
Interest Rate Swap Providers:	National Australia Bank Limited and Commonwealth Bank of Australia
Security Trustee:	P.T. Limited in its capacity as trustee of the Flexi ABS Trust 2019-2 Series 2019-2 Security Trust
Designated Rating Agencies:	Moody's and Fitch
Arranger, Joint Lead Manager and Dealer:	National Australia Bank Limited
Joint Lead Manager and Dealer:	Commonwealth Bank of Australia
Liquidity Facility Provider	National Australia Bank Limited

Structure Diagram



1.4 Collateral Statistics

The data set out in this section has been produced on the basis of the information available in respect of the pool of Receivables as at the Cut-Off Date.

Flexi ABS Trust 2019-2 - Pool Cut (as of 30 October 2019)

Pool Summary	
Number of Contracts	93,793
Total Pool Size	\$265,000,000
Average Contract Balance	\$2,825
Weighted Average Seasoning (months)	5.0
Weighted Average Maturity (months)	32.3
Number of Industries	67
Solar Exposure	47.87%
Weighted Average Deposit	6.69%
Weighted Average Financier Rate	14.11%

Industry Distribution	Current Balance (\$)	Current Balance (%)	No. of Contracts	No. of Contracts (%)
Solar	126,866,509	47.87%	24,644	26.27%
Jewellery	27,873,066	10.52%	19,708	21.01%
Medical Services	26,625,006	10.05%	10,024	10.69%
Roofing / Shutters / Gutters	13,461,092	5.08%	3,177	3.39%
Furniture / Bedding New	10,496,227	3.96%	5,734	6.11%
Mobility Health and Therapy	5,624,488	2.12%	1,849	1.97%
Whitegoods	3,500,557	1.32%	3,148	3.36%
Vacuums	3,964,222	1.50%	4,204	4.48%
Photo Studio	3,954,146	1.49%	2,501	2.67%
Auto Repair / Service	3,733,342	1.41%	3,783	4.03%
Homewares	4,073,561	1.54%	1,180	1.26%
Caravans	4,738,286	1.79%	1,023	1.09%
Hot Water / Gas	3,921,258	1.48%	1,378	1.47%
House Exterior	2,852,534	1.08%	538	0.57%
Fitness Equipment	2,661,178	1.00%	1,821	1.94%
New Car Servicing & Aftermkt.	2,614,516	0.99%	1,582	1.69%
Curtains / Blinds / Tinting	1,635,852	0.62%	502	0.54%
Other	16,404,160	6.19%	6,997	7.46%
	265,000,000	100.00%	93,793	100.00%

Repeat Customer	Current Balance (\$)	Current Balance (%)	No. of Contracts	No. of Contracts (%)
Yes	84,497,757	31.89%	37,731	40.23%
No	180,502,243	68.11%	56,062	59.77%
	265,000,000	100.00%	93,793	100.00%

State Distribution	Current Balance (\$)	Current Balance (%)	No. of Contracts	No. of Contracts (%)
ACT	2,540,026	0.96%	948	1.01%
NSW	76,205,814	28.76%	22,257	23.73%
NT	1,782,416	0.67%	695	0.74%
QLD	80,128,460	30.24%	29,479	31.43%
SA	19,143,744	7.22%	7,118	7.59%
TAS	2,625,311	0.99%	1,138	1.21%
VIC	39,424,649	14.88%	15,967	17.02%
WA	43,149,579	16.28%	16,191	17.26%
	265,000,000	100.00%	93,793	100.00%

Deposit % Distribution	Current Balance (\$)	Current Balance (%)	No. of Contracts	No. of Contracts (%)
< 10%	170,593,120	64.37%	48,443	51.65%
10% - 20%	58,697,478	22.15%	27,394	29.21%
20% - 30%	24,859,893	9.38%	12,737	13.58%
30% - 35%	3,887,964	1.47%	1,860	1.98%
35% - 40%	2,488,105	0.94%	1,190	1.27%
40% - 50%	2,465,853	0.93%	1,137	1.21%
50% - 60%	1,517,681	0.57%	729	0.78%
≥ 60%	489,905	0.18%	303	0.32%
	265,000,000	100.00%	93,793	100.00%

Current Balance Distribution	Current Balance (\$)	Current Balance (%)	No. of Contracts	No. of Contracts (%)
≤ \$250	570,552	0.22%	3,420	3.65%
> \$250 - \$500	2,860,080	1.08%	7,505	8.00%
> \$500 - \$750	5,218,541	1.97%	8,352	8.90%
> \$750 - \$1,000	6,692,580	2.53%	7,665	8.17%
> \$1,000 - \$1,500	16,104,216	6.08%	12,981	13.84%
> \$1,500 - \$2,000	17,094,263	6.45%	9,823	10.47%
> \$2,000 - \$3,000	33,370,601	12.59%	13,613	14.51%
> \$3,000 - \$4,000	29,000,000	10.94%	8,396	8.95%
> \$4,000 - \$5,000	24,628,548	9.29%	5,509	5.87%
> \$5,000 - \$7,500	56,846,960	21.45%	9,170	9.78%
> \$7,500 - \$10,000	41,648,008	15.72%	4,866	5.19%
> \$10,000	30,965,650	11.69%	2,493	2.66%
	265,000,000	100.00%	93,793	100.00%

Seasoning Distribution (months)	Current Balance (\$)	Current Balance (%)	No. of Contracts	No. of Contracts (%)
= 1	49,075,426	18.52%	13,659	14.56%
> 1 - 2	33,225,531	12.54%	10,869	11.59%
> 2 - 3	36,802,399	13.89%	12,751	13.59%
> 3 - 4	28,981,963	10.94%	10,384	11.07%
> 4 - 5	27,026,816	10.20%	9,817	10.47%
> 5 - 6	26,165,534	9.87%	8,924	9.51%
> 6 - 9	49,447,096	18.66%	17,872	19.05%
> 9 - 12	1,245,669	0.47%	620	0.66%
> 12 - 15	480,010	0.18%	198	0.21%
> 15 - 18	322,650	0.12%	106	0.11%
> 18 - 21	117,343	0.04%	30	0.03%
> 21 - 24	36,773	0.01%	8	0.01%
> 24 - 27	32,252	0.01%	13	0.01%
> 27 - 30	16,530	0.01%	14	0.01%
> 30	12,024,008	4.54%	8,528	9.09%
	265,000,000	100.00%	93,793	100.00%

Age Distribution	Current Balance (\$)	Current Balance (%)	No. of Contracts	No. of Contracts (%)
< 20	1,063,940	0.40%	715	0.76%
20 - 24	8,794,875	3.32%	5,282	5.63%
25 - 29	18,817,599	7.10%	8,603	9.17%
30 - 39	57,757,320	21.80%	21,195	22.60%
40 - 49	67,999,527	25.66%	22,454	23.94%
50 - 59	57,043,613	21.53%	18,122	19.32%
60 - 69	32,402,724	12.23%	10,242	10.92%
≥ 70	21,120,403	7.97%	7,180	7.66%
	265,000,000	100.00%	93,793	100.00%

1.5 General Information on the Notes

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 Master Security Trust Deed, the General Security Deed, the Issue Supplement, the Note Deed Poll and the other Transaction Documents.
Class of Notes	The Notes to be issued on the Issue Date will be divided into 7 classes: Class A1 Notes, Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes, Class E-G Notes and Class F Notes. See Part 1.1 for further detail.
Additional Notes	<p>No further Class A1 Notes, Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes, Class E-G Notes or Class F Notes may be issued after the Issue Date.</p> <p>The Issuer may, from time to time and in certain circumstances, issue Class G Notes after the Issue Date.</p>
Ratings on the Notes	<p>The Notes will initially have the credit ratings specified in Part 1.1.</p> <p>The rating of the 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 Designated Rating Agency.</p>
Business Day Convention	The Business Day Convention will apply to all dates on which payments are due to be made.
Call Option	<p>The Series Manager may (at its option) direct the Issuer to redeem all, but not some only, of the outstanding Notes on a Call Option Date.</p> <p>The Notes will be redeemed by the Issuer at the Redemption Amount for those Notes.</p> <p>The Issuer, at the direction of the Series Manager, must give at least 10 Business Days' notice to the Registrar, the relevant Noteholders and any stock exchange on which the Notes are listed of its intention to exercise a call option to redeem the Notes on a Call Option Date.</p>
Early Redemption	<p>If a law requires the Issuer to withhold or deduct an amount in respect of Taxes (excluding any withholding or deduction arising under or in connection with, or to ensure compliance with, FATCA) from a payment in respect of a Note, then:</p> <ul style="list-style-type: none"> (a) the Series 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; or (b) if directed by Noteholders representing 75% of the aggregate Invested Amount of the Notes, the Issuer must redeem all (but not some only) of the Notes by paying to the Noteholders the

other defence other than those mandatorily provided for under the law of an Australian jurisdiction; and

- (i) **(governing law)** it is governed by the law of an Australian jurisdiction; and
- (j) **(compliance)** the Originator has complied with its obligations under the Underlying Documents in respect of the Receivable; and
- (k) **(no dispute with Obligor)** there is no dispute between the Originator and the relevant Obligor in relation to the financing or other services or property (as applicable) giving rise to the Receivable which would or may result in the relevant Obligor disputing its liability to pay, or refusing to pay, all or any part of that Receivable; and
- (l) **(not in arrears)** as at the Cut-Off Date for that Receivable, a payment under the relevant Underlying Document is not in arrears by more than 14 days; and
- (m) **(term)** the term of the Receivable is not more than 60 months; and
- (n) **(no modification or amendment)** no modification or amendment has been made to the Underlying Document except where such modification or amendment is made in accordance with the Originator's standard policies and procedures for originating Receivables; and
- (o) **(NCCP)** the Receivable is not subject to the National Consumer Credit Protection Act 2009 (Cth); and
- (p) **(sole owner)**: the relevant Disposing Trustee is the sole beneficial owner of the Receivable specified in the relevant Reallocation Notice and immediately prior to the assignment of the Receivable under that Reallocation Notice, no Encumbrance exists in relation to its right, title and interest in the relevant Receivable (other than the Disposing Trust Charge which will be released immediately prior to such assignment); and
- (q) **(assignment)**: the relevant Disposing Trustee is entitled to assign the Receivable specified in the relevant Reallocation Notice and no consent to the sale and assignment of the Receivable or notice of that sale and assignment is required to be given by or to any person including, without limitation, any Obligor to effect the assignment contemplated by that Reallocation Notice (or to the extent that any consent is required, such consent will have been obtained immediately prior to the assignment of the relevant Receivable).

1.7 Representations and warranties

The Originator will represent and warrant to the Issuer in relation to the Receivables to be acquired by the Issuer on the Closing Date that each Receivable referred to in each Reallocation Notice meets the Eligibility Criteria on the Closing Date.

If the Originator becomes aware after the Closing Date that:

- (a) any Series Receivable did not satisfy the Eligibility Criteria on the Closing Date; or
- (b) any Series Receivable is a Terminated Receivable, then, the Originator must:
 - (i) in the case of paragraph (a) above, within 10 Business Days of becoming aware; or
 - (ii) in the case of paragraph (b) above, on or prior to the Payment Date immediately following the Collection Period during which the Originator becomes aware,

procure that such Series Receivable is removed as a Series Asset of the Series by payment to the Issuer of an amount of not less than the then Outstanding Balance of that Series Receivable, or otherwise subscribe for Class G Notes having an aggregate Invested Amount not less than the then Outstanding Balance of that Series Receivable.

1.8 Risk Factors

The purchase and holding of the Notes is not free from risk. This section describes some of the principal risks associated with the 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 Notes.

The Notes will only be paid from the Series Assets of the Series

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

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

A Noteholder's recourse against the Issuer with respect to the Notes is limited to the amount by which the Issuer is indemnified from the Series Assets of the Series. 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 of the Series 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 of the Series in respect of the Trust. 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 Notes.

In no circumstances, either before or after the occurrence of an Event of Default in respect of the Series, will a Noteholder have recourse to the assets of any Other Series.

If the Issuer is denied indemnification from the Series Assets of the Series, the Security Trustee will be entitled to enforce the General Security Deed in respect of the Series and apply the Series Assets of the Series which are charged in favour of the Security Trustee 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 Notes.

The Series Assets are limited

The Series Assets of the Series consist primarily of the Receivables.

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

Limited Credit Enhancements

The amount of credit enhancement provided through the subordination of:

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

is limited and could be depleted prior to the payment in full of the Notes.

Breach of Representation or Warranty

The Originator will make certain representations and warranties to the Issuer in relation to the Receivables to be assigned to the Issuer. The Issuer has not investigated or made any enquiries regarding the accuracy of those representations and warranties. There is no guarantee that the Originator will have the financial capability to comply with its obligations arising from such breach (including its obligation to procure that any such Series Receivable is removed as a Series Asset or refinanced from the proceeds of issue of Class G Notes).

You may not be able to sell the Notes

There is currently no secondary market for the Notes and the Issuer can provide no assurance that a secondary market in the Notes will develop, or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes. None of the Series Manager, the Issuer, the Arranger, the Joint Lead Managers, the Dealers or any other party to the Transaction Documents is required to assist Noteholders in reselling any Notes.

No assurance can be given that it will be possible to effect a sale of any 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 Notes.

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

Whilst the Issuer is obliged to repay the 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 Notes. However, there is no guarantee 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.

For example, Total Available Principal may be used to fund (by way of Principal Draws) shortfalls in Income Collections arising from payment delinquencies.

The utilisation of Total Available Principal for such purpose will slow the rate at which principal will be passed through to Noteholders.

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

performance of the Australian economy, death, divorce, unemployment and other changes in employment of Obligor(s).

The Noteholders may receive repayments of principal on the 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:

- (a) exercise of the Call Option on a Call Option Date; or
- (b) receipt of proceeds of enforcement of the General Security Deed prior to the Maturity Date of the Notes.

The failure to pay by an Obligor or a transaction party may affect the timing or amount of payments due on the Notes

The Issuer's ability to pay interest and to repay principal in respect of the Notes is limited to the Total Available Income and Total Available Principal which is available for that purpose.

Accordingly:

- (a) the failure by Obligors to make payments on the Receivables when due; and/or
- (b) the failure in performance of relevant counterparties under any Derivatives Contract; and/or
- (c) the failure of Authorised Investments purchased by the Issuer to perform in accordance with their terms,

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 Notes could be lower than expected and Noteholders could suffer principal losses.

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

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

The Series Manager has the right under the Issue Supplement to direct the Issuer to sell the Series Receivables in order to raise funds to redeem the Notes. However, there is no guarantee that the Series Receivables will be able to be sold in order to raise sufficient funds to redeem the Notes on a Call Option Date.

Termination of Appointment of the Trust Administrator, Series Manager or the Servicer may affect the collection of the Receivables

The appointment of each of the Trust Administrator, Series Manager and the Servicer may be terminated 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 and/or the Trust.

The appointment of a substitute will not have effect until the substitute has executed a deed under which it covenants to act in accordance with the Transaction Documents of the Series (and, in the case of the Trust Administrator, the Transaction Documents of the Series and of each Other Series (if any) of the Trust)).

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 Trust Administrator, Series Manager or Servicer (as the case may be).

To minimise the risk of finding a suitable substitute servicer, the Issuer and the Servicer have entered into the Backup Servicing Agreement with the Backup Servicer.

Additionally, to minimise the risk of finding a suitable substitute Series Manager, the Issuer has agreed to act as the Series Manager in respect of the Series from the effective date of retirement or termination of the appointment of the Series Manager until the appointment of a substitute Series Manager.

Ratings on the Notes

The credit ratings of the Notes should be evaluated independently from similar ratings on other types of notes or securities. A credit rating by a Designated 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 Designated Rating Agency. A credit rating does not address the market price or suitability of the Notes for any prospective investor or purchaser of any Notes. The Designated Rating Agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of the Notes and, therefore, the assigned credit rating may not fully reflect the true risks of an investment in the Notes.

A revision, suspension, qualification or withdrawal of the credit rating of the Notes may adversely affect the price of the Notes. No party will have any obligation to cause any credit rating of any of the Notes to be maintained.

In addition, the credit ratings of the Notes do not address the expected timing of principal repayments under the Notes, only the likelihood that principal will be received no later than the Maturity Date. No Designated Rating Agency has been involved in the preparation of this Information Memorandum.

Investment in the Notes may not be suitable for all investors

The 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.

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 Security Trust Deed. Any meeting of Secured Creditors will be held in accordance with the terms of the Master Security Trust Deed. However, only the Voting Secured Creditors are entitled to vote at a meeting of Secured Creditors or otherwise to 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 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.

No assurance can be given that enforcement action will result in the Security Trustee being in a position to sell the Series Assets

of the Series for an amount equal to the then outstanding amount under the Receivables in respect of the Series.

Accordingly, the Security Trustee may not be able to realise the full value of the underlying Receivables.

The moneys available to the Security Trustee for distribution may not be sufficient to satisfy in full the claims of all or any of the Secured Creditors and this may have an impact upon the Issuer's ability to repay all amounts outstanding in relation to the 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 General Security Deed).

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 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.

There may be conflicts of interest among various Classes of Notes

Among Noteholders, there may be conflicts of interest due to differing priorities and terms. Investors in the Notes should consider that certain decisions may not be in the best interests of each Class of Noteholders and that any conflict of interest among different Noteholders may not be resolved in favour of all investors in the Notes. Moreover, if any Event of Default has occurred and is continuing, and a meeting of the Secured Creditors is held in accordance with the terms of the Master Security Trust Deed, only those Noteholders that are Voting Secured Creditors at such time have the right to vote.

The Series Manager is responsible for this Information Memorandum

Except in respect of certain limited information, the Series 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 of the Series.

The termination of Interest Rate Swaps may affect the payments on the Notes

The Issuer will exchange certain fixed rate payments in respect of the Series Receivables for variable rate payments based on the Bank Bill Rate.

If an Interest Rate Swap is terminated or an Interest Rate Swap Provider fails to perform its obligations, Noteholders will be exposed to the risk that the floating rate of interest payable with respect to the Notes will be greater than the fixed rate payable in respect of the Series Receivables.

If an Interest Rate Swap terminates before its scheduled termination date, a termination payment by either the Issuer or the relevant Interest Rate Swap Provider may be payable. A termination payment could be substantial.

No assurance can be provided in respect of the Climate Bonds Initiative or the Climate Bonds Standard. Certification of the Class A1-G Notes,

The Issuer does not make any representation or give any assurance with respect to the Climate Bonds Initiative, the Climate Bonds Standard generally or in relation to the actual climate-based impact of any Nominated Project & Asset. The Issuer is not responsible for any information or standard

Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes may be withdrawn at any time

published or provided by the Climate Bonds Initiative.

The Series Manager expects to direct the Issuer to use the proceeds of the issuance of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes to fund the acquisition of certain Receivables from each Disposing Trust (“Solar Series Receivables”) which comprise indebtedness incurred to finance physical assets that conform to the eligibility criteria provided in the Climate Bonds Standard, in particular the technical eligibility criteria for solar projects and assets which are referred to in the Sector-Specific Standards approved by the Climate Bonds Standard Board (such Eligible Projects & Assets being “Nominated Projects & Assets” for the purposes of the Climate Bonds Standard).

In accordance with the requirements of the Climate Bonds Standard, as at the Closing Date, the aggregate Invested Amount of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes will at least equal the fair market value of the Solar Series Receivables. However, there is no way to predict the actual rate and timing of payments by Obligor in respect of the Solar Series Receivables. In addition, Collections in respect of the Solar Series Receivables will be applied by the Issuer on each Payment Date as a part of the Total Available Principal in the order of priority described in Part 4.4 (“Application of Total Available Principal (prior to Event of Default)”), rather than being available for payments in respect of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes only. Accordingly, there can be no assurance that the aggregate Invested Amount of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes will continue to at least equal the fair market value of the Solar Series Receivables on an ongoing basis. The Issuer will not acquire further Solar Series Receivables after the Closing Date.

The Issuer does not covenant to ensure that the Class A1-G, Class B-G Notes, Class C-G, Class D-G or Class E-G Notes continue to comply with the Climate Bonds Standard. Climate Bond certification in respect of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G and Class E-G may be withdrawn at any time in the Climate Bonds Initiative’s sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

The Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G and Class E-G will be certified as Climate Bonds under the Climate Bonds Standard in place on the date of this Information Memorandum. If the Climate Bonds Standard is amended, updated, replaced or re-issued as a new version, the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G and Class E-G may no longer comply with the Climate Bonds Standard as so amended, updated, replaced or re-issued. The Issuer has no obligation to act so as to ensure the ongoing compliance with any such amended, updated, replaced or re-issued Climate Bonds Standard.

Prospective investors in the Class A1-G Notes, Class B-G Notes, Class C-G, Class D-G and Class E-G Notes should note that in no circumstances will any failure to comply with the Climate Bonds Standard, or any withdrawal of the certification of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G or Class E-G, for any reason, constitute an Event of

Default or any other breach (howsoever described) of the Transaction Documents. Class A1-G Noteholders, Class B-G Noteholders, Class C-G Noteholders, Class D-G Noteholder and Class E-G Noteholders will have no right whatsoever to require early redemption of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G or Class E-G in these circumstances.

Climate Bond certification does not, and is not in any way intended to, address the likelihood of timely payment of interest when due on the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G or Class E-G and/or the repayment of principal at the Maturity Date of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G or Class E-G or on any other date.

Australian Taxation

A summary of certain material tax issues is set out in Part 6.1.

Foreign Account Tax Compliance

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (**FATCA**) establish a new 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 may be imposed (i) in respect of certain payments of U.S. source income, and (iii) in respect of “foreign passthru payments” (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities (which may include the Trust or the Issuer) that fail to meet certain certification or reporting requirements. Withholding on “foreign passthru payments” has been deferred to a date that is two years after the date of publication in the Federal Register of final regulations defining the term “foreign passthru payment” (**FATCA withholding**).

A FATCA withholding may be required if (i) an investor does not provide information sufficient for the Trust, the Issuer or any other financial institution through which payments on the Notes are made to determine whether the investor is subject to FATCA withholding or (ii) an FFI to or through which payments on the Notes are made is a “non-participating FFI”.

If the Notes are treated as debt for U.S. federal income tax purposes and the payment is made under a grandfathered obligation, FATCA withholding is not expected to apply. Generally, a grandfathered obligation is 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.

Australian IGA

Australia and the United States signed an intergovernmental agreement (**Australian IGA**) in respect of FATCA 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**).

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must comply with specific due diligence procedures to identify their account

holders (e.g. the Noteholders) and provide the Australian Taxation Office (**ATO**) with information on financial accounts (for example, the Notes) held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs. The ATO is required to provide such information to the IRS. Consequently, Noteholders may be requested to provide certain information and certifications to the Trust, the Issuer and to any other financial institutions through which payments on the Notes are made in order for the Trust, the Issuer and such financial institutions to comply with their FATCA obligations.

A Reporting Australian Financial Institution (which may include the Trust) 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 Notes, other than in certain prescribed circumstances.

No additional amounts paid as a result of FATCA withholding

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, no additional amounts will be paid by the Issuer as a result of the deduction or withholding. The Issuer (at the direction of the Series Manager) may determine that the Trust should or must comply with certain obligations as a result of the Australian IGA. As such, Noteholders will be required to provide any information or tax documentation that the Issuer (at the direction of the Series Manager) determines are necessary to comply with FATCA, the Australian IGA or the Australian IGA Legislation. The Issuer's ability to satisfy such obligations will depend on each Noteholder providing, or causing to be provided, any information and tax documentation, including information concerning the direct or indirect owners of such Noteholder, that the Issuer (at the direction of the Series Manager) determines are necessary to satisfy such obligations.

FATCA is particularly complex legislation

Investors should consult their own tax advisers to determine how FATCA and the Australian IGA may apply to them under the Notes.

Common Reporting Standard

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 Notes) to their local tax authority and follow related due diligence procedures. 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 also signed a CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

Australian Anti-Money Laundering and Counter-Terrorism Financing Regime

The Anti-Money Laundering and Counter-Terrorism Financing Act (**AML/CTF Act**) regulates the anti-money laundering and counter-terrorism financing obligations on financial services providers. Under the AML/CTF Act, if an entity has not met its obligations under the AML/CTF Act, that entity will be prohibited

from providing a designated service which includes:

- (a) 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;
- (b) issuing, dealing, acquiring, disposing of, cancelling or redeeming a security; and
- (c) exchanging one currency for another.

These obligations will include undertaking customer identification procedures before a designated service is provided and receiving information about international and domestic institutional transfers of funds. 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 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 Notes.

Personal Property Security Regime

The personal property securities regime commenced operation throughout Australia on 30 January 2012 (**PPSA Start Date**) pursuant to the Personal Property Securities Act 2009 (Cth) (**PPSA**). The PPSA has established a national system for the registration of security interests in personal property, together with 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 (for example, hire purchase agreements and certain leases such as finance leases and capital leases). 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 may include the following:

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

The security granted by the Issuer under the General Security Deed and the transfer of Receivables from each Disposing Trust to the Issuer are security interests under the PPSA. The Series Manager intends to effect registrations of these security interests by way of a registration on the Personal Property

Securities Register. The Transaction Documents may also contain other security interests. The Series Manager has undertaken in the Issue Supplement that if it determines that any other such security interests arise and that failure to perfect those security interests could have material adverse effect upon the Secured Creditors that it will give certain directions to take appropriate action to perfect such security interests under the PPSA.

There is uncertainty on aspects of the PPSA regime because the PPSA significantly altered the prevailing law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

Under the Security Trust Deed and 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).

Under the General Security Deed, the Issuer has agreed not to create or allow another interest in any Collateral unless the Security Trustee consents or it is permitted to do so by the Transaction Documents. The Issuer may create or allow another interest in, or dispose or part with possession of, any Collateral which is a Revolving Asset (as defined in the General Security Deed) in the ordinary course of the Issuer's business and if permitted by the Transaction Documents or if the Security Trustee consents. The Security Trustee may give such notice to the Issuer only if the Security Trustee reasonably considers that it is necessary to do so to protect its rights under the General Security Deed or if an Event of Default is continuing.

However, under Australian law:

- (a) dealings by the Issuer with the Series Receivables in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Series Receivables free of the security interest created under the General Security Deed or another security interest over such Series Receivables has priority over that security interest; and
- (b) contractual prohibitions upon dealing with the Series Receivables (such as those contained in the General Security Deed) will not of themselves prevent a third party from obtaining priority or taking such Series Receivables 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 Receivable concerned and the actions of the relevant third party.

Global financial regulatory reform and implementation of and/or changes to the Basel Framework

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a significant number of proposals for increased regulation which are currently at various stages of implementation and which 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, and may thereby affect the price and liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Series Manager, the Issuer, the Security Trustee, the Arranger, the Joint Lead Managers, the Dealers or any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of any Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular, the Basel Committee on Banking Supervision (the **Basel Committee**) approved significant changes to the Basel II regulatory capital and liquidity framework (such changes being commonly referred to as Basel III) in 2011 to 2014, including certain revisions to the securitisation framework. In particular, Basel III provides for a substantial strengthening of existing prudential rules, including requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and to establish certain liquidity ratios (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). Member countries were required to implement the new capital standards with a phased approach ending with full implementation on 1 January 2019.

Implementation of Basel III requires national legislation and therefore the final rules and the timetable for its implementation in each jurisdiction is subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including changes to the approaches to calculating risk weights and a new risk weight floor of 15%. In July 2016 the Basel Committee published an updated standard for the regulatory capital treatment of securitisation exposures that includes reducing the risk weight floor from 15 per cent to 10 per cent in respect of senior exposures which comply with the "simple, transparent and comparable" securitisation criteria outlined by the Basel Committee.

In the EU, the New Securitisation Regulations provide, in a securitisation context, that qualifying simple, transparent and standardised (**STS**) securitisations should be subject to more benign regulatory treatment, including reduced risk weightings for EU-regulated credit institutions and investment firm investors. At this point, no assurances can be given that the securitisation pursuant to which the Offered Notes are being issued will qualify as a STS securitisation at the Closing Date or at any time in the future. Notably, the risk weights attached to securitisation exposures for EU-regulated credit institutions and investment firms will in general increase substantially under the new securitisation framework implemented under the New Securitisation Regulations and these new risk weights will apply from 1 January 2019 or 1 January 2020, depending on the features of the particular securitisation exposure.

In Australia, the Australian Prudential Regulation Authority has implemented prudential standards, practice guides and reporting requirements to give effect to these reforms. The new Australian Prudential Standard 120 (**APS 120**) and related Australian Prudential Practice Guide 120 (**APG 120**) commenced application to securitisation transactions with effect

from 1 January 2018. These new rules represent the culmination of a number of years of consultation in relation to the proposed new rules and the implementation date is in line with the determination by the Basel Committee on when the Basel III securitisation framework should come into effect.

The changes approved by the Basel Committee and the new APS 120 and APG 120 may have an impact on the capital requirements in respect of the Offered Notes and/or on incentives to hold the Offered Notes for investors that are subject to requirements that follow the revised framework or APS 120 and, as a result, they may affect the liquidity and/or value of the Offered Notes.

No assurance can be given that any regulatory reforms will not have a significant adverse impact on the Flexi ABS programme or on the regulation of the Series or the Originator.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Offered Notes and as to the consequences for and effect on them of any changes to the Basel framework, APS 120 or APG 120 and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Turbulence in the financial markets and economy may adversely affect the performance and market value of the 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.

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 asset-backed securities, and reducing the liquidity of asset-backed securities generally.

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

You will not receive physical notes representing your Notes, which can cause delays in receiving distributions and hamper your ability to pledge or resell your Notes

Your interest in the Notes will be held, directly, or indirectly, through Austraclear. Consequently:

- (a) your Notes will not be registered in your name;
- (b) you will only be able to exercise the rights of a Noteholder indirectly through Austraclear and its participating organisations; and
- (c) you may be limited in your ability to pledge or resell your Notes to a person or entity that does not participate in Austraclear.

Assignments and risks of equitable assignment

Legal title in the Series Receivables is held by the Originator and such Series Receivables will be equitably assigned to the Issuer by a Disposing Trustee. If the Issuer declares that a Title Perfection Event has occurred, under the Issue Supplement the Originator must take all steps reasonably requested by the Issuer or the Series Manager to protect the Issuer's interest in, and title to the Series Receivables, including giving notice of the Issuer's interest in and title to the Series Receivables to the Obligors.

Until such time as a Title Perfection Event has occurred, the Issuer is not to take any such steps to perfect legal title and, in particular, it will not notify any Obligor of its interest in the relevant Series Receivables.

The consequences of the Issuer not holding legal title in the relevant Series Receivables include:

- (a) until an Obligor has notice of the Issuer's interest in the Series Receivables, such person is not bound to make payment to anyone other than the Originator, and can obtain a valid discharge from the Originator;
- (b) rights of set-off or counterclaim may accrue in favour of the Obligor against its obligations under the Series Receivables which may result in the Issuer receiving less money than expected from the Series Receivables;
- (c) the Issuer's interest in those Series Receivables may become subject to the interests of third parties created after the creation of the Issuer's equitable interest but prior to it acquiring a legal interest; and
- (d) the Originator may need to be a party to certain legal proceedings against any Obligor in relation to the enforcement of those Series Receivables.

Ipsa 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) 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:

- (d) **Appointment Trigger:** Any rights which trigger for the reason of the appointment of administrators, receivers or the proposal of an arrangement or compromise to creditors to avoid being wound up in insolvency will not be enforceable;
- (e) **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 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 circumstances where the company is wound up or the Court extends the stay, in which case the financial position protection continues).

- (f) Anti-Avoidance: The Corporations Act (as amended by the TLA Act) contains very broad anti-avoidance provisions. For example:
- (i) The TLA Act deems that any contractual provision which is “in substance contrary to” the other stays will also be unenforceable; and
 - (ii) 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 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 availability of the Liquidity Facility with respect to payment on the Notes will ultimately be dependent on the financial condition of NAB

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

There are provisions in the Liquidity Facility Agreement that provide for the replacement of NAB as Liquidity Facility Provider or the posting of collateral by NAB, in the event that the ratings of NAB are reduced below certain levels provided for in the Liquidity Facility Agreement.

There is no assurance that:

- (a) the Issuer would be able to find a replacement for NAB as Liquidity Facility Provider; or
- (b) NAB will post collateral in the full amount required under the terms of the Liquidity Facility Agreement.

If NAB (or any replacement liquidity facility provider) encounters

Cessation of, or material change to, the BBSW benchmark

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 Notes.

Interest rate benchmarks (such as BBSW and other interbank offered rates) have been and continue to be the subject of national and international regulatory guidance and proposals for reform.

In Australia, the administrator of BBSW is ASX Limited which calculates BBSW in accordance with the ASX BBSW Methodology dated 21 May 2018 and other guidance materials (the **BBSW Methodology**).

The expressed purpose of the BBSW Methodology was "to ensure that BBSW remains a trusted, reliable and robust financial benchmark". However, there is a risk that BBSW determined under the BBSW Methodology may not be based upon trade activity in underlying markets or may not be published at all.

A rate based on BBSW is used to determine (a) the amount of interest payable on the Notes; (b) amounts payable by a Derivative Counterparty to the Trustee under the relevant Derivative Contract and (c) amounts of interest payable to the Liquidity Facility Provider by the Trustee under the Liquidity Facility Agreement. If BBSW is unavailable for these purposes, investors should be aware of the fallback mechanism for the Notes and that the fallback for the relevant Derivative Contract and the Liquidity Facility Agreement may not be the same. This mismatch may lead to shortfalls in interest payments on Notes and losses on Notes (to the extent Principal Draws are used to reimburse income shortfalls). Such fallback rates may, at the relevant time, also be cumbersome to calculate, may be more volatile than originally anticipated or may not reflect the funding cost or return anticipated by investors at the date they invested in their Notes.

At this stage, it is not possible to comment on the scope, nature and effect of further changes affecting global or domestic interest rate benchmarks and associated market practices, changes to the continued use of BBSW or changes to the current BBSW Methodology, and accordingly the consequences of any such changes is unknown and unknowable at this time. However, it is possible that such changes could cause such benchmarks (or their fallbacks) to cease to exist, to be commercially or practically unworkable (including if market participants cease to administer or participate in the relevant calculations) or to perform differently than originally intended (including because of volatility), and as such those changes could have a material adverse effect on the value and liquidity of Notes and/or the interest paid or payable on Notes in the future.

In addition, the Reserve Bank of Australia (**RBA**), among others, has expressed the view that calculations of BBSW using 1 month tenors is not as robust as using tenors of 3 months or 6 months, and that Australian asset backed securitisation transactions (**ABS**) should calculate BBSW on the basis of one of those longer tenors or should use another benchmark (such as the cash rate published by the RBA). If one of these alternative methods of calculating the benchmark for Australian ABS becomes standard and there is a disparity between the method of calculating interest on the Notes (on the basis of BBSW with a 1 month tenor) and the then prevailing method of

calculating interest on ABS debt instruments, that could have a material adverse effect on the value and/or liquidity of the Notes.

Similarly, if a fallback mechanism for calculating BBSW for Australian ABS becomes standard and that mechanism is different from the fallback mechanism for the Notes, that could have a material adverse effect on the value and/or liquidity of the Notes.

1.9 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. Definitions

In these conditions these meanings apply unless the contrary intention appears or unless defined in Part 7.

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.

FATCA means:

- (a) sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (including any regulations or official interpretations issued with respect thereof and any amended or successor provisions) (the **Code**);
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement under 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 governmental or taxation authority in any other jurisdiction.

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").

Maturity Date means:

- (a) in the case of a Note (other than a Class G Note), the Payment Date occurring in April 2025; and
- (b) in the case of a Class G Note, at any time that is the later of:
 - (i) the Payment Date occurring in April 2025; and

- (ii) the date which is equal to the latest scheduled date for payment by an Obligor under the terms of any Excluded Series Receivables which are outstanding at that time.

Note means a debt obligation issued or to be issued by the Issuer in respect of the Series which is constituted by, and owing under, the Note Deed Poll, and the details of which are recorded in, and evidenced by entry in, the Note Register for the Series.

Note Register has the meaning set out in the Master Trust Deed.

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

Registrar means, in respect of the Series:

- (a) the Issuer; or
- (b) such other person appointed by the Issuer to maintain the Note Register for the Series.

Specified Office means, for a person for the Series, that person's office specified in the Issue Supplement or any other address notified to Noteholders from time to time.

1.2 Interpretation

Clauses 1.2 to 1.4 and 6.1 of the Master Security Trust Deed 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

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

The Issuer will issue the following 7 classes of Notes on the Closing Date:

- (a) Class A1 Notes having an aggregate Initial Invested Amount equal to \$148,930,000;
- (b) Class A1-G Notes having an aggregate Initial Invested Amount equal to \$47,700,000;
- (c) Class B-G Notes having an aggregate Initial Invested Amount equal to \$21,460,000;

- (d) Class C-G Notes having an aggregate Initial Invested Amount equal to \$18,290,000;
- (e) Class D-G Notes having an aggregate Initial Invested Amount equal to \$10,860,000;
- (f) Class E-G Notes having an aggregate Initial Invested Amount equal to \$4,510,000; and
- (g) Class F Notes having an aggregate Initial Invested Amount equal to \$13,250,000.

The Issuer may also issue Class G Notes after the Closing Date in accordance with clause 7.1(b) ("Funding or repurchase") of the Issue Supplement.

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 Note Register.

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

3.3 Effect of entries in Note Register

Each entry in the Note 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 Note Register conclusive as to ownership

Entries in the Note 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 Note 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 Note 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.

Condition 3.5 applies whether or not a Note is overdue.

3.6 Joint Noteholders

If two or more persons are entered in the Note 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 Inspection of Note Register conclusive as to ownership

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

The Registrar must make a certified copy of the Note 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 Note 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 Note 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 under 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 No transfers to unincorporated associations

Noteholders may not transfer Notes to an unincorporated association.

5.6 Transfer procedures

Notes may be transferred by sending a transfer form to the Issuer.

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 of Notes so long as all applicable Taxes in connection with the transfer have been paid.

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 Series Manager must direct the Registrar 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

- (a) Each Note bears interest at the Interest Rate in respect of that Note:
- (i) subject to paragraph (ii) below, on its Invested Amount; or
 - (ii) on its Stated Amount, if the Stated Amount of that Note is zero,
- 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 8.7 ("Final Redemption") at its Interest Rate in respect of that Note.
- (b) Interest in respect of a Note:
- (i) accrues daily from and including the first day of an Interest Period to but excluding the last day of the Interest Period; and
 - (ii) is calculated on actual days elapsed and a year of 365 days; and
 - (iii) is payable in arrears on each Payment Date.

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 Note, a Class A1-G Note, a Class B-G Note, a Class C-G Note, a Class D-G Note and a Class E-G Note for each Interest Period:
- (i) ending on or prior to the first Call Option Date is the sum of the relevant Margin and Bank Bill Rate for that Note and that Interest Period;
 - (ii) ending after the first Call Option Date is the sum of the relevant Step-up Margin and Bank Bill Rate for that Note and that Interest Period.
- (b) The Interest Rate for a Class F Note for each Interest Period is the sum of the relevant Margin and the Bank Bill Rate for that Class F Note and that Interest Period.
- (c) The Interest Rate for a Class G Note for each Interest Period is 0% or such other percentage per annum as may be notified by the Series Manager to the Class G Noteholder and the Issuer from time to time.

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 and notify the Issuer and the Manager of such an amount.

Where the Stated Amount of a Note is greater than zero, the amount of interest payable is calculated by multiplying the Interest Rate for the Interest Period, the Invested Amount of the Note 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, the Series Manager and the Noteholders.

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 condition 6 on the due date, then the Issuer agrees to pay interest on the unpaid amount at the last applicable Interest Rate.

Interest payable under condition 6.8 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.

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 of 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 its Maturity Date if the Issuer redeems, or purchases and cancels the Note before its Maturity Date.

8.2 Redemption of Notes - Call Option

- (a) The Series Manager may (at its option) direct the Issuer to redeem all (but not some only) of the Notes before the Maturity Date 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) However, the Series Manager may only direct the Issuer to redeem the Notes under condition 8.2 if:
 - (i) at least 10 Business Days before the proposed redemption date, the Issuer, at the direction of the Series Manager, notifies the proposed redemption to the Registrar and the Noteholders and any stock exchange on which the Notes are listed; and
 - (ii) the proposed redemption date is a Call Option Date.

8.3 Redemption for taxation reasons

- (a) If the Issuer is required under condition 10.2 to deduct or withhold an amount in respect of Taxes (excluding any withholding or deduction arising under or in connection with, or to ensure compliance with, FATCA) from a payment in respect of a Note:
 - (i) the Series 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; or
 - (ii) if directed by Noteholders representing 75% of the aggregate Invested Amount of the Notes, the Issuer must redeem all (but not some only) of the Notes by paying to the Noteholders the Redemption Amount for the Notes.
- (b) The:
 - (i) Issuer, at the direction of the Series Manager, must notify the proposed redemption to the Registrar and the Noteholders and any stock exchange on which the Notes are listed; and
 - (ii) Series Manager must notify each Designated Rating Agency, at least 10 Business Days before the proposed redemption date.
- (c) For any redemption of Notes under condition 8.3, the proposed redemption date must be a Payment Date.

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.

The Invested Amount of each Note reduces from the date, and by the amount, of each payment of principal that the Issuer makes under the Issue Supplement.

8.5 Late payments

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

Interest payable under condition 8.5 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 Issuer may purchase Notes

The Issuer may purchase Notes in the open market or otherwise at any time and at any price.

If the Issuer purchases Notes under condition 8.6, the Issuer may hold, resell or cancel the Notes at its discretion.

8.7 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 in respect of each Note:

- (a) interest and amounts of principal (other than a payment due on the Maturity Date) to the person who is the Noteholder at 4.00pm on the Record Date in the place where the Note Register is maintained; and
- (b) amounts due on the Maturity Date to the person who is the Noteholder at 4.00pm in the place where the Note 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, by crediting on the Payment Date, the amount due to an account previously notified by the Noteholder to the Issuer 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 Note 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 Note Register as joint Noteholders of the Note, to the first named joint Noteholder) at its address appearing in the Note Register at close of business in the place where the Note 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 8.3) 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.

9.5 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

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 in order to ensure compliance with FATCA or is required by law.

10.2 Withholding tax

If a law requires the Issuer to withhold or deduct an amount in respect of Taxes, or for or on account of FATCA from a payment in respect of a Note, then (at the direction of the Series 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, for or on account of any withholding or deduction arising under or in connection with, or in order to ensure compliance with FATCA).

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 Issuer for the benefit of, and has no fiduciary duty to or other fiduciary relationship with, any Noteholder.

12.2 Meetings of Secured Creditors

The Master Security 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 Note Register at close of business in the place where the Note 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 Series Manager and generally accepted for notices of that type (such as Bloomberg or Reuters); or
- (d) distributed through the Clearing System in which the Notes are held.

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 days after posting (or eleven days after posting if sent from one country to another); or
- (c) if posted on an electronic source or distributed through a Clearing System, on the date of such posting or distribution (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 24 of the Master Security 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) is limited in accordance with clause 18 of the Master Trust Deed.

1.10 General Information

(a) Use of Proceeds

- (i) The proceeds from the issue and sale of the Notes will be A\$265,000,000.
- (ii) On the Issue Date the Issuer will apply the proceeds of the issue of the Class A1 Notes, Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes, Class E-G Notes and Class F Notes towards payment of the purchase price for the Receivables.
- (iii) The proceeds from the issue of any Class G Notes will be applied by the Issuer towards Total Available Principal in accordance with Part 4.3 ("Determination of Total Available Principal").

(b) Clearing Systems

- (i) 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.
- (ii) Interests in Offered Notes lodged into Austraclear may be held in Euroclear. In these circumstances, entitlements in respect of holdings of interests in such Offered Notes in Euroclear would be held in Austraclear by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited). The rights of a holder of interests in Offered Notes held through Euroclear are subject to the rules and regulations of Euroclear, the arrangements between Euroclear and its nominee and the

Austraclear System Regulations. Noteholders who acquire an interest in Offered Notes held in Austraclear must look solely to Austraclear Limited for their rights in relation to such Offered Notes and will have no claim directly against the Issuer in respect of such Offered Notes although, under the Austraclear System Regulations, Austraclear Limited may direct the Issuer to make payments direct to the relevant Noteholder. Potential investors in Offered Notes should inform themselves of, and satisfy themselves with, the Austraclear System and (where applicable) the rules of Euroclear and the arrangements between them and Euroclear's nominee in Austraclear. The Issuer is not responsible for anything Austraclear does or omits to do.

(c) **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.

1.11 Climate Bond Certification

(a) **Certification**

- (i) The Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes will, as at the Closing Date, be certified as Climate Bonds under the Climate Bonds Standard by the Climate Bonds Standard Board of the Climate Bonds Initiative.
- (ii) Certification as a Climate Bond is neither a recommendation to buy, sell or hold securities nor a credit rating and may be subject to withdrawal at any time.

(b) **The Climate Bonds Initiative, Climate Bonds and Green Bonds**

- (i) The Climate Bonds Initiative is a not-for-profit organisation that was launched in December 2009. As part of its stated aim to promote large-scale investments that will deliver a global low-carbon economy, the Climate Bonds Initiative has developed standards for certification of certain eligible bonds. If it certifies an eligible bond under the Climate Bonds Standard, the Climate Bonds Initiative will issue a statement which confirms the Climate Bond Certification in respect of those bonds and permit the use of the Climate Bond Certification Mark in connection with those bonds.
- (ii) Before a bond can be certified, the compliance of that bond with the Climate Bonds Standard must be verified by a third party verifier (referred to as a **Verifier**). If a bond is certified by the Climate Bonds Standard Board as meeting the requirements of the Climate Bonds Standard it is referred to as a "Climate Bond".
- (iii) The Climate Bonds Standard prescribes different requirements for different "Bond Types" of Climate Bonds, including "Securitized Bonds" which are defined by the Climate Bonds Standards to include a bond collateralized by one or more specific "Eligible Projects & Assets". This type of bond covers, for example, asset-backed securitizations of rooftop solar PV and/or energy efficient assets.
- (iv) Further information, including a copy of the Climate Bonds Standard, is available on the Climate Bonds Initiative's website – www.climatebonds.net. The information contained on the Climate Bonds

Initiative's website is not included in, incorporated by reference into, or otherwise a part of this Information Memorandum.

- (v) DNV GL Business Assurance Australia Pty Ltd (**DNV GL**), an independent verification agent, will be the Verifier for the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes. Investor reporting will be provided regarding the use of proceeds of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes, with DNV GL providing a verification statement confirming that the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes meet the requirements for certification under the Climate Bonds Standard following issuance. The Series Manager will engage with an independent verification agent (expected to be DNV GL) to obtain an updated verification statement on an annual basis while the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes remain outstanding which will be made available to the relevant Noteholders. A Climate Bond Certificate will be issued in respect of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes and, as such, these Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes will be, as at the Closing Date, "Climate Bonds" and "Securitized Bonds" for the purposes of the Climate Bonds Standard.

(c) **Eligible Projects & Assets and Nominated Projects & Assets**

- (i) Only bonds issued to fund projects and assets which qualify as "Eligible Projects & Assets" under the terms of the Climate Bonds Standard can be certified as Climate Bonds. "Eligible Projects & Assets" are projects, physical assets, or indebtedness incurred to finance physical assets that satisfy the prescribed eligibility criteria for the purposes of the Climate Bond Standard. "Eligible Projects & Assets" are subject to sector-specific technical criteria and must be regarded as contributing to the delivery of a low carbon and climate resilient economy within the terms of the Climate Bonds Standard. The Eligible Projects & Assets with which a Climate Bond is associated are referred to as the "Nominated Projects & Assets".
- (ii) The Series Manager expects to direct the Issuer to use the proceeds of the issuance of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes to fund the acquisition of certain Receivables from each Disposing Trust which comprise indebtedness incurred to finance physical assets that conform to the eligibility criteria provided in the Climate Bonds Standard, in particular the technical eligibility criteria for solar projects and assets which are referred to in the Sector-Specific Standards approved by the Climate Bonds Standard Board (such eligible assets being Nominated Projects & Assets for the purposes of the Climate Bonds Standard).

(d) **Ongoing compliance with the Climate Bonds Standard**

The Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes will be certified as Climate Bonds under the Climate Bonds Standard in place on the date of this Information Memorandum. If the Climate Bonds Standard is amended, updated, replaced or re-issued as a new version, the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes may no longer comply with the Climate Bonds Standard as so amended, updated, replaced or re-issued. The Issuer has no obligation to act so as to ensure the ongoing compliance with any such amended, updated, replaced or re-issued Climate Bonds Standard.

(e) Not a recommendation

- (i) A certification as Climate Bonds under the Climate Bonds Standard is not a recommendation to purchase, hold or sell any Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes. The Climate Bonds Standard is not a financial standard and is not a substitute for financial due diligence - the obligation to conduct this due diligence remains with the investor. The Climate Bonds Initiative does not guarantee, or otherwise stand behind, the value or performance of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes.
- (ii) The certification of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes or any Nominated Projects & Assets, including but not limited to the Information Memorandum, the Transaction Documents or the Issuer.
- (iii) The certification of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes as Climate Bonds by the Climate Bonds Initiative was addressed solely to the Series Manager and is not a recommendation to any person to purchase, hold or sell the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes and such certification does not address the market price or suitability of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes for a particular investor. The certification also does not address the merits of the decision by the Series Manager to direct the Issuer to participate in any Nominated Projects & Assets and does not express and should not be deemed to be an expression of an opinion as to the Issuer or any aspect of any Nominated Project & Asset (including but not limited to the financial viability of the Issuer or any Nominated Project & Asset) other than with respect to compliance with the Climate Bonds Standard.
- (iv) In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative by the Series Manager. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Nominated Project & Asset or the Issuer. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Nominated Project & Asset. The certification may only be used with the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.
- (v) The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.
- (vi) The Issuer does not, and does not intend to, make any representation or give any assurance with respect to the Climate Bonds Initiative or the Climate Bonds Standard. The Issuer is not responsible for any

information or standard published or provided by the Climate Bonds Initiative. The Issuer also cannot and does not give any assurance in relation to the actual climate-based impact of the Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes, of any Nominated Project & Asset or of the Climate Bonds Standard generally.

2. Part 2 - Origination and Servicing of the Receivables

2.1 Origination of the Receivables

- (a) Receivables have been originated by the Originator, a leading provider of retail Buy Now Pay Later payment plans. The Originator has been operating since 1989 and was acquired by the ASX listed FlexiGroup Limited (**flexigroup**) in October 2008. flexigroup provides a diverse range of finance solutions to consumers and business through a network of retail and business partners.
- (b) flexigroup has been operating in Australia for over 30 years, has partnerships with over 65,000 sellers and now serves 1.7 million customers across Australia, New Zealand and Ireland with a focus on three key segments:
 - (i) Consumer and Commercial Leasing;
 - (ii) Credit Cards; and
 - (iii) Buy Now Pay Later.
- (c) The Originator offers a Buy Now Pay Later (**BNPL**) payment plan to consumers, originated at point of sale. In April 2019, flexigroup rebranded the Originator's "Ezi-Pay" offering which is now originated under the brand 'hummm'. Unlike "Interest Free" point of sale credit products, a hummm BNPL purchase never charges interest and requires repayment of the full outstanding balance in equal payments over the life of the purchase.
- (d) A hummm BNPL purchase size is limited to a maximum amount of between \$2,500 and \$30,000 depending on the nature of the industry relating to the purchase. The pool only consists of contracts with a maximum term of 60 months. The Originator has agreements with over 18,000 retailers (collectively **Merchants**) across Australia to offer the hummm BNPL product to their customers. Merchants are approved to offer the hummm BNPL product following a process of credit checking, agreement of pricing/terms and training. Over \$6.7 billion sales have been processed using the Originator's BNPL offering as the payment option.

(e) An example humm BNPL transaction looks something like this:



- The Customer chooses to finance their purchase using humm and, if required, pays a deposit to the Merchant (typically between 10% - 25%)
- The Customer enters into a humm contract with the Originator to pay remaining balance
- The Merchant supplies the Customer with the Goods
- The Originator pays the Merchant the remaining balance less fees (see example)
- The Customer repays the remaining balance of their humm contract in regular equal instalments

Example

\$1,600	Purchase amount
<u>(\$400)</u>	Less deposit paid by customer to Merchant
<u>\$1,200</u>	Amount to be repaid by customer (assumes 26 fortnightly x \$46.16)
(\$120)	Merchant fee to the Originator (illustrative example 10%)
\$1,080	Paid by the Originator to the Merchant
	Additional revenue earned from application and other fees

*Note: example is illustrative only
(merchant fee & deposit amount will vary based on term, amount & asset type)*

Merchant fees generate an implied yield for the Originator, which is amortised on a credit foncier basis over the life of the contract, while customer fees are earned over the contract term as received.

(f) Credit Risk Strategy

- The Originator's credit engines are built on over 25 years' experience in consumer risk management, through both cheque guarantee products and BNPL payment plans. The Originator's risk strategy is applied at both a Merchant and Consumer level.
- Merchants are subject to stringent initial evaluation before approval is given to offer the Originator's products. These can include, but are not limited to:
 - minimum period in business;

- B. acceptable credit checks and trade references;
 - C. brick and mortar business premises;
 - D. payment of application and ongoing monthly fees to the Originator; and
 - E. tailored limit, term and fee structures based on their industry and demographic profile.
- (iii) The Originator completes ongoing monthly profitability analysis on every Merchant, which includes loss, cost of funds and servicing information. This drives not only Merchant fee reviews but also provides the mechanism for effective and highly tailored pricing for risk and terms of trade. The Merchant fee structure also provides an incentive for Merchants to originate lower risk contracts.
- (iv) Consumers are subject to the Originator's bespoke risk modelling and approval processes. This can include, but is not limited to, the following:
- A. Applicant must be over 18 years of age
 - B. Applicant must be employed for at least 25 hours per week or be an aged or veteran pensioner
 - C. Applicant must be a permanent resident of Australia
 - D. Upfront customer deposits required for certain contracts
 - E. Repayments are limited to manageable amounts (based on applicant profiling) to ensure ease of repayment
 - F. All purchases are established with payments made via direct debit from the customer's bank account or credit card
 - G. Payment dates are aligned to customers' pay dates
 - H. Borrowing limits are based on term of repayment, asset type and other customer metrics
 - I. Positive and negative credit checks are made against extensive flexigroup databases to aid risk mitigation
- (v) Historical data has been analysed progressively over the history of the Originator's business to identify those customer traits that are highly predictive of good or bad performance. By identifying these traits and adjusting deposits and borrowing limits to mitigate risk, the Originator has been able to maintain stable approval rates for Merchants as well as derive very specific and accurate loss expectations.
- (vi) This systemisation of risk modelling is built into the Originator's authorisation process and means that over 90% of credit decisions are automated. The small percentage of credit decisions that go to risk review are from identified high risk demographics and are subject to significantly higher levels of scrutiny and review, with a correspondingly low approval rate. This review may include full employment checks, property ownership checks and credit checking.

(g) Settlement**(i) Verification**

- A. The Merchant completes an application in store, which is submitted to the Originator (refer to Credit Risk Strategy above) via the Originator's Internet Portal, API call, Merchant App or via the phone. The verification process is highly automated, however any identification of adverse risk requires referral to a credit officer for review.
- B. If a request for verification is received, details of the approval are relayed to the Merchant and a consumer agreement is completed, which includes the direct debit form.
- C. Once the goods or service have been delivered to the customer, the completed application is submitted by the Merchant to the Originator either digitally or manually via post.

(ii) Acceptance

- A. On receipt by the Originator, manual application forms are scanned and verified by the system joining digital applications received. Verification includes confirming details on the agreement form back to:
 - 1) the details entered during the verification process; and
 - 2) the Merchant's limit, term and maximum payment requirements.
- B. Any incorrect or illegible details are highlighted and forwarded to settlement staff for manual checking and correction. After this investigation and compliance process, the agreement is either accepted as meeting the above criteria or rejected.
- C. All payment plans are established in the Originator's system, with direct debit created and a customer payment letter generated, regardless of whether the contract meets risk acceptance criteria or not:
 - 1) If rejected from a risk perspective, the Merchant only receives payments as they are received from the customer and therefore retains full risk. This strongly aligns the Merchant's interests to the Originator's in correctly completing applications.
 - 2) If accepted, the contracts are settled with Merchants (amount due less merchant fees) on a next day settlement basis.
- D. The pool consists only of contracts that meet acceptance criteria and have been settled with the Merchant.

2.2 Servicing of the Receivables

- (a) The ongoing servicing of the portfolio is performed at flexigroup's offices.

(b) The Servicer will perform the following functions:

- (i) collection of customer payments;
- (ii) calculation of fee, interest and principal repayments;
- (iii) bank account reconciliations and daily transfer of receipts to the Trust;
- (iv) handling customer enquiries;
- (v) processing of fees including missed payment fees; and
- (vi) collections and arrears management.

(c) **Collection Process**

- (i) The Originator adopts an early, proactive approach to collections. Prompt collection practices, organised follow-up and powerful systems underpin the entire Risk Management Framework:
 - A. collections staff work debt the first day the payment fails;
 - B. auto-dialler maximises effectiveness;
 - C. SMS & EDM messaging to keep the Originator front of mind; and
 - D. backed up by traditional collections practice with a letter series and escalation to credit collection officers' legal processes.
- (ii) The Originator's Collections Department is structured into the following teams:
 - A. Under Investigations - responsible for dealing with Direct Debit (DD) failures in order to reactivate the DD plan;
 - B. Intermediate - the intermediate desk processes delinquencies caused by the consumer prohibiting payment or a repeated DD failure (smaller values);
 - C. Collection - the Collections desk processes delinquencies caused by the consumer prohibiting payment or a repeated DD failure (smaller values). Also has up to 180 days to create a Promise To Pay and/or receive payment, to avoid the automatic assignment to Legal or Agency Teams to recover the debt;
 - D. Skip Trace & other follow-up - attempts obtain and verify customer contact information where the Collections desk has been unsuccessful in contacting the customer;
 - E. Legal - contacts the debtor at various stages of the process (pre and post filing) to collect payment and make ongoing arrangements; determines how far to pursue the matter, and whether the debt should be cancelled, assigned to an Agency, or legal action commenced;
 - F. Agency - contains warranted debts that have become unrecoverable. Debts remain in the Agency queue for an

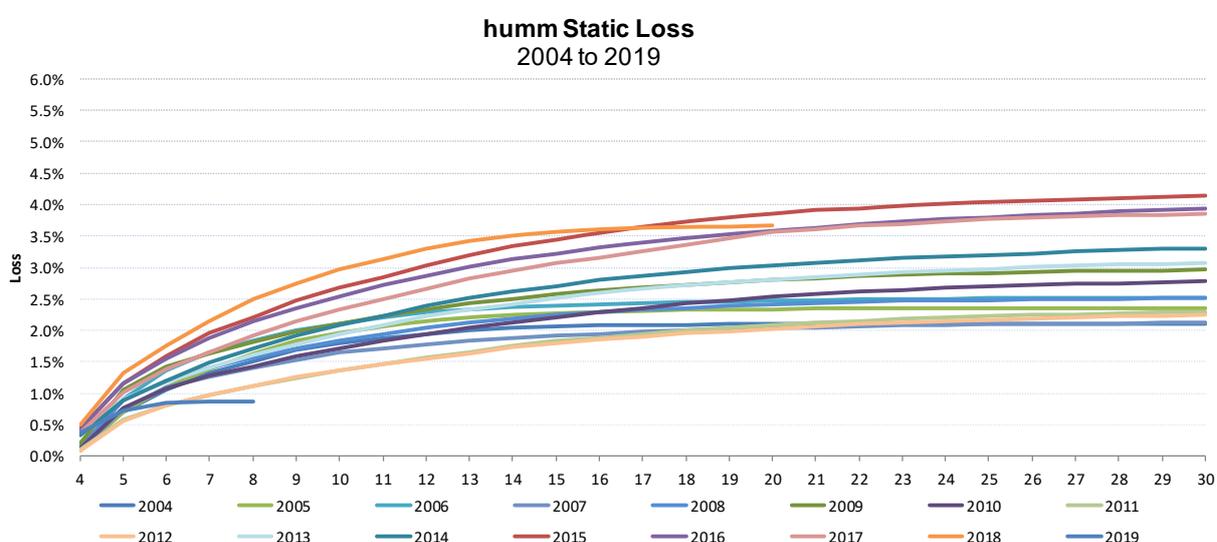
unlimited period and are outsourced to an external collection agency for recovery; and

- G. Sale – Debt that flows through the collections process may be sold to third parties.

(d) **Credit Loss Experience**

The information disclosed in Graph 1 below, relates to the static loss experience of the Originator for receivables originated in the period 2004 – 2019. There can be no assurance that the loss experience for the Receivables in the future will be similar to the historical experience below.

Graph 1: Static Loss Experience 2004 - 2019



3. Part 3 - Parties and Support Facilities to the Trust

3.1 Issuer

- (a) Perpetual Corporate Trust Limited was incorporated as ANZ Executors Nominees (NSW) Ltd on 27 October 1960 and, after a name change on 12 December 1990 to Perpetual Trustees Nominees Limited, and a further name change as at 18 October 2006, it is now known as Perpetual Corporate Trust Limited. Perpetual Corporate Trust Limited operates as a limited liability public company under the Corporations Act 2001 (Cth). Perpetual Corporate Trust Limited's registered office is located at Level 18, 123 Pitt Street, Sydney, New South Wales 2000, Australia. Perpetual Corporate Trust Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (AFSL No. 392673).

(b) **Relationship with transaction parties**

None of the Servicer, the Trust Administrator, the Series Manager, the Interest Rate Swap Providers, the Security Trustee, or any Derivative Counterparty is a subsidiary of, or is controlled by, the Issuer.

3.2 Security Trustee

- (a) P.T. Limited, of Level 18, Angel Place, 123 Pitt Street, Sydney, NSW 2000 is appointed as the Security Trustee for the Series on the terms set out in the Master Security Trust Deed. See Part 7.9 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.

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

3.3 Trust Administrator, Series Manager and Servicer

- (a) FlexiGroup Management Pty Ltd, a wholly owned subsidiary of FlexiGroup Limited, is appointed as the Series Manager and Trust Administrator on the terms set out in the Management Deed and the Trust Administration Deed, respectively.
- (b) Flexirent Capital Pty Limited, a wholly owned subsidiary of FlexiGroup Limited, is appointed as Servicer on the terms set out in the Master Servicing Deed.
- (c) FlexiGroup Limited and its subsidiaries currently employ approximately 726 employees on a full time basis. The registered office of FlexiGroup Limited is Level 7, 179 Elizabeth Street, Sydney NSW 2000.

3.4 Backup Servicer

Established in 1887, illion Australia Pty Limited (**illion Australia**) is Australia and New Zealand's longest-established credit information bureau. Backed by its extensive database, illion Australia helps businesses to make informed credit decisions, and consumers to access personal credit information. illion Australia works across the entire credit lifecycle to deliver data-driven solutions in sales and marketing, credit reporting and debt management. Through analysis of financial and behavioural information, illion Australia also provides current and predictive assessments of the economy, business conditions and credit activity.

3.5 Interest Rate Swap Providers and Liquidity Facility Provider

- (a) **National Australia Bank Limited**
 - (i) NAB is a public limited company incorporated in the Commonwealth of Australia and it operates under Australian legislation including the Corporations Act 2001 (Cth). Its registered office is Level 1, 800 Bourke Street, Docklands, Victoria 3008, Australia.
 - (ii) NAB is the holding company for the NAB Group (comprising NAB and its controlled entities), as well as being the main operating company. As at 31 March 2019, NAB Group had total assets of A\$826,943 million and total equity of A\$54,091 million.
 - (iii) The majority of NAB Group's financial services businesses operate in Australia and New Zealand, with branches located in Asia, the United States and the United Kingdom.
 - (iv) As at the date of this Information Memorandum, the long-term senior unsecured credit ratings of NAB are "AA- stable outlook" by S&P, "AA-negative outlook" by Fitch and "Aa3 stable outlook" by Moody's.
 - (v) As at the date of this Information Memorandum, the short-term unsecured credit ratings of NAB are "A-1+" by S&P, "F1+" by Fitch and "Prime-1" by Moody's.
- (b) **Commonwealth Bank of Australia**

- (i) The Commonwealth Bank of Australia was established in 1911 by an Act of Australia's Commonwealth Parliament as a government owned enterprise to conduct commercial and savings banking business. For a period it also operated as Australia's central bank until this function was transferred to the Reserve Bank of Australia in 1959. The process of privatisation of the Commonwealth Bank of Australia was commenced by Australia's Commonwealth Government in 1990 and was completed in July 1996. The Commonwealth Bank of Australia is now a public company listed on the Australian Securities Exchange. Its registered office is at Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia.
- (ii) As at 8 August 2019, Commonwealth Bank of Australia had a long term credit rating of AA- (negative outlook) from Fitch, Aa3 (stable outlook) from Moody's and AA- (stable outlook) from S&P and a short term credit rating of F1+ from Fitch, P-1 from Moody's and A-1+ from S&P.
- (iii) As at 30 June 2019, Commonwealth Bank of Australia and its subsidiaries, on a consolidated International Financial Reporting Standards basis, had total assets of A\$976.5 billion, total deposits and other public borrowings of A\$636.0 billion and made a net profit attributable to equity holders of the Bank for the full year ended 30 June 2019 of A\$8,571 million. Total regulatory capital under Basel III was A\$70.1 billion.
- (iv) The Australian banking activities of the Commonwealth Bank of Australia come under the regulatory supervision of the Australian Prudential Regulation Authority.

4. Part 4 – Cashflow Allocation Methodology

All amounts received by the Issuer will be allocated by the Series Manager and paid in accordance with the Cashflow Allocation Methodology.

4.1 Collections

- (a) The Servicer is obliged to collect all Collections on behalf of the Issuer during each Collection Period and pay such Collections into the Collection Account within 1 Business Day of receipt by the Servicer.
- (b) “**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:
 - (i) all amounts in the nature of principal, interest and fees;
 - (ii) the proceeds of sale or Reallocation of any Series Receivables;
 - (iii) the proceeds of the repurchase of any Ineligible Receivable by the Originator;
 - (iv) any subscription proceeds received in respect of the Class G Notes;
 - (v) any proceeds recovered from any enforcement action; and
 - (vi) any amount received as damages in respect of a breach of any representation or warranty,

but excluding any Obligor Taxes in respect of that Collection Period.

4.2 Determination of Principal Collections

- (a) On each Determination Date in respect of the immediately preceding Collection Period, the Series Manager will determine the Principal Collections for that Collection Period.
- (b) The “**Principal Collections**” will be equal to:
 - (i) the Collections in respect of that Collection Period; less
 - (ii) the Income Collections in respect of that Collection Period.

4.3 Determination of Total Available Principal

- (a) On each Determination Date, the Series Manager will determine the Total Available Principal that will be available for application in accordance with this Part 4.
- (b) The “**Total Available Principal**” will be equal to the aggregate of:
 - (i) the Principal Collections on that Determination Date in respect of the immediately preceding Collection Period;
 - (ii) the amount (if any) to be applied from Total Available Income in accordance with Part 4.10 (“Application of Total Available Income (prior to an Event of Default)”) on the immediately following Payment Date in respect of any Losses for the immediately preceding Collection Period;
 - (iii) the proceeds of the issue of any Class G Notes issued during the immediately preceding Collection Period; and
 - (iv) in respect of the first Determination Date, all principal collections in respect of a Receivable received by the Disposing Trustees in respect of the period from (but excluding) the Cut-Off Date of that Receivable to the Closing Date which are paid to the Issuer.

4.4 Application of Total Available Principal (prior to Event of Default)

On each Determination Date prior to the occurrence of an Event of Default and enforcement of the General Security Deed, the Series Manager, after determining the Total Available Principal, must direct the Issuer to distribute or allocate the following amounts out of Total Available Principal on the next Payment Date in the following order of priority:

- (a) first, to fund any Principal Draw required in accordance with Part 4.7;
- (b) next, if the Pro-rata Paydown Conditions are not satisfied, in the following order of priority:
 - (i) first, pari passu and rateably:
 - A. to the Class A1 Noteholders towards repayment of the Class A1 Notes until the Invested Amount of the Class A1 Notes has been reduced to zero; and
 - B. to the Class A1-G Noteholders towards repayment of the Class A1-G Notes until the Invested Amount of the Class A1-G Notes has been reduced to zero;
 - (ii) next, to the Class B-G Noteholders towards repayment of the Class B-G Notes until the Invested Amount of the Class B-G Notes has been reduced to zero;

- (iii) next, to the Class C-G Noteholders towards repayment of the Class C-G Notes until the Invested Amount of the Class C-G Notes has been reduced to zero;
 - (iv) next, to the Class D-G Noteholders towards repayment of the Class D-G Notes until the Invested Amount of the Class D-G Notes has been reduced to zero;
 - (v) next, to the Class E-G Noteholders towards repayment of the Class E-G Notes until the Invested Amount of the Class E-G Notes has been reduced to zero; and
 - (vi) next, to the Class F Noteholders towards repayment of the Class F Notes until the Invested Amount of the Class F Notes has been reduced to zero;
- (c) next, if the Pro-rata Paydown Conditions are satisfied, pari passu and rateably:
- (i) to the Class A1 Noteholders towards repayment of the Class A1 Notes until the Invested Amount of the Class A1 Notes has been reduced to zero;
 - (ii) to the Class A1-G Noteholders towards repayment of the Class A1-G Notes until the Invested Amount of the Class A1-G Notes has been reduced to zero;
 - (iii) to the Class B-G Noteholders towards repayment of the Class B-G Notes until the Invested Amount of the Class B-G Notes has been reduced to zero;
 - (iv) to the Class C-G Noteholders towards repayment of the Class C-G Notes until the Invested Amount of the Class C-G Notes has been reduced to zero;
 - (v) to the Class D-G Noteholders towards repayment of the Class D-G Notes until the Invested Amount of the Class D-G Notes has been reduced to zero;
 - (vi) to the Class E-G Noteholders towards repayment of the Class E-G Notes until the Invested Amount of the Class E-G Notes has been reduced to zero; and
 - (vii) to the Class F Noteholders towards repayment of the Class F Notes until the Invested Amount of the Class F Notes has been reduced to zero; and
- (d) next, to be applied to the Residual Unitholder.

4.5 Determination of Income Collections

- (a) On each Determination Date in respect of the immediately preceding Collection Period, the Series Manager will determine the Income Collections for that Collection Period.
- (b) The “**Income Collections**” will be equal to all Collections received by or on behalf of the Issuer during that Collection Period which are in the nature of interest or income including (without double counting and without limitation):
 - (i) any interest, fees and other income (including any previously capitalised interest) received by the Originator, Servicer or Issuer in respect of any

Series Receivable or its Related Security, or any similar amount deemed by the Servicer to be in the nature of interest, including, without limitation, amounts of that nature:

- A. paid by an Obligor;
 - B. recovered from the enforcement of a Series Receivable or its Related Security;
 - C. paid to the Issuer in connection with the sale or Reallocation of any Series Receivables or its Related Security (including any amount paid by the Originator to the Issuer upon repurchase of any Series Receivable or Related Security);
 - D. received from the Originator or the Servicer in respect of a breach of a representation or warranty contained in a Transaction Document in respect of a Series Receivable or its Related Security or under any obligation to indemnify or reimburse the Issuer for any amount under the Transaction Documents in respect of a Series Receivable;
- (ii) any recoveries received in respect of a Series Receivable or Related Security which was previously the subject of a Loss; and
 - (iii) any amount received from or on behalf of an Obligor in reimbursement of Enforcement Expenses.

4.6 Determination of Available Income

On each Determination Date, the Series Manager will determine the “**Available Income**” for the immediately preceding Collection Period which will be equal to the aggregate of the following (without double counting):

- (a) the Income Collections in respect of that Collection Period;
- (b) the Other Income in respect of that Collection Period;
- (c) the net amount due to the Issuer by a Derivative Counterparty on the next Payment Date (if any); and
- (d) any amount to be applied on the immediately following Payment Date under Part 4.18(b) or Part 4.18(c) (“Derivative Reserve”).

4.7 Principal Draw

If, on any Determination Date, there is a Payment Shortfall, then the Series Manager must direct the Issuer to make an allocation from Total Available Principal on the Payment Date immediately following that Determination Date in an amount equal to the lesser of:

- (a) the Payment Shortfall; and
- (b) the amount of Total Available Principal available for application for that purpose on that Payment Date in accordance with Part 4.4,

(a **Principal Draw**).

4.8 Liquidity Draw

If, on any Determination Date during the Liquidity Facility Availability Period, there is a Further Liquidity Shortfall, then the Series Manager must, on behalf of the Issuer, request that the

Liquidity Facility Provider make a Liquidity Advance under the Liquidity Facility on the Payment Date immediately following that Determination Date in an amount equal to the lesser of:

- (a) the Further Liquidity Shortfall; and
 - (b) the balance of the Available Liquidity Amount on that Determination Date,
- (a **Liquidity Draw**).

4.9 Calculation and application of Total Available Income

On each Determination Date, the Series Manager will determine the “**Total Available Income**” for the immediately preceding Collection Period which will be equal to the aggregate of the following:

- (a) the Available Income for that Collection Period;
- (b) any Principal Draw for that Determination Date; and
- (c) any Liquidity Draw for that Determination Date.

4.10 Application of Total Available Income (prior to an Event of Default)

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

- (a) first, A\$1 to the Participation Unitholder;
- (b) next, pari passu and rateably:
 - (i) any Taxes payable in relation to the Trust for that Collection Period;
 - (ii) the Tax Shortfall (if any) for that Determination Date;
 - (iii) the Tax Amount (if any) for that Determination Date;
 - (iv) the Issuer’s Fee for that Collection Period;
 - (v) the Security Trustee’s Fee for that Collection Period; and
 - (vi) to the Issuer, in reimbursement of any other Series Expenses for that Collection Period;
- (c) next, pari passu and rateably:
 - (i) the Servicer’s Fee for that Collection Period;
 - (ii) the Series Manager’s Fee for that Collection Period; and
 - (iii) to the Servicer in reimbursement of any Enforcement Expenses incurred under the Transaction Documents for that Collection Period;
- (d) next, pari passu and rateably:
 - (i) towards any interest and fees payable on or prior to that Payment Date to the Liquidity Facility Provider under the Liquidity Facility Agreement; and

- (ii) towards payment of amounts due and payable to each Derivative Counterparty under each Derivative Contract, excluding any break costs in respect of the termination of a Derivative Contract to the extent that the Derivative Counterparty is the Defaulting Party or sole Affected Party;
- (e) next, to the Liquidity Facility Provider, towards payment of all outstanding Liquidity Draws;
- (f) next, pari passu and rateably,
 - (i) to the Class A1 Noteholders, towards payment of any interest due and payable on the Class A1 Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid interest on the Class A1 Notes in respect of previous Interest Periods; and
 - (ii) to the Class A1-G Noteholders, towards payment of any interest due and payable on the Class A1-G Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid interest on the Class A1-G Notes in respect of previous Interest Periods;
- (g) next, pari passu and rateably, to the Class B-G Noteholders, towards payment of the interest on the Class B-G Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid interest on the Class B-G Notes in respect of previous Interest Periods;
- (h) next, pari passu and rateably, to the Class C-G Noteholders, towards payment of the interest on the Class C-G Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid interest on the Class C-G Notes in respect of previous Interest Periods;
- (i) next, pari passu and rateably, to the Class D-G Noteholders, towards payment of the interest on the Class D-G Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid interest on the Class D-G Notes in respect of previous Interest Periods;
- (j) next, pari passu and rateably, to the Class E-G Noteholders, towards payment of the interest on the Class E-G Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid interest on the Class E-G Notes in respect of previous Interest Periods;
- (k) next, as an allocation to Total Available Principal, in reimbursement of any Principal Draw outstanding from any previous Payment Date;
- (l) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Losses (calculated on that Determination Date and in respect of the immediately preceding Collection Period) which have been allocated to the Class A1 Notes and the Class A1-G Notes on that Determination Date under Part 4.11 ("Calculation of Losses");
- (m) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Carryover Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) which are referable to the Class A1 Notes and the Class A1-G Notes;
- (n) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Losses (calculated on that Determination Date and in respect of the immediately preceding Collection Period) which have been allocated to the Class B-G Notes on that Determination Date under Part 4.11 ("Calculation of Losses");

- (o) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Carryover Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) which are referable to the Class B-G Notes;
- (p) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Losses (calculated on that Determination Date and in respect of the immediately preceding Collection Period) which have been allocated to the Class C-G Notes on that Determination Date under Part 4.11 ("Calculation of Losses");
- (q) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Carryover Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) which are referable to the Class C-G Notes;
- (r) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Losses (calculated on that Determination Date and in respect of the immediately preceding Collection Period) which have been allocated to the Class D-G Notes on that Determination Date under Part 4.11 ("Calculation of Losses");
- (s) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Carryover Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) which are referable to the Class D-G Notes;
- (t) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Losses (calculated on that Determination Date and in respect of the immediately preceding Collection Period) which have been allocated to the Class E-G Notes on that Determination Date under Part 4.11 ("Calculation of Losses");
- (u) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Carryover Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) which are referable to the Class E-G Notes;
- (v) next, pari passu and rateably, to deposit to each Derivative Reserve Account, until:
 - (i) the balance of the Derivative Reserve Account (CBA) is equal to the Derivative Reserve Required Balance (CBA) in respect of that Determination Date; and
 - (ii) the balance of the Derivative Reserve Account (NAB) is equal to the Derivative Reserve Required Balance (NAB) in respect of that Determination Date;
- (w) next, as an allocation to Total Available Principal, up to an amount equal to the Ineligible Amount in respect of that Payment Date;
- (x) next, pari passu and rateably, towards:
 - (i) payment to each Derivative Counterparty of any outstanding break costs payable in relation to any Derivative Contract (to the extent not otherwise paid under Part 4.10(d)); and
 - (ii) any other amounts payable on or prior to that Payment Date to the Liquidity Facility Provider under the Liquidity Facility Agreement to the extent not paid under Part 4.10(d)(i) and Part 4.10(e);

- (y) next, to the Servicer in payment of any fees, any expenses and any other amounts due to be paid or reimbursed to the Servicer in respect of the Series and the Transaction Documents to the extent not paid under Part 4.10(c);
- (z) next, to the Series Manager in payment of any fees, any expenses and any other amounts due to be paid or reimbursed to the Series Manager in respect of the Series and the Transaction Documents to the extent not paid under Part 4.10(c);
- (aa) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Losses (calculated on that Determination Date and in respect of the immediately preceding Collection Period) which have been allocated to the Class F Notes on that Determination Date under Part 4.11;
- (bb) next, as an allocation to Total Available Principal, an amount equal to the aggregate of any Carryover Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) which are referable to the Class F Notes;
- (cc) next, pari passu and rateably, to the Class F Noteholders, 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 previous Interest Periods;
- (dd) next, towards payment of any other Series Expenses to the extent not paid under the preceding paragraphs; and
- (ee) next, pari passu and rateably to the Participation Unitholder by way of distribution of the remaining income of the Trust.

4.11 Calculation of Losses

On each Determination Date, the Series Manager must determine if any Loss has been incurred in respect of any Series Receivable during the preceding Collection Period and if so, the Series Manager must, on that Determination Date, allocate such Losses in the following order:

- (a) first, towards the Class F Notes until the amount so allocated equals the aggregate Stated Amount of the Class F Notes (as at that Determination Date);
- (b) next, towards the Class E-G Notes until the amount so allocated equals the aggregate Stated Amount of the Class E-G Notes (as at that Determination Date);
- (c) next, towards the Class D-G Notes until the amount so allocated equals the aggregate Stated Amount of the Class D-G Notes (as at that Determination Date);
- (d) next, towards the Class C-G Notes until the amount so allocated equals the aggregate Stated Amount of the Class C-G Notes (as at that Determination Date);
- (e) next, towards the Class B-G Notes until the amount so allocated equals the aggregate Stated Amount of the Class B-G Notes (as at that Determination Date);
- (f) next, pari passu and rateably:
 - (i) towards the Class A1-G Notes until the amount so allocated equals the aggregate Stated Amount of the Class A1-G Notes (as at that Determination Date); and
 - (ii) towards the Class A1 Notes until the amount so allocated equals the aggregate Stated Amount of the Class A1 Notes (as at that Determination Date).

4.12 Carryover Charge-Offs

If, on any Determination Date, the Losses for the immediately preceding Collection Period exceed the amount of the Total Available Income available for allocation to Losses under Parts 4.10(l), 4.10(n), 4.10(p), 4.10(r), 4.10(t) and 4.10(aa) on that Determination Date, the Series Manager must on and with effect from the following Payment Date, allocate the excess Losses in the following order of priority:

- (a) first, pari passu and rateably, to reduce the Stated Amount of the Class F Notes until the Stated Amount of the Class F Notes is reduced to zero;
- (b) next, pari passu and rateably, to reduce the Stated Amount of the Class E-G Notes until the Stated Amount of the Class E-G Notes is reduced to zero;
- (c) next, pari passu and rateably, to reduce the Stated Amount of the Class D-G Notes until the Stated Amount of the Class D-G Notes is reduced to zero;
- (d) next, pari passu and rateably, to reduce the Stated Amount of the Class C-G Notes until the Stated Amount of the Class C-G Notes is reduced to zero;
- (e) next, pari passu and rateably, to reduce the Stated Amount of the Class B-G Notes until the Stated Amount of the Class B-G Notes is reduced to zero; and
- (f) next, pari passu and rateably, to reduce:
 - (i) the Stated Amount of the Class A1-G Notes until the Stated Amount of the Class A1-G Notes is reduced to zero; and
 - (ii) the Stated Amount of the Class A1 Notes until the Stated Amount of the Class A1 Notes is reduced to zero.

(each a **Carryover Charge-Off**).

4.13 Increases to Stated Amount

To the extent that on any Payment Date amounts are available for allocation under Parts 4.10(m), 4.10(o), 4.10(q), 4.10(s), 4.10(u) and 4.10(bb), then an amount equal to these amounts shall be allocated on that Payment Date to increase the Stated Amount of the Notes in the following order:

- (a) first, pari passu and rateably, to increase:
 - (i) the Stated Amount of the Class A1 Notes, until the Stated Amount reaches the Invested Amount of the Class A1 Notes; and
 - (ii) the Stated Amount of the Class A1-G Notes, until the Stated Amount reaches the Invested Amount of the Class A1-G Notes;
- (b) next, pari passu and rateably, to increase the Stated Amount of the Class B-G Notes until the Stated Amount reaches the Invested Amount of the Class B-G Notes;
- (c) next, pari passu and rateably, to increase the Stated Amount of the Class C-G Notes, until the Stated Amount reaches the Invested Amount of the Class C-G Notes;
- (d) next, pari passu and rateably, to increase the Stated Amount of the Class D-G Notes, until the Stated Amount reaches the Invested Amount of the Class D-G Notes;

- (e) next, pari passu and rateably, to increase the Stated Amount of the Class E-G Notes, until the Stated Amount reaches the Invested Amount of the Class E-G Notes; and
- (f) next, pari passu and rateably, to increase the Stated Amount of the Class F Notes, until the Stated Amount reaches the Invested Amount of the Class F Notes.

4.14 Collateral Support

- (a) Collateral Support will not be treated as Secured Property available for distribution in accordance with Part 4.15.
- (b) Following an Event of Default and enforcement of the Charge, any such Collateral Support shall:
 - (i) 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 Derivative 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
 - (ii) in the case of Collateral Support under the Liquidity Facility Agreement, be returned to the Liquidity Facility Provider.
- (c) Any Collateral Support shall be returned to the Liquidity Facility Provider.
- (d) Any interest or income received by the Issuer on any Collateral Support will not form part of the Other Income or Total Available Income and will not be available for distribution in accordance with Part 4.10 ("Application of Total Available Income (prior to an Event of Default)") (except to the extent that the relevant Derivative Contract or Liquidity Facility Agreement require it to be applied to satisfy any obligation owed to the Trustee in connection with such Derivative Contract or Liquidity Facility Agreement (as applicable)). Any such interest or income shall only be applied by the Issuer in accordance with the relevant Derivative Contract or Liquidity Facility Agreement (as applicable).

4.15 Application of proceeds following an Event of Default

Following the occurrence of an Event of Default and enforcement of the General Security Deed, the Issuer and the Security Trustee (as applicable) must apply all moneys received by it in respect of the Secured Property other than the Excluded Series Receivables in the following order of priority:

- (a) first, to any person with a prior ranking claim (of which the Security Trustee is aware) to the extent of that claim;
- (b) next, toward satisfaction of the Security Trustee's fees, any Costs or other liabilities incurred by the Security Trustee in or about the due execution of the Security Trust or otherwise payable under the Transaction Documents to the Security Trustee on its own account;
- (c) next, to any Receiver appointed to the Secured Property for its Costs and remuneration in connection with exercising, enforcing or preserving rights (or considering doing so) in connection with the Transaction Documents;
- (d) next, towards any Costs and other amounts (including all Secured Money) due to the Issuer in connection with its role as trustee in relation to the Trust;
- (e) next, pari passu and rateably, all Secured Money:

- (i) owing to the Series Manager under the Transaction Documents in relation to the Series (to the extent such amounts comprise costs which are reimbursable by the Issuer to the Series Manager under the Transaction Documents, such amounts will only be paid at this Part 4.15(e)(i) to the extent such costs have been incurred by the Series Manager acting reasonably);
 - (ii) owing to the Servicer under the Transaction Documents in relation to the Series;
- (f) next, pari passu and rateably:
 - (i) all interest and fees due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement; and
 - (ii) any amounts due to each Derivative Counterparty excluding any break costs in respect of the termination of a Derivative Contract to the extent that the Derivative Counterparty is the Defaulting Party or sole Affected Party;
- (g) next, to the Liquidity Facility Provider, towards payment of any outstanding Liquidity Draws;
- (h) next, pari passu and rateably, all Secured Moneys owing to the Class A1 Noteholders and the Class A1-G Noteholders;
- (i) next, pari passu and rateably, all Secured Moneys owing to the Class B-G Noteholders;
- (j) next, pari passu and rateably, all Secured Moneys owing to the Class C-G Noteholders;
- (k) next, pari passu and rateably, all Secured Moneys owing to the Class D-G Noteholders;
- (l) next, pari passu and rateably, all Secured Moneys owing to the Class E-G Noteholders;
- (m) next, pari passu and rateably, all Secured Moneys owing to the Class F Noteholders;
- (n) next, to pay pari passu and rateably all Secured Money owing to the Secured Creditors (other than the Class G Noteholders) to the extent not paid under the preceding paragraphs; and
- (o) next, to pay any surplus to the Issuer to be distributed in accordance with the terms of the Master Trust Deed.

4.16 Excluded Series Receivables

On each Determination Date prior to the occurrence of an Event of Default and enforcement of the General Security Deed, the Series Manager must direct the Issuer to pay (and the Issuer must pay) on the following Payment Date, the following items out of all collections received by, or on behalf of, the Issuer in respect of the Excluded Series Receivables (in the following order of priority):

- (a) first, to the Class G Noteholders towards repayment of the Class G Notes until the Invested Amount of the Class G Notes has been reduced to zero;

- (b) next, towards payment of any other amount which is due and payable to the Class G Noteholders; and
- (c) next, to be applied to the Participation Unitholder.

4.17 Application of Excluded Series Receivables proceeds following an Event of Default

Following the occurrence of an Event of Default and enforcement of the General Security Deed, the Issuer and the Security Trustee (as applicable) must apply all moneys received by it in respect of the Excluded Series Receivables in the following order of priority:

- (a) first, to the Class G Noteholders towards repayment of the Class G Notes until the Invested Amount of the Class G Notes has been reduced to zero;
- (b) next, towards payment of any other amount which is due and payable to the Class G Noteholders in respect of the Class G Notes; and
- (c) next, to be applied to the Participation Unitholder.

4.18 Derivative Reserve

- (a) The Series Manager will maintain each Derivative Reserve Account by recording:
 - (i) all deposits to a Derivative Reserve Account as a credit to the ledger for that Derivative Reserve Account; and
 - (ii) all withdraws from a Derivative Reserve Account as a debit to the ledger for that Derivative Reserve Account.
- (b) If, on a Determination Date:
 - (i) the balance of:
 - A. the Derivative Reserve Account (CBA) exceeds the Derivative Reserve Required Balance (CBA) for such Determination Date; or
 - B. the Derivative Reserve Account (NAB) exceeds the Derivative Reserve Required Balance (NAB) for such Determination Date,

the Series Manager must direct the Issuer to apply the amount in excess of the Derivative Reserve Required Balance as part of Available Income on the immediately following Payment Date in accordance with Part 4.10 (“Application of Total Available Income (prior to an Event of Default)”); or
 - (ii) any interest has been credited to a Derivative Reserve Account, the Series Manager must direct the Issuer to apply such interest as part of Available Income on the immediately following Payment Date in accordance with Part 4.10 (“Application of Total Available Income (prior to an Event of Default)”).
- (c) Without limiting Part 4.18(b)(i) if, in respect of a Determination Date, the Payment Date immediately following that Determination Date is:
 - (i) on or after the date designated as the “Early Termination Date” (as defined in the Initial Derivative Contract (CBA)) in accordance with the Initial Derivative Contract (CBA), the Series Manager must direct the Issuer to apply an amount equal to the balance of the Derivative Reserve

Account (CBA) as part of Available Income on the immediately following Payment Date in accordance with Part 4.10 (“Application of Total Available Income (prior to an Event of Default)”); or

- (ii) on or after the date designated as the “Early Termination Date” (as defined in the Initial Derivative Contract (NAB)) in accordance with the Initial Derivative Contract (NAB), the Series Manager must direct the Issuer to apply an amount equal to the balance of the Derivative Reserve Account (NAB) as part of Available Income on the immediately following Payment Date in accordance with Part 4.10 (“Application of Total Available Income (prior to an Event of Default)”).
- (d) Amounts in each Derivative Reserve Account:
 - (i) subject to sub-paragraph (ii) below, may only be applied in accordance with this Part 4.18 (“Derivative Reserve”); and
 - (ii) will be treated as Secured Property available for distribution in accordance with Part 4.15 (“Application of proceeds following an Event of Default”).

5. Part 5 – Transaction Structure

5.1 General Features of the Trust

- (a) **Constitution of the Trust**
 - (i) The terms of the Trust are primarily governed by the Master Trust Deed, the Master Security Trust Deed and the Issue Supplement for the Series and the issue supplement for each Other Series (if any). An unlimited amount of trusts may be established under the Master Trust Deed. The Trust is separate and distinct from any other trust established under the Master Trust Deed.
 - (ii) The Trust is a common law trust which was established under the laws of New South Wales on 4 October 2019, by the execution of the Notice of Creation of Trust.
 - (iii) The Trust may only act through the Issuer as trustee of the Trust. Accordingly, references to actions or obligations of the Issuer refer to such actions or obligations of the Trust.
 - (iv) The Trust will terminate on the earlier of:
 - A. the day before the eightieth anniversary of 4 October 2019; and
 - B. the date which the Trust Administrator notifies the Issuer that it is satisfied that the secured money of the Series and the secured money of each Other Series of the Trust (if any) has been unconditionally and irrevocably repaid in full.
- (b) **Capital**
 - (i) The beneficial interest in the Trust is represented by:
 - A. ten Residual Units; and
 - B. one Participation Unit.

- (ii) The current holder of the Residual Units is the Originator.
- (iii) The current holder of the Participation Unit is the Originator.

(c) **Entitlement of holders of the Residual Units and holders of the Participation Unit**

The beneficial interest in the assets of the Trust is vested in the Residual Unitholder and the Participation Unitholder in accordance with the terms of the Master Trust Deed and the Issue Supplement for the Series and the issue supplement for each Other Series (if any).

(d) **Entitlement to payments**

- (i) The Residual Unitholder and the Participation Unitholder have the right to receive distributions only if and to the extent that funds are available for distribution to them in accordance with the Issue Supplement.
- (ii) Subject to this, the Residual Unitholder and the Participation Unitholder have no right to receive distributions other than a right to receive on the termination of the Trust the amount of the initial investment it made in respect of the Trust and any other surplus Series Assets of the Series on its termination in accordance with the terms of the Issue Supplement.

(e) **Transfer**

The Residual Units and the Participation Unit may be transferred in accordance with the Master Trust Deed. The Residual Units and the Participation Unit may only be transferred if the Issuer agrees.

(f) **Ranking**

The rights of the Secured Creditors under the Transaction Documents rank in priority to the interests of the Residual Unitholder and the Participation Unitholder.

(g) **Restricted rights**

The Residual Unitholder and the Participation Unitholder are not entitled to:

- (i) exercise a right or power in respect of, lodge a caveat or other notice affecting, or otherwise claim any interest in, any Series Asset; or
- (ii) require the Issuer or any other person to transfer a Series Asset to it; or
- (iii) interfere with any powers of the Trust Administrator, the Series Manager or the Issuer under the Transaction Documents; or
- (iv) take any step to remove the Trust Administrator, the Series Manager or the Issuer; or
- (v) take any step to end the Trust.

(h) **Purpose of the Series**

- (i) The Series has been established for the sole purpose of issuing the Notes, acquiring the Receivables and Related Securities and entering into the transactions contemplated by the Transaction Documents.
- (ii) As at the Issue Date, and prior to the issue of the Notes, the Series has not commenced operations and the Series will, following the Issue Date,

undertake no activity other than that contemplated by the Transaction Documents.

(i) **Series Segregation**

- (i) The assets of the Trust are allocated to separate “series”, each established by the execution of a “notice of creation of security trust”, “general security deed” and “issue supplement” for that series by the Issuer in accordance with the Master Trust Deed and the Master Security Trust Deed.
- (ii) 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 general security deed for that series.
- (iii) The assets and liabilities of the Series are accounted for separately from those of any Other Series established under the Master Security Trust Deed.
- (iv) The Series Assets of the Series must not be applied to satisfy the liabilities of any Other Series.
- (v) The Series Manager must ensure that all of the Series Assets of the Series are separately allocated in the records of the Trust from the series assets and liabilities of any Other Series. The Issuer must not and the Trust Administrator and the Series Manager must not give the Issuer any directions or instructions that would result in the Issuer commingling any Series Assets of the Series with any other series assets of any other Series.
- (vi) No Other Series will be issued in respect of the Trust for so long as any Offered Notes are outstanding.

5.2 The Issuer

The Issuer has been appointed as trustee of the Trust. The Issuer will issue Notes in its capacity as trustee of the Trust.

(a) **Duties of the Issuer**

Pursuant to the Transaction Documents the Issuer undertakes to (among other things):

- (i) act as trustee of the Trust and to exercise its rights and comply with its obligations under the Transaction Documents;
- (ii) to carry on the Series Business of the Series at the direction and as contemplated by the Transaction Documents;
- (iii) not to do anything to create any Encumbrances (other than a Permitted Encumbrance over the Secured Property);
- (iv) not, except in the manner contemplated by the Transaction Documents, sell, transfer or otherwise dispose of the Series Assets of the Series; and
- (v) notify the Security Trustee promptly of full details of an Event of Default in respect of the Series or an event which will become an Event of Default in respect of the Series after becoming aware of it, unless the Series Manager has already notified the Security Trustee.

(b) Powers of the Issuer

The Issuer has all the powers of a natural person and corporation in connection with the exercise of its rights and compliance with its obligations in connection with the Series Business of the Series.

(c) Issuer to act in interests of Noteholders

- (i) The Issuer has agreed in the Issue Supplement to act in accordance with the terms of the Transaction Documents.
- (ii) If there is a conflict between the interests of:
 - A. the fiduciary obligations of the Issuer to the Unitholders in the Trust (on the one hand) and the contractual obligations of the Issuer to the Noteholders of the Series (on the other), then subject to the other Transaction Documents, the Issuer is empowered to, and must, act in accordance with its contractual obligation to the Noteholders; and
 - B. one Class of Noteholders in relation to the Series and another Class of Noteholders of the Series, subject to the other Transaction Documents relating to the Series to which the Issuer is a party, the Issuer is empowered to, and must, act in the interests of the Class of Noteholders whose right to be paid in accordance with Part 4.15 from time to time ranks ahead of that of the other Class of Noteholders.

(d) Delegation by the Issuer

- (i) The Issuer may delegate its powers and will not be liable for the acts or omissions of any agent or delegate provided that:
 - A. the Issuer appoints the delegate in good faith and using reasonable care, and the delegate is not an officer or employee of the Issuer; or
 - B. the delegate is a clearing system; or
 - C. the Issuer is obliged to appoint the delegate pursuant to an express provision of a Transaction Document or pursuant to an instruction given to the Issuer in accordance with a Transaction Document; or
 - D. the Trust Administrator consents to the delegation in accordance with paragraph (c).
- (ii) The Issuer agrees that it will not delegate a material part of its rights or obligations under the Master Trust Deed or appoint any Related Entity of it as its delegate, unless it has received the prior written consent of the Trust Administrator.

(e) Issuer's voluntary retirement

The Issuer may retire as trustee of the Trust by giving the Trust Administrator at least 90 days' notice of its intention to do so. The retirement of the Issuer takes effect when:

- (i) a successor trustee is appointed for the Trust; and

- (ii) the successor trustee obtains title to, or obtains the benefit of, the Transaction Documents of the Trust to which the Issuer is a party as trustee of the Trust; and
 - (iii) the successor trustee and each other party to the Transaction Documents to which the Issuer is a party as trustee of the Trust have the same rights and obligations among themselves as they would have had if the successor trustee had been party to them at the dates of those documents.
- (f) **Issuer's mandatory retirement**
- (i) The Issuer must retire as trustee of the Trust if:
 - A. the Issuer becomes Insolvent; or
 - B. it is required to do so by law; or
 - C. the Issuer ceases to carry on business as a professional trustee.
 - (ii) In addition, the Trust Administrator must request the Issuer to and the Issuer must (if so requested) retire as trustee of the Trust if the Issuer does not comply with a material obligation under the Transaction Documents and, if the non-compliance can be remedied, the Issuer does not remedy the non-compliance within 30 days of being requested to do so by the Trust Administrator.
- (g) **Fee**
- The Issuer is entitled to a fee (as agreed between the Series Manager and the Issuer from time to time) for performing its obligations under the Master Trust Deed in respect of the Series. Any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

5.3 Indemnity and limitation of liability

- (a) **Indemnity**
- (i) The Issuer is indemnified out of the Series Assets of the Series against any liability or loss arising from, and any costs properly incurred in connection with, complying with its obligations or exercising its rights under the Transaction Documents of the Series. The Issuer is not indemnified against any such liability, loss or costs out of the series assets of any Other Series of the Trust.
 - (ii) To the extent permitted by law, this indemnity applies despite any reduction in value of, or other loss in connection with, the Series Assets of the Series or the series assets of any Other Series of the Trust as a result of any unrelated act or omission by the Issuer or any person acting on its behalf.
 - (iii) The indemnity does not extend to any liabilities, losses or costs to the extent that they are due to the Issuer's fraud, negligence or Wilful Default.
- (b) **Legal Costs**
- (i) The costs referred to above include all legal costs in accordance with any written agreement as to legal costs or, if no agreement, on

whichever is the higher of a full indemnity basis or solicitor and own client basis.

- (ii) These legal costs include any legal costs which the Issuer incurs in connection with proceedings brought against it alleging fraud, negligence or Wilful Default on its part in relation to the Series. However, the Issuer must repay any amount paid to it in respect of those legal costs under the above paragraph if and to the extent that a court determines that the Issuer was fraudulent, negligent or in wilful misconduct in relation to the Series or the Issuer admits it.

(c) **Limitation of Issuer's liability**

- (i) The Issuer enters into the Transaction Documents of the Series only in its capacity as trustee of the Trust and in no other capacity. Notwithstanding any other provisions of the Transaction Documents, a liability arising under or in connection with the Transaction Documents of the 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 of the Series out of which the Issuer is actually indemnified for the liability. This limitation of the Issuer's liability applies despite any other provision of any Transaction Document of the Series and extends to all liabilities and obligations of the Issuer in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to any Transaction Document of the Series.
- (ii) The parties (other than the Issuer) may not sue the Issuer in any capacity other than as trustee of the Trust, including seek the appointment of a receiver (except in relation to the Series Assets of the Series), a liquidator, an administrator or any similar person to the Issuer or prove in any liquidation, administration or arrangement of or affecting the Issuer (except in relation to the Series Assets of the Series).
- (iii) The Issuer's limitation of liability shall not apply to any obligation or liability of the Issuer to the extent that it is not satisfied because under the Master Trust Deed or by operation of law there is a reduction in the extent of the Issuer's indemnification out of the Series Assets of the Series as a result of the Issuer's fraud, negligence or Wilful Default in relation to the Series or the Trust.
- (iv) It is acknowledged that the Relevant Parties are responsible under the Master Trust Deed and the other Transaction Documents of the Series for performing a variety of obligations relating to the Trust. 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 of the Series) 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.
- (v) No attorney, agent, receiver or receiver and manager appointed in accordance with the Master Trust Deed or any other Transaction Document of the Series 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 any such person will be considered fraud, negligence or Wilful Default of the Issuer for the purpose of this section.
- (vi) The Issuer is not obliged to do or refrain from doing anything under the Master Trust Deed or any other Transaction Document of the Series

(including incur any liability) unless the Issuer's liability is limited in the same manner as set out in this section.

- (vii) A reference to "Wilful Default" in relation to the Issuer means any wilful failure to comply with, or wilful breach by the Issuer of any of its obligations under the Master Trust Deed or any other Transaction Document of the Series, other than a failure or breach which:
- A. is caused by a failure by another person where that act is a precondition to the Issuer performing the said obligation;
 - B. is in accordance with a lawful court order or direction or required by law; or
 - C. is in accordance with a proper instruction or direction of the Series Manager or the Trust Administrator given in accordance with the Transaction Documents.

(d) **Liability must be limited and must be indemnified**

The Issuer is not obliged to do or not do any thing in connection with the Transaction Documents (including enter into any transaction or incur any liability) unless:

- (i) the Issuer's liability is limited in a manner which is consistent with this Part 5.3; and
- (ii) it is indemnified against any liability or loss arising from, and any costs properly incurred in connection with, doing or not doing that thing in a manner which is consistent with this Part 5.3.

(e) **Exoneration**

- (i) Neither the Issuer (in its personal capacity only and not as trustee of the Trust) nor any of its directors, officers, employees, agents, attorneys or Related Entities will be taken to be fraudulent, negligent or in Wilful Default:
 - A. because any person other than the Issuer or any of its Related Entities does not comply with its obligations under the Transaction Documents; or
 - B. because of the financial condition of any person other than the Issuer or any of its Related Entities; or
 - C. because any statement, representation or warranty of any person other than the Issuer or any of its Related Entities in a Transaction Document is incorrect or misleading; or
 - D. because of any omission from or statement or information contained in any information memorandum or any advertisement, circular or other document issued in connection with any Notes; or
 - E. because of the lack of the effectiveness, genuineness, validity, enforceability, admissibility in evidence or sufficiency of the Transaction Documents or any document signed or delivered in connection with the Transaction Documents; or

- F. because of acting, or not acting, in accordance with instructions of the Series Manager or the Secured Creditors; or
- G. because of acting, or not acting, in good faith in reliance on:
 - 1) any communication or document that the Issuer believes to be genuine and correct and to have been signed or sent by the appropriate person (except where the person is a Related Entity of the Issuer); or
 - 2) any opinion or advice of any legal, accounting, taxation or other professional advisers used by it or any other party to a Transaction Document in relation to any legal, accounting, taxation or other matters.

(ii) However, if any Related Entity of the Issuer is a party to a Transaction Document, this section does not relieve the Related Entity from any of its responsibilities or liabilities to any Secured Creditor in connection with that Transaction Document which arise as a result of the Related Entity being a party to that Transaction Document.

(f) **No supervision**

Except as expressly set out in the Transaction Documents of the Series, the Issuer has no obligation to supervise, monitor or investigate the performance of the Trust Administrator, the Series Manager or any other person.

5.4 Series Assets of the Series

(a) **Series Assets**

The Series Assets of the Series will include:

- (i) the Receivables and any Related Securities to be acquired by the Issuer in respect of the Series on the Closing Date;
- (ii) the Collection Account;
- (iii) any Authorised Investments acquired by the Issuer in respect of the Series; and
- (iv) the Issuer's rights under the Transaction Documents in respect of the Series.

(b) **Acquisition of Receivables and Related Securities**

- (i) The Receivables and any Related Securities which will comprise Series Assets of the Series will be Reallocated from each Disposing Trust to the Series on the Closing Date in accordance with the procedures set out in the Master Trust Deed.
- (ii) As a result of such Reallocation, on the Closing Date all rights relating to the Receivables and Related Securities will cease to be Series Assets of the relevant Disposing Trust and instead such Receivables and any Related Securities will be held by the Issuer as trustee of the Trust and in respect of the Series.

(c) Representations and warranties

The Originator will represent and warrant to the Issuer in relation to the Receivables to be acquired by the Issuer on the Closing Date that each Receivable referred to in each Reallocation Notice meets the Eligibility Criteria on the Closing Date.

5.5 The Series Manager**(a) Appointment of the Series Manager**

Under the Management Deed, the Issuer appoints the Series Manager as its exclusive manager to perform the services described in the Management Deed on behalf of the Issuer.

(b) Obligations of the Series Manager

(i) Under the Management Deed, the Series Manager must (amongst other things) direct the Issuer in relation to how to carry on the Series Business, including:

- A. the Issuer entering into any documents in connection with the Series;
- B. the Issuer issuing Notes;
- C. the Issuer acquiring, disposing of other otherwise dealing with any Series Assets; and
- D. the Issuer exercising its rights or complying with its obligations under the Transaction Documents.

(ii) The Management Deed contains various provisions relating to the Series Manager's exercise of its powers and duties under the Management Deed, including provisions entitling the Series Manager to act on expert advice.

(c) Delegation by the Series Manager

The Series Manager may employ agents and attorneys and may delegate any of its rights or obligations in its capacity as manager without notifying any person of the delegation. The Series Manager agrees to exercise reasonable care in selecting delegates and to supervise their actions, and is responsible for loss arising due to any acts or omissions of any person appointed as delegate and for the payment of any fees of that person.

(d) Series Manager's voluntary retirement

The Series Manager may retire as manager of the Series upon giving the Issuer 90 days' notice of its intention to do so. The Series Manager's retirement takes effect when:

- (i) a successor manager is appointed for the Series; and
- (ii) the successor manager and each other party to the Transaction Documents for the Series to which the Series Manager is a party in its capacity as manager have the same rights and obligations among themselves as they would have had if the successor manager had been party to them at the dates of those documents.

(e) Series Manager's mandatory retirement

The Series Manager must retire as manager of the Series if the Series Manager becomes Insolvent, is required by law to retire or the Series Manager ceases to carry on a financial services business.

(f) **Removal of the Series Manager**

- (i) It is a “**Series Manager Termination Event**” if the Series Manager does not comply with a material obligation under the Transaction Documents in respect of the Series and, if the non-compliance can be remedied, the Series Manager does not remedy the non-compliance within 30 days after becoming aware of it.
- (ii) The Issuer may remove the Series Manager as manager of the Series Business of the Series by giving the Series Manager 10 Business Days’ notice. However, the Issuer may only give notice if at the time it gives the notice a Series Manager Termination Event is continuing in respect of the Series.

(g) **Appointment of successor manager**

- (i) If the Series Manager retires or is removed as manager of the Series, the retiring Series Manager agrees to use its best endeavours to appoint a person to replace the Series Manager as manager as soon as possible. If a successor manager is not appointed within 30 days after notice of retirement or removal is given, the Issuer may appoint a successor manager for the Series.
- (ii) Until a successor manager is appointed, the Issuer must act as the Series Manager in respect of the Series and will be bound by the same obligations and be entitled to the same rights under the Transaction Documents of the Series (including any fees payable for acting in such capacity) in its capacity as Series Manager that it would have had if it had been party to them at the dates of those documents (including any rights of a successor Series Manager).
- (iii) 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 the Series Manager if the Issuer is unable to perform or is impaired in performing those duties and obligations due to:
 - A. a breach by the Series Manager of its duties and obligations in respect of the Trust or any fraud, negligence or wilful default of the Series Manager;
 - B. the state of affairs of the Series Manager and/or its books and records (including accounting records, tax returns and financial statements), its business, data collection, storage or retrieval system or its computer equipment or software prior to or upon its retirement and the state of any documents or files delivered by the Series Manager to the Issuer;
 - C. the Issuer being unable, after using its reasonable endeavours, to:
 - 1) obtain access to or copies of all paper and electronic files, information and other materials which it requires and which are reasonably necessary for it to perform those duties and obligations; or

- 2) use or access the Series Manager's premises, systems, software or resources which it requires and which are reasonably necessary for it to perform those duties and obligations;
- D. any action taken or not taken by, or the state of affairs (including the state of the books and/or records) of, any person (other than the Issuer) owing duties in respect of the Trust;
- E. any failure by the Series Manager to comply with its obligations under the Management Deed to assist with giving effect to the retirement or removal of the Series Manager; or
- F. the appointment of a Controller (within the meaning of the Corporations Act) to the Series Manager.

(h) **Fees**

The Series Manager is entitled to be paid a fee by the Issuer for performing its duties under the Management Deed in respect of the Series (on terms agreed between the Series Manager and the Issuer). Any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.

5.6 The Trust Administrator

(a) **Appointment of the Trust Administrator**

Under the Trust Administration Deed, the Issuer appoints the Trust Administrator as its exclusive trust administrator of the Trust to perform the services described in the Trust Administration Deed on behalf of the Issuer.

(b) **Obligations of the Trust Administrator**

- (i) Under the Trust Administration Deed, the Trust Administrator (amongst other things) carries on the day to day administration, supervision and management of the Trust in accordance with the Transaction Documents of the Series and any Other Series of the Trust.
- (ii) The Trust Administration Deed contains various provisions relating to the Trust Administrator's exercise of its powers and duties under the Trust Administration Deed, including provisions entitling the Trust Administrator to act on expert advice.

(c) **Delegation by the Trust Administrator**

The Trust Administrator may employ agents and attorneys and may delegate any of its rights or obligations in its capacity as trust administrator without notifying any person of the delegation. The Trust Administrator agrees to exercise reasonable care in selecting delegates and to supervise their actions, and is responsible for loss arising due to any acts or omissions of any person appointed as delegate and for the payment of any fees of that person.

(d) **Trust Administrator's voluntary retirement**

The Trust Administrator may retire as trust administrator of the Trust upon giving the Issuer 90 days' notice of its intention to do so. The Trust Administrator's retirement takes effect when:

- (i) a successor trust administrator is appointed for the Trust; and

- (ii) the successor trust administrator and each other party to the Transaction Documents for the Trust to which the Trust Administrator is a party in its capacity as trust administrator have the same rights and obligations among themselves as they would have had if the successor trust administrator had been party to them at the dates of those documents.

(e) **Trust Administrator's mandatory retirement**

The Trust Administrator must retire as trust administrator of the Trust if the Series Manager becomes Insolvent, is required by law to retire or the Trust Administrator ceases to carry on a financial services business.

(f) **Removal of the Trust Administrator**

- (i) It is a "Trust Administrator Termination Event" if the Trust Administrator does not comply with a material obligation under the Transaction Documents in respect of a Series and, if the non-compliance can be remedied, the Trust Administrator does not remedy the non-compliance within 30 days after becoming aware of it.
- (ii) The Issuer may remove the Trust Administrator as trust administrator of the Trust by giving the Trust Administrator 30 days' notice. However, the Issuer may only give notice if at the time it gives the notice a Trust Administrator Termination Event is continuing in respect of any series of the Trust.

(g) **Appointment of successor trust administrator**

If the Trust Administrator retires or is removed as trust administrator of the Series, the retiring Trust Administrator agrees to use its best endeavours to appoint a person to replace the Trust Administrator as trust administrator as soon as possible. If a successor trust administrator is not appointed within 30 days after notice of retirement or removal is given, the Issuer may appoint a successor trust administrator for the Trust.

(h) **Fee**

The Trust Administrator is entitled to be paid a fee by the Issuer for performing its duties under the Trust Administration Deed in respect of the Series (on terms agreed in writing between the Trust Administrator and the Security Trustee).

5.7 Master Servicer Deed

(a) **Appointment of Servicer**

The Servicer and the Issuer have entered into the Master Servicer Deed under which the Servicer agrees to service the Receivables in accordance with the requirements of that deed and the relevant Servicing Guidelines.

(b) **Obligations of Servicer**

- (i) Under the Master Servicer Deed, the Issuer appoints the Servicer to service the Series Assets of the Series in accordance with the Servicing Guidelines for the Series.
- (ii) The Master Servicer Deed requires the Servicer to (among other things):
 - A. service the Series Assets of the Series in accordance with the Servicing Guidelines;

- B. collect all Collections in respect of the Series Assets of the Series;
- C. to remit such Collections into the Collection Account within 1 Business Day of receipt;
- D. to protect or enforce the terms of the Series Assets; and
- E. not do anything which would render a Series Asset subject to any set-off, counterclaim or similar defence.

(c) **Servicing Guidelines**

The Servicer and the Series Manager may amend the Servicing Guidelines from time to time. However, the Series Manager agrees not to amend the Servicing Guidelines in a manner which would materially change the rights or obligations of the Issuer or the Servicer, without the prior approval of the Issuer and the Servicer.

(d) **Delegation**

- (i) The Servicer may employ agents and attorneys and may delegate any of its non-material rights or obligations in its capacity as servicer without notifying any person of the delegation. The Servicer agrees to exercise reasonable care in selecting delegates and to supervise their actions.
- (ii) The Servicer is responsible for and remains liable for any loss arising due to any acts or omissions of any person appointed as a delegate and for the payment of any fees of that person.

(e) **Retirement of Servicer**

- (i) The Servicer may retire as servicer of the Series upon giving the Issuer 90 days' notice of its intention to do so. The Servicer's retirement takes effect when:
 - A. a successor servicer is appointed for the Series; and
 - B. the successor servicer executes a deed under which it covenants to act as servicer in accordance with the Master Servicer Deed and the other applicable Transaction Documents of the Series.
- (ii) These conditions will be taken to be satisfied in respect of any relevant retirement of the Servicer if the Issuer provides notice in accordance with the Back-up Servicing Agreement to activate the appointment of the Back-up Servicer.

(f) **Servicer's mandatory retirement**

The Servicer must retire as servicer of the Series if it is required by law to retire or a Servicer Default in respect of the Series occurs (unless waived by the Issuer in accordance with the Transaction Documents). It is a "**Servicer Default**" if:

- (i) the Servicer does not pay any amount payable by it in respect of the Series under any Transaction Document of the Series on time and in the manner required under the Transaction Documents unless, in the case of a failure to pay on time, the Servicer pays the amount within 3 Business Days of notice from either the Issuer or the Security Trustee;
- (ii) the Servicer:

- A. does not comply with any other obligation relating to the Series under any Transaction Documents of the Series and such non-compliance is likely to have a Material Adverse Effect in respect of the Series; and
- B. if the non-compliance can be remedied, does not remedy the non-compliance within 10 Business Days of the Servicer receiving a notice from the Issuer or the Security Trustee requiring its remedy;

- (iii) the Servicer becomes Insolvent; or
- (iv) any representation or warranty or agreement by the Servicer in or in connection with the Transaction Documents of the Series is incorrect or misleading when made and such failure is likely to have a Material Adverse Effect in respect of the Series, unless such failure is remedied to the satisfaction of the Issuer within 10 days of the Servicer receiving a notice from the Issuer.

(g) **Backup servicing**

At any time after a Servicer Default has occurred, the Voting Secured Creditors (by Extraordinary Resolution) may direct the Issuer to, and upon such direction the Issuer must, activate the provisions of the Backup Servicing Agreement to appoint the Backup Servicer to service the Series Assets. From the Activation Date, the Backup Servicer must manage, service and enforce the Series Assets, including to collect all Collections and other amounts paid or payable under the Series Assets in accordance with all laws, the Backup Servicing Agreement and the Servicing Guidelines.

(h) **Appointment of successor servicer**

If the Servicer retires or is removed as servicer of the Series, the retiring Servicer agrees to use its best endeavours to appoint a person to replace the Servicer as servicer as soon as possible.

(i) **Servicer to provide full co-operation**

If the Servicer retires as servicer in respect of the Series, it agrees to promptly deliver to the successor servicer all original documents in its possession relating to the Series and any other documents and information relating to the Series as are reasonably requested by the Issuer or the successor servicer.

(j) **Indemnity**

The Servicer indemnifies the Issuer from and against any loss arising from or incurred in connection with:

- (i) a representation or warranty given by it under a Transaction Document being incorrect;
- (ii) a failure by the Servicer to perform any obligation under any Transaction Document to which it is a party in connection with the Series;
- (iii) any Servicer Default relating to it; and
- (iv) the Issuer acting, or not acting, in good faith in reliance on facsimile, email or telephone instructions that the Issuer believes to be genuine and to have been given by an appropriate officer of the Servicer.

(k) Servicer's fees and expenses

The Servicer is entitled to be paid a fee by the Issuer for performing its duties under the Master Servicer Deed in respect of the Series. The Issuer agrees to pay or reimburse the Servicer for all reasonable costs incurred by the Servicer in connection with the enforcement and recovery of defaulted Series Assets, including costs relating to any court proceedings, arbitration or other dispute.

5.8 Master Security Trust Deed**(a) Master Security Trust Deed**

- (i) P.T. Limited is appointed as Security Trustee on the terms set out in the Master Security Trust Deed. The Security Trustee is a professional trustee company.
- (ii) The Master Security Trust Deed 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. In addition, it contains provisions which regulate the steps that are to be taken by the Security Trustee upon the occurrence of an Event of Default. In general, if an Event of Default occurs, the Security Trustee must notify the applicable Secured Creditors and convene a meeting of the Secured Creditors of the Series to obtain directions as to what actions the Security Trustee should take in respect of the Secured Property. Any meeting of Secured Creditors will be held in accordance with the terms of the Master Security Trust Deed. Only the Voting Secured Creditors are entitled to vote at a meeting of Secured Creditors in respect of an Extraordinary Resolution (excluding any Extraordinary Resolution which is also a Special Quorum Resolution) or Ordinary Resolution.
- (iii) The Security Trustee will be under no obligation to act if it is not satisfied that it is adequately indemnified.

(b) General Security Deed

The Noteholders in respect of the Series have the benefit of a security interest granted over all the Series Assets of the Series under the General Security Deed and the Master Security Trust Deed. The Security Trustee holds the security interest on behalf of the Secured Creditors (including the Noteholders) pursuant to the Master Security Trust Deed and may enforce the security interest upon the occurrence of an Event of Default (as defined below).

(c) Events of Default

It is an “**Event of Default**” in respect of the Series if any of the following occur:

- (i) the Issuer fails to 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;
- (ii) the Issuer:
 - A. does not comply with any other obligation relating to the Series under any Transaction Document of the Series where such non-compliance will have a Material Adverse Payment Effect; and

- B. if the Series Manager determines that the non-compliance can be remedied, does not remedy the non-compliance within 20 Business Days of notice from the Series Manager; or
 - (iii) the Issuer becomes Insolvent (unless the event which causes it to become Insolvent only affects assets or liabilities of the Issuer which do not relate to the Series and a successor trustee is not appointed within 60 days of the Issuer becoming Insolvent); or
 - (iv) the General Security Deed is not or ceases to be valid and enforceable or any Encumbrance (other than a Permitted Encumbrance) is created or exists in respect of the Secured Property, where the creation or existence of such Encumbrance will have a Material Adverse Payment Effect; or
 - (v) 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 where such an event will have a Material Adverse Payment Effect ("claimed" in this paragraph means claimed by the Issuer or anyone on its behalf).
- (d) **Limitation of liability**
- The Security Trustee will have no liability under or in connection with any Transaction Document other than to the extent to which the liability is able to be satisfied out of the Secured Property in relation to the Series from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Master Security Trust Deed or any other Transaction Document or by operation by law, there is a reduction in the extent of the Security Trustee's indemnification as a result of the Security Trustee's fraud, negligence or Wilful Default.
- (e) **Fees**
- The Issuer, under the Master Security Trust Deed, has agreed to pay to the Security Trustee from time to time a fee (as agreed to between the Series Manager and the Security Trustee) in respect of the Series. Any increase to that fee must not be agreed unless a Rating Notification has been provided in respect of the increase.
- (f) **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 Secured Property in the order described in Part 4.15.

5.9 The Interest Rate Swaps

- (a) **Interest Rate Swap Agreements**
- The Issuer will enter into a separate Interest Rate Swap Agreement with each Interest Rate Swap Provider to hedge the interest rate risk in respect of the implied fixed rate of interest payable on the Receivables.
- (b) **Interest Rate Swap Provider Downgrade**
- (i) If, as a result of the withdrawal or downgrade of an Interest Rate Swap Provider's credit rating by any Designated Rating Agency, that Interest Rate Swap Provider does not have a short term credit rating or long term

credit rating as designated in the relevant Interest Rate Swap Agreement, that Interest Rate Swap Provider may be required to, at its cost, take certain action within certain timeframes specified in that Interest Rate Swap Agreement.

- (ii) This action may include in respect of the particular downgrade one of the following:
 - A. delivering collateral as determined under the relevant Interest Rate Swap Agreement;
 - B. entering into an agreement novating the relevant Interest Rate Swap Agreement to a replacement counterparty which holds the relevant ratings;
 - C. procuring another person to become a co-obligor or unconditionally and irrevocably guarantee the obligations of the relevant Interest Rate Swap Provider under the relevant Interest Rate Swap Agreement; or
 - D. entering into other arrangements as agreed with the relevant Designated Rating Agency.
- (iii) Additionally, in respect of the downgrade of an Interest Rate Swap Provider below certain credit ratings, the relevant Interest Rate Swap Provider may be required to both deliver collateral and to take one of the other courses of action described in paragraphs (b) to (d) (inclusive) above.
- (iv) If the relevant Interest Rate Swap Provider delivers collateral to the Issuer, any interest or income on that Collateral Support will be paid to that Interest Rate Swap Provider, provided that any such interest or income will only be payable to the extent that any payment will not reduce the balance of the collateral to less than the amount required to be maintained.
- (v) The Issuer may only dispose of any investment acquired with the collateral delivered in accordance with paragraph (a) above or make withdrawals of the collateral delivered in accordance with paragraph (a) above if directed to do so by the Series Manager for certain purposes prescribed in the relevant Interest Rate Swap Agreement.
- (vi) The complete obligations of an Interest Rate Swap Provider following the downgrade of its credit rating is set out in the relevant Interest Rate Swap Agreement.

(c) **Termination**

- (i) A party to an Interest Rate Swap may have the right to terminate such Interest Rate Swap if (among other things):
 - A. the other party fails to make a payment under the Interest Rate Swap within 3 Business Days after notice of such failure is given to it;
 - B. certain insolvency related events occur in relation to the other party;
 - C. a force majeure event occurs;

- D. due to a change in or a change in interpretation of law, it becomes illegal for the other party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the relevant Interest Rate Swap Agreement;
 - E. an Event of Default has occurred and the Security Trustee has declared that the Secured Money is immediately due and payable; or
 - F. the Notes become due and payable before their specified maturity date (other than as a result of sub-paragraph E. above).
- (ii) The Issuer will also have the rights to terminate its Interest Rate Swap if (among other things) the Interest Rate Swap Provider fails to comply with or perform any agreement or its obligations referred to in paragraphs (a) to (d) (inclusive) under the heading "Interest Rate Swap Provider Downgrade" above within the timeframes specified in that Interest Rate Swap Agreement.

5.10 Liquidity Facility

(a) General

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 will be available during the Liquidity Facility Availability Period to be drawn to fund Liquidity Draws up to an aggregate amount equal to the Liquidity Limit.

(b) Liquidity Advances

If, on any Determination Date during the Liquidity Facility Availability Period, the Series Manager determines that is a Further Liquidity Shortfall in respect of that Determination Date, the Series Manager must request that an advance be made under the Liquidity Facility Agreement on the Payment Date immediately following that Determination Date in accordance with the Liquidity Facility Agreement and equal to the lesser of:

- (i) that Further Liquidity Shortfall; and
- (ii) the Available Liquidity Amount on that Determination Date.

(c) Interest

Interest accrues on a daily basis on each Liquidity Advance from and including its Drawdown Date until the Liquidity Advance is repaid in full, at a rate equal to the sum of the bank bill rate (as determined in accordance with the Liquidity Facility Agreement) on the first day of the Liquidity Interest Period plus a margin. It will be calculated by reference to actual days elapsed and a year of 365 days.

Interest is payable in arrears on each Payment Date.

A "Liquidity Interest Period" in respect of a Liquidity Advance commences on (and includes) the Drawdown Date of that Liquidity Advance 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.

Drawdown Date means the date on which a Liquidity Advance or a Collateral Advance is or is deemed to be made under the Liquidity Facility.

(d) **Downgrade of the Liquidity Facility Provider**

- (i) If at any time (during the Liquidity Facility Availability Period and for so long as any Notes (other than the Class F Notes and the Class G Notes) are outstanding) the Liquidity Facility Provider does not have the Required Liquidity Rating, the Liquidity Facility Provider must within 14 calendar days (or such longer period as may be agreed by the Series Manager and the Liquidity Facility Provider and provided Rating Notification has been given in respect of that longer period) of such downgrade do one of the following (as determined by the Liquidity Facility Provider in its discretion):
- A. procure a replacement Liquidity Facility;
 - B. request the Series Manager to make a Collateral Advance for an amount equal to the Available Liquidity Amount ("**Collateral Advance Request**"); or
 - C. such other structural changes provided that a Rating Notification has been given in respect of such changes.
- (ii) The Liquidity Facility Provider must deposit in the Collateral Account the amount of any Collateral Advance by 11.30am on the relevant day that the Series Manager requires the Collateral Advance.
- (iii) If, on any Determination Date after a Collateral Advance has been made, the Series Manager would, but for the fact that the Liquidity Facility has been fully drawn, be required to request a Liquidity Advance in accordance with Section 4.8 (and the Liquidity Facility Provider would, but for the fact that the Liquidity Facility has been fully drawn, be required to provide that Liquidity Advance), the Series Manager must direct the Issuer to transfer from the Collateral Account into the Collection Account an amount equal to the lesser of:
- A. the Liquidity Advance; and
 - B. the Collateral Account Balance,
- by no later than 11.30 am on the immediately following Payment Date.
- Any such withdrawal from the Collateral Account will be deemed to be a Liquidity Advance.
- (iv) 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 Series Manager determines that it may give a direction under Part 5.10(d)(iii) and it has provided Rating Notification in respect of that direction);
 - B. the Liquidity Facility Provider complies with Parts 5.10(d)(i)A or 5.10(d)(i)C above; or

- C. the Liquidity Facility is terminated in accordance with the Liquidity Facility Agreement (other than as a result of the occurrence of the Liquidity Availability Termination Date),

then the Liquidity Facility Provider must notify the Series Manager of that event and the Series Manager must then direct the Issuer to, and the Issuer must, repay to the Liquidity Facility Provider the Collateral Account Balance (if any) within 1 Business Day of being so directed by the Series Manager such amount to be applied towards repayment of the then outstanding Collateral Advances.

- (v) Subject to this Part 5.10(d)(v), all interest or other returns accrued (net of all costs properly incurred by the Issuer in respect of the operation of the Collateral Account under the Liquidity Facility Agreement) on the Collateral Account Balance or on any Authorised Investments purchased with the Collateral Account Balance, which have been credited to the 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 Collateral Account Balance, no interest or other returns will be paid to the Liquidity Facility Provider under this paragraph (v) 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 an advance made by the Liquidity Facility Provider pursuant to a Collateral Advance Request, or the balance of such advance outstanding from time to time, as the context requires and includes any deemed Collateral Advances.

The “**Collateral Account**” is a segregated account opened at the direction of the Series Manager in the name of the Issuer with an Eligible Bank to which the proceeds of any Collateral Advance are to be deposited.

The “**Collateral Account Balance**” means, at any time, the balance of the Collateral Account at that time plus, if any amount from the Collateral Account has been invested in Authorised Investments, the face value of such Authorised Investments.

The “**Required Liquidity Rating**” means:

- (i) in the case of Moody's, a short term credit rating of P-1(cr); or
- (ii) in the case of Fitch, a short term credit rating of F1 or a long term credit rating of A,

or such other credit rating or ratings by the Designated Rating Agency as may be agreed by the Series Manager and the Liquidity Facility Provider from time to time (and notified in writing by the Series Manager to the Issuer) provided that the Series Manager has delivered to the Issuer a Rating Notification in respect of such other credit rating or ratings.

- (e) **Availability Fee**

The Issuer will pay an availability fee (calculated on the un-utilised portion of the Liquidity Limit) in arrears to the Liquidity Facility Provider on each Payment Date out of Total Available Income in accordance with the Issue Supplement.

(f) Liquidity Event of Default

A Liquidity Event of Default occurs if:

- (i) the Issuer fails to pay:
 - A. any amount due in respect of interest under the Liquidity Facility Agreement, any Liquidity Advance repayable pursuant to the Liquidity Facility Agreement or any amount of the Availability Fee; or
 - B. any other amount owing 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;
- (ii) the Issuer alters or the Series 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;
- (iii) an Event of Default occurs and the Security Trustee enforces the General Security Deed;
- (iv) the Issuer becomes Insolvent (as defined in the Security Trust Deed), provided that the Trustee becoming Insolvent (as defined in the Security Trust Deed) in its personal capacity will not constitute a Liquidity Event of Default if, within 60 calendar days of that occurrence, the Trustee is able to transfer all its rights and obligations under this agreement and in respect of the Liquidity Facility to a replacement trustee of the Trust (in respect of whom a Rating Notification has been provided); or
- (v) 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.

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:

- (i) declare at any time that the aggregate of all Liquidity Advances outstanding, interest on such Liquidity Advances, and all other amounts actually or contingently payable under the Liquidity Facility Agreement are immediately due and payable; and/or
- (ii) terminate the Liquidity Facility Provider's obligations in respect of the Liquidity Facility.

The Liquidity Facility Provider may do any or all of these things with immediate effect.

(g) Termination of Liquidity Facility

The Liquidity Facility will terminate on the earlier of:

- (i) the Liquidity Facility Termination Date; and
- (ii) the Liquidity Facility Provider Termination Date.

The “**Liquidity Facility Termination Date**” is the earliest of:

- (i) the last day of the Liquidity Availability Termination Date;
- (ii) the date upon which all Notes (other than the Class F Notes and the Class G Notes) have been finally redeemed in full in accordance with the Transaction Documents;
- (iii) the date on which the Liquidity Facility Provider terminates its obligations to the Trustee under the Liquidity Facility Agreement where, as a result of a change in law, regulation, code of practice or an official directive which has the force of law or compliance with which is in accordance with the practice of responsible bankers in the jurisdiction concerned, or in their interpretation or administration after the date of the Liquidity Facility Agreement, the Liquidity Facility Provider has determined that it is or has become apparent that it will become contrary to that law, regulation, code of practice or official directive, impossible or illegal for the Liquidity Facility Provider to provide or maintain financial accommodation or otherwise observe its obligations under the terms of the Liquidity Facility Agreement;
- (iv) the date upon which the Liquidity Facility is cancelled or the Liquidity Limit is reduced to zero by notice from the Issuer (provided that a Rating Notification has been given in respect of such cancellation or reduction, as applicable);
- (v) the date upon which the Liquidity Facility Provider terminates its obligations in respect of the Liquidity Facility following the occurrence of a Liquidity Event of Default; and
- (vi) the date upon which the Liquidity Facility is replaced by a replacement liquidity facility.

The “**Liquidity Facility Provider Termination Date**” is the later of:

- (i) the Payment Date declared by the Series Manager (by notice to the Liquidity Facility Provider and Issuer) as the date upon which the Liquidity Facility Provider will be replaced by a substitute Liquidity Facility Provider and the Liquidity Facility will terminate (provided the Series Manager has provided Rating Notification in respect of such replacement and termination); and
- (ii) the date on which the Issuer has paid or repaid to the Liquidity Facility Provider:
 - A. all Liquidity Advances and all Collateral Advances;
 - B. all accrued but unpaid interest; and
 - C. all other money outstanding under the Liquidity Facility Agreement,

which were outstanding on the Payment Date declared by the Series Manager under sub-paragraph (i) above.

If all amounts due as described above are not paid or repaid in full on the Payment Date immediately following the Liquidity Facility Termination Date, the Issuer will repay so much of such amounts on succeeding Payment Dates as is available for that purpose in accordance with the Master Trust Deed and the Issue Supplement until all such amounts are paid or repaid in full and, in any event, all such amounts must be paid or repaid in full by the Maturity Date.

The “**Liquidity Facility Availability Period**” means the period from the date of the Liquidity Facility Agreement to the earlier of:

- (iii) the date which is 1 day after the Maturity Date; and
- (iv) the date upon which the Liquidity Facility is terminated in accordance with the Liquidity Facility Agreement.

The “**Liquidity Availability Termination Date**” means the last day of the Liquidity Facility Availability Period.

(h) **Liquidity Limit**

The “**Liquidity Limit**” at any time will be the lesser of:

- (i) an amount equal to the greater of:
 - A. 1.00% of the aggregate Invested Amount of the Notes (other than the Class F Notes and the Class G Notes) at that time; and
 - B. A\$500,000;
- (ii) the amount agreed from time to time in writing by the Liquidity Facility Provider and the Series Manager (in respect of which a Rating Notification has been given);
- (iii) the Outstanding Balance of the Series Receivables in relation to which no payment due from the relevant Obligor has been in arrears by more than 90 days at that time; and
- (iv) the amount (if any) to which the Liquidity Limit has been reduced at that time in accordance with the Liquidity Facility Agreement.

6. Part 6 – General Information

6.1 Australian Taxation

- (a) The following is a summary of certain Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, **Australian Tax Act**) the Taxation Administration Act 1953 (**Taxation Administration Act**) and any relevant rulings, judicial decisions or administrative practices as at the date of this Information Memorandum, of the purchase, ownership and disposition of the Offered Notes by Noteholders who purchase securities on original issuance at the stated offering price and hold the Offered Notes on capital account.
- (b) The following summary is not, and is not intended to be, exhaustive and does not deal with the position of all classes of Noteholders (including dealers in securities, custodians or other third parties who hold Offered Notes on behalf of any Noteholders). In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the Offered Notes through the Austraclear system or another clearing system.

- (c) This summary is also not intended to be, nor should it be construed as, legal or tax advice to any particular 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.
- (d) Neither the Issuer, the Series Manager or any other party to the Transaction Documents accept any responsibility or make any representation as to the tax consequences of investing in the Offered Notes.

(e) **Tax issues for the Trust**

The Trust will be a member of a consolidated group for Australian income tax purposes. Under consolidation, the transactions entered into by the members of the consolidated group are attributed to the head company, but transactions between members of the consolidated group are effectively ignored for the purposes of Australian income tax only. The head company has the liability to pay the income tax of the group. However, if the head company fails to make a relevant tax payment by the due date, then there is (prima facie) joint and several liability on all group members to pay that tax. That joint and several liability can be avoided by allocating the relevant tax obligation to the group members on a reasonable basis under a valid tax sharing agreement. It is expected that the Trust will be party to a tax sharing agreement that provides a reasonable allocation of the group's tax liabilities to the Trust (which should effectively be a nil allocation to the Trust).

(f) **Withholding Taxes on interest payments**

(i) 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 ("IWT") imposed under Division 11A of Part III of the Australian Tax Act. For IWT purposes, "interest" is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Issuer intends to issue Offered Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Offered Notes are to be "interest" for the purpose of section 128F of the Australian Tax Act.

(ii) Generally, payments of interest under the Offered Notes made by the Issuer to a Noteholder that is:

- A. a non-Australian resident (other than if the interest is paid to the Noteholder in carrying on business in Australia at or through a permanent establishment in Australia); or
- B. an Australian resident receiving the interest in carrying on business outside Australia at or through a permanent establishment in that country,

will be subject to IWT at a rate of 10% unless an exemption applies.

(iii) *Exemption under section 128F of the Australian Tax Act*

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:

- A. 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;

- B. those Offered Notes are debentures that are not equity interests and 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:
- 1) offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
 - 2) offers to 100 or more persons whom it is reasonable for the Issuer to have regarded as either having acquired debentures or debt interests in the past, or being likely to be interested in acquiring debentures or debt interests;
 - 3) offers of listed Offered Notes;
 - 4) offers via publicly available information sources; and
 - 5) offers to a dealer, manager or underwriter who offers to sell those Offered Notes within 30 days by one of the preceding methods;
- C. 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” (as defined in section 128F(9) of the Australian Tax Act) of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
- D. 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” (as defined in section 128F(9) of the Australian Tax Act) of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act (see below).

(g) **Associates**

- (i) 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**); and
 - B. any entity that is an associate of a Beneficiary. If the Beneficiary is a company, an associate of a Beneficiary, for these purposes includes:

- 1) a person or entity that holds more than 50% of the voting shares of, or otherwise controls, the Beneficiary;
- 2) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Beneficiary;
- 3) a trustee of a trust where the Beneficiary is capable of benefiting (whether directly or indirectly) under that trust; and
- 4) a person or entity that is an “associate” of another person or company that is an “associate” of the Beneficiary under 1) above.

(ii) However, for the purposes of the tests in sections 128F(5) and (6) of the Australian Tax Act, the issue of the Offered Notes to, and the payment of interest to, the following “associates” will not be subject to IWT:

- A. onshore associates (ie Australian resident “associates” who do not acquire or receive any payments under the Offered Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold 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” that acquire or receive any payments under the Offered Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not acquire or receive any payments under the Offered Notes in the course of carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:
 - 1) 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 (for the purposes of the Corporations Act 2001 of Australia); or
 - 2) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act 2001 of Australia).

(h) **Compliance with section 128F of the Australian Tax Act**

The Issuer intends to issue the Offered Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

(i) **Noteholders in Specified Countries**

- (i) The Australian Government has signed new or amended double tax conventions (**Specified Treaties**) with a number of countries (each a **Specified Country**) which contain certain exemptions from IWT.

- (ii) In broad terms, the Specified Treaties effectively prevent IWT being imposed on payments of 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.)
- (iii) The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury’s Department.

(j) **No payment of additional amounts**

Despite the fact that the Offered Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Australian Tax Act, and unless expressly provided to the contrary in any relevant supplement to this Information Memorandum, if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any IWT imposed or levied by the Commonwealth of Australia in respect of the Offered Notes, the Issuer is not obliged to pay any additional amounts to the holders of the Offered Notes in respect of such deduction or withholding (refer to clause 10.2 of the Note Deed Poll).

(k) **Goods and Services Tax**

- (i) Under the GST grouping rules, the Trust is eligible to be a member of the Flexigroup GST Group and will become a member of the Flexigroup GST Group with effect from the date the Trust is established. This means that from the date the Trust is established, the Trust and all other members of the Flexigroup GST Group will be treated as if they were a single entity for certain GST purposes.
- (ii) Under the GST grouping rules, transactions between members of a GST group are treated as non-taxable supplies and therefore are not subject to GST, nor do they give rise to entitlements to input tax credits. The representative member of the GST group is liable to pay GST on any supplies made by the members of the GST group and, where input tax credits are available, the representative member has the entitlement to the input tax credits. The difference between the GST payable on supplies and the entitlement to input tax credits is the net amount of the representative member of the GST group. All members of the Flexigroup GST Group are jointly and severally liable for this net amount, unless a valid indirect tax sharing agreement is in place. Indirect tax sharing agreements are discussed further, below.
- (iii) 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.

- (iv) The supply of some services made to the Trust may give rise to a liability for GST on the part of the relevant service provider, although supplies between members of the same GST group will be disregarded for GST purposes. In relation to the acquisition of taxable supplies by the Trust which are not to be disregarded for GST purposes:
- 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 Flexigroup GST Group exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, and that the Trust and the Flexigroup GST Group will not be entitled to utilise the borrowing concession in section 11-15(5) of the GST Act, the representative member of the Flexigroup GST Group would not be entitled to a full input tax credit from the ATO in respect of acquisitions made by the Trust to the extent that the acquisition relates to:
- 1) the Trust's input taxed supply of issuing Offered Notes (ie Offered Notes issued to (i) Australian residents or (ii) to non-residents acting through a fixed place of business in Australia); and
 - 2) the acquisition by the Trust of the Receivables.

In the case of acquisitions which relate to the making of supplies of the nature described above, the representative member of the Flexigroup GST Group may still be entitled to a "reduced input tax credit" in relation to certain acquisitions made by the Trust as 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. The amount of the reduced input tax credit will generally be 75% of the GST payable by the service provider on the taxable supply made to the Trust. The reduced input tax credit available to the representative member of the Flexigroup GST Group will be 55% of the GST payable by the service provider if the Trust is a "recognised trust scheme". "Securitisation entities" are excluded from being "recognised trust schemes" and the Trust should qualify as a "securitisation entity" assuming that the Trust is an insolvency-remote special purpose entity according to the criteria of an internationally recognised rating agency that are applicable to the trust's circumstances. As such, for eligible acquisitions, the representative member of the Flexigroup GST Group should be entitled to reduced input tax credits of 75% of the GST payable by the relevant service provider on taxable supplies made to the Trust. The availability of reduced input tax credits will reduce the expenses of the Trust.

- C. Where the Trust makes acquisitions that attract GST, and those acquisitions relate to the Trust's GST-free supply of the Offered Notes to non-residents who are not in the indirect tax zone, the representative member of the Flexigroup GST Group will, to that extent be entitled to full input tax credits.
- D. Where supplies are provided to the Trust by an entity comprising an associate of the Trust for income tax purposes,

and those supplies 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 supplies. However, this will not apply to supplies between members of the Flexigroup GST Group.

- (v) In the case of supplies performed 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 occurred in the indirect tax zone and if the Trust would not have been entitled to a full input tax credit if the supply had been performed in the indirect tax zone. 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, but on the recipient of the supply.
- (vi) Where supplies are performed for the Trust and the supply is not connected with Australia and relate solely to the issue of Offered Notes by the Trust to non-residents who subscribe for the Offered Notes through a fixed place of business outside Australia, the "reverse charge" rule should not apply to these offshore 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 performed in Australia, as the issue of Offered Notes to such non-residents would be GST-free supplies.
- (vii) 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.
- (viii) As the Trust will form part of the Flexigroup GST Group with effect from the date that the Trust is established, any GST or other indirect taxes (luxury car tax, wine equalisation tax and amounts payable under fuel tax credit legislation) payable by the Trust (or by any other member of the Flexigroup GST group) will be payable by Flexirent Capital Pty Ltd as the representative member of the Group. The amount payable by Flexirent Capital Pty Ltd will be calculated as the total GST payable by all members of the Flexigroup GST Group less any input tax credits (or reduced input tax credits) to which the group members would be entitled absent grouping, but while still taking into account the effects of a GST group being in place. This is one of the responsibilities of a representative member. The Trust will be jointly and severally liable to pay any net amount that is payable by a representative member under an indirect tax law unless it enters into a valid indirect tax sharing agreement with the other members of the GST group of which it forms a part. This means that unless a valid indirect tax sharing agreement is in place, the Trust will be jointly and severally liable to pay the GST liabilities of all members of the Flexigroup GST Group. Where a valid indirect tax sharing agreement is in place, the liability of the Trust to pay an indirect tax amount may be limited to its "contribution amount" under the agreement (which in the Trust's circumstances, should be nil or may even give rise to a positive amount payable to the Trust). The Flexigroup GST Group has an indirect tax sharing agreement in place to which the Trust will accede. Based on the allocation methodology set out in the Flexigroup GST Group indirect tax sharing agreement, it is expected that the Trust will have a nil "contribution amount".
- (ix) The terms of the Issue Supplement allow the Series Manager to require the Trust to leave the Flexigroup GST Group and join another GST group ("Different GST Group") immediately, provided that the

representative member of the Different GST Group is FlexiGroup Limited (or a Subsidiary). If this occurs, the Series Manager must ensure that there will be an indirect tax sharing agreement in place in relation to the Different GST Group. If directed to do so by the Series Manager, the Issuer agrees that it will take all steps necessary to join the Different GST Group and to become a party to the relevant indirect tax sharing agreement. The Series Manager can only give a direction to the Issuer to become a party to the relevant indirect tax sharing agreement if the Series Manager is satisfied that the relevant indirect tax sharing agreement is valid and effective and would result in the Trust's allocation of the GST liabilities of the Different GST Group being nil.

(I) **Other matters**

Under Australian laws as presently in effect:

- (i) income tax – offshore Noteholders - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Offered Notes, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) 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 a business at or through a permanent establishment in Australia will not be subject to Australian income taxes; and
- (ii) income tax – Australian residents or non-Australian residents who hold the Offered Notes in carrying on a business at or through a permanent establishment in Australia (“Australian Holders”) will be assessable for Australian tax purposes on income either received or accrued due 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; and
- (iii) gains on disposal of Offered Notes – offshore Noteholders – 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 a business at or through a permanent establishment in Australia will not be subject to Australian income tax on gains realised during that year on sale 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 that is a non-resident of Australia for tax purposes to another non-resident of Australia for tax purposes where the Offered Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source. In certain cases, a non-resident holder of the Offered Notes may be able to claim a treaty exemption in relation to Australian sourced gains if there is a relevant double tax convention; and
- (iv) 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 their taxable income. Special rules apply to the taxation of Australian residents who hold the Offered Notes in carrying on a business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and

- (v) 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; and
- (vi) goods and services tax (GST) - 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 Issuer, nor the disposal of the Offered Notes, would give rise to any GST liability in Australia; and
- (vii) 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; and
- (viii) other withholding taxes on payments in respect of Offered Notes – section 12-140 of Schedule 1 to the Taxation Administration Act 1953 imposes a type of withholding tax (see below for the rate of withholding tax) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“TFN”), an ABN (in certain circumstances) or proof of some other exception (as appropriate).
- (ix) Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Offered Notes, then 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 a deduction or withholding where the holder of those Offered Notes does not quote a TFN, ABN (in certain circumstances) or provide proof of an appropriate exemption.
- (x) The rate of withholding is 47% for the 2018-19 income year; and
- (xi) bearer debentures - section 126 of the Australian Tax Act imposes a type of withholding tax on the payment of interest on debentures payable to bearer (other than certain promissory notes) where the issuer fails to disclose to the Australian Taxation Office the names and addresses of the holders. As the Offered Notes are in registered form, any interest payable under the Offered Notes would not be subject to tax under section 126 of the Australian Tax Act; and
- (xii) "No ABN" withholding tax – payments in respect of the Offered Notes can be made free and clear of the “no ABN” withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (xiii) additional withholdings from certain payments to non-residents – 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 prior to 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

- (xiv) garnishee directions – the Commissioner of Taxation may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act or any similar provision requiring the Issuer to deduct or withhold from any payment to any other party (including any holder) any amount in respect of tax payable by that other party. If the Issuer is served with such a direction, the Issuer will comply with that direction and make any deduction or withholding required by that direction.

6.2 Subscription and Sale

(a) Subscription

Pursuant to the Dealer Agreement, each Dealer has agreed with the Issuer and the Series Manager, subject to the satisfaction of certain conditions, that it will use reasonable endeavours to procure subscriptions for or bid for the Offered Notes. The Series Manager has agreed to reimburse each Dealer for certain of its expenses in connection with the issue of those Offered Notes.

(b) The United States of America

(i) Each Dealer:

A. has acknowledged that the Offered Notes have not been and will not be registered under the United States 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 Offered Notes may not be offered, sold, delivered or transferred 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;

B. has represented, warranted and agreed that it has offered and sold the Offered Notes, and will offer and sell the Offered Notes:

- 1) as part of its distribution at any time; and
- 2) otherwise until 40 days after the later of the commencement of the offering and the Closing Date,

only in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Offered Notes, and it, its affiliates and all persons acting on their behalf have complied and will comply with the offering restriction requirements of Regulation S;

- C. has represented, warranted and agreed that at or prior to confirmation of the sale of the Offered Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Offered Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulation authority of any state or other jurisdiction of the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Terms used in paragraphs (A), (B) and (C) above have the meanings given to them by Regulation S.

- D. has represented, warranted and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Offered Notes in contravention of this paragraph and paragraphs (A), (B) and (C) above, except with its affiliates or with the prior written consent of the Issuer and the Series Manager; and
- E. has represented, warranted and agreed that:
- 1) except to the extent permitted under US Treas. Reg. § 1.163-(5)(c)(2)(i)(D) (the **D Rules**):
 - a) it has not offered or sold, and until 40 days after the later of the commencement of the offering and the Closing Date (the **restricted period**) will not offer or sell, the Offered Notes to a person who is within the United States or its possessions or to a United States person; and
 - b) it has not delivered and will not deliver within the United States or its possessions definitive Offered Notes that are sold during the restricted period;
 - 2) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who directly engage in selling Offered Notes are aware that such Offered Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- 3) if it is a United States person, it is acquiring the Offered Notes for purposes of resale in connection with their original issue and if it retains Offered Notes for its own account, it will only do so in accordance with the requirements of US Treas. Reg. § 1.163-5(c)(2)(i)(D)(6); and
- 4) with respect to each affiliate that acquires from it Offered Notes in bearer form for the purpose of offering or selling such Offered Notes during the restricted period, such Dealer either:
 - a) repeats and confirms the representations and agreements contained in sub-paragraphs (i), (ii) and (iii) above on behalf of such affiliate; or
 - b) agrees that it will obtain from such affiliate for the Issuer's benefit the representations and agreements contained in sub-paragraphs (i), (ii) and (iii) above.

Terms used in this paragraph (e) have the meanings given to them by the US Internal Revenue Code and regulations thereunder, including the D Rules.

(c) **The United Kingdom**

Each Dealer has represented, warranted and agreed that, in relation to the Offered Notes:

- (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 as amended (**FSMA**) with respect to anything done by it in relation to any Offered Notes in, from or otherwise involving the United Kingdom; and
- (ii) 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 any Offered Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

(d) **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Offered Notes has been lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or the Australian Securities Exchange (**ASX**). Each Dealer has represented, warranted and agreed that:

- (i) no invitation or offer of the Offered Notes (or an interest in them) has been or will be made, directly or indirectly, by it for issue or sale in Australia or in any other jurisdiction (including an offer or invitation which is received by a person in Australia); and
- (ii) no draft, preliminary or definitive Information Memorandum or any other offering material, advertisement or other document relating to the Offered Notes (or an interest in them) in Australia, may be distributed or published by it,

unless:

- (iii) either (i) the aggregate consideration payable by each offeree or invitee on acceptance of the offer is at least A\$500,000 (or its equivalent in an alternate currency), 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, or (iii) the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (iv) the offer, invitation or issue does not constitute an offer, invitation or issue to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (v) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the financial services licensing requirements of the Corporations Act); and
- (vi) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

(e) **Hong Kong**

- (i) Each Dealer has represented, warranted and agreed that:
 - A. it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People’s Republic of China (**Hong Kong**), by means of any document, any Offered Notes other than:
 - 1) 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
 - 2) 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 (**CWMO**) or which do not constitute an offer to the public within the meaning of the CWMO; and
 - B. unless permitted to do so under the laws of Hong Kong, it 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, offering material or 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 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 of the SFO and any rules made under the SFO.

(f) **Singapore**

- (i) Each Dealer acknowledges that this Information Memorandum has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“**SFA**”). Each Dealer represents and

agrees that the Information Memorandum and any other document or material in connection with the offer or sale, or invitation or purchase, of the Offered Notes may not be circulated or distributed, nor may the Offered Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to person in Singapore other than:

- A. to an institutional investor other persons falling within Section 274 of the SFA;
- B. to a relevant person, or any person 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 provisions of the SFA.

(ii) Where the Offered Notes are subscribed or purchased in reliance on an exemption under section 274 or 275 of the SFA, the Offered Notes will not be sold within the period of 6 months from the date of the initial acquisition of the Offered Notes, except to any of the following persons:

- A. an institutional investor (as defined in section 4A of the SFA);
- B. a relevant person (as defined in section 275(2) of the SFA); or
- C. any person pursuant to an offer referred to in section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

(iii) Where the Offered Notes are subscribed for or purchased under section 275 of the SFA by a 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 or securities based derivative contracts (each as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable within 6 months after that corporation or that trust has acquired the Offered Notes under section 275 of the SFA except:

- C. to an institutional investor (under section 274 of the SFA) or to a relevant person, or any person as defined in section 275(2) of the SFA and in accordance with the conditions specified in section 275 of the SFA;

- D. (in the case of a corporation) where the transfer arises from an offer referred to in section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in section 276(4)(i)(B) of the SFA;
- E. where no consideration is given for the transfer;
- F. where the transfer is by operation of law;
- G. pursuant to section 276(7) of the SFA; or

(iv) Notification under Section 309B of the SFA: Each Dealer acknowledges that the Manager has notified each Dealer that, unless otherwise specified before an offer of Offered Notes, the Offered Notes are “capital markets products other than prescribed capital market 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).

(g) **Japan**

- (i) The Offered Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (**Financial Instruments and Exchange Act**) and, accordingly, each Dealer has represented, warranted and agreed 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 ordinances promulgated by the relevant Japanese government and regulatory authorities and in effect at the relevant time.
- (ii) For the purposes of this paragraph, “**Japanese Person**” means any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade law of Japan (Law No. 228 of 1949), including any corporation having its principal office in or other entity organised under the laws of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident.

(h) **Republic of Ireland**

Each Dealer has represented, warranted and agreed that:

- (i) no person may and it has not offered or sold and will not offer or sell any Notes, except in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (Statutory Instrument No. 324 of 2005) (**Prospectus Directive Regulations**) and the provisions of the Irish Companies Act 1963-2005 and any rules issued under section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Irish Central Bank and the Irish Financial Services Regulatory Authority;
- (ii) no person may and it has not and will not offer or sell any Offered Notes other than in compliance with the provisions of the Irish Market Abuse

(Directive 2003/6/EC) Regulations 2005 and any rules issued under section 34 of the Irish Investment Funds Companies and Miscellaneous Provisions Act 2005 by the Irish Central bank and the Irish Financial Services Regulatory Authority;

- (iii) it will not underwrite the issue of, or place, the Offered Notes in the Republic of Ireland, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2011 (as amended) and any codes of conduct made under section 117(1) of the Central Bank Act 1989;
- (iv) no person may and it will not offer, underwrite the issue of or place the Offered Notes in the Republic of Ireland otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended) and the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Irish Investor Compensation Act 1998; and
- (v) no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank of Ireland.

(i) **Republic of China**

Each Dealer has represented, warranted and agreed that:

- (i) the Offered Notes may not be sold or offered in the Republic of China; and
- (ii) it will only offer and sell the Offered Notes to Republic of China resident investors from outside the Republic of China in such a manner as complies with securities laws and regulations applicable to such cross border activities in the Republic of China.

(j) **New Zealand**

Each Dealer represents and agrees that:

- (i) it has not offered or sold, and will not offer or sell, directly or indirectly, any Offered Notes; and
- (ii) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Offered Notes,

in each case in New Zealand other than:

- (iii) to persons who are “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (**FMC Act**), being a person who is:
 - (aa) an “investment business”;
 - (ab) “large”; or
 - (ac) a “government agency”,

in each case as defined in Schedule 1 to the FMC Act; or

- (iv) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (i) above) Offered Notes may not be offered or transferred to any “eligible investors” (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

(k) **Switzerland**

This Information Memorandum does not constitute a prospectus within the meaning of Article 652A of the Swiss Code of Obligations and Article 1156 et seq. of the Swiss Code of Obligations. The Issuer has not applied for a listing of the Offered Notes on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland and as a result, the information set out in this Information Memorandum does not necessarily comply with the information standards set out in the relevant listing rules. The Offered Notes will not be publicly offered or sold in Switzerland. Each Dealer represents, warrants and agrees that it will not publicly offer or distribute the Offered Notes in or from Switzerland, and neither this Information Memorandum nor any other offering materials relating to any of the Offered Notes may be publicly distributed in connection with any such offering or distribution.

(l) **European Economic Area**

- (i) Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Offered Notes to any retail investor in the European Economic Area. For the purposes of this provision:
- A. the expression "retail investor" means a person who is one (or more) of the following:
- 1) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**),
 - 2) 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
 - 3) not a qualified investor as defined in Regulation (EU) 2017/1129; 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.
- (ii) Consequently, no key information document required by Regulation (EU) No 1286/2014 (**PRIIPS Regulation**) for offering or selling the Offered Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Offered Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful conduct under the PRIIPS Regulation. Solely for the purposes of the 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 MiFID II; and

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

(m) **General**

Each Dealer has represented, warranted and agreed that:

- (i) it has not and will not, and will not authorise any other person to, directly or indirectly, offer, sell, resell, re-offer or deliver Offered Notes or distribute this Information Memorandum or any circular, advertisement or other offering material in relation to the Offered Notes (or take any action, or omit to take any action, that could result in it directly or indirectly, offering, selling, reselling, reoffering, delivering or distributing as aforesaid) in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief after making due and proper enquiries, result in compliance with all applicable laws and regulations thereof, and all offers and sales of Offered Notes by it will be made on the same terms;
- (ii) no action has been, or will be, taken by the Issuer or any Dealer to permit a public offering of the Offered Notes in any country or jurisdiction where action for that purpose would be required. Accordingly, the Offered Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any circular, prospectus, form of application, advertisement or other material, may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws or regulation;
- (iii) it will not cause any advertisement of the Offered Notes to be published in any newspaper or periodical or posted in any public place and will not issue any circular relating to the Offered Notes (other than this Information Memorandum in accordance with the Dealer Agreement and any other advertisement or circular relating to the Offered Notes issued in accordance with clause 4.18 of the Dealer Agreement), except in any case in accordance with the terms of the Dealer Agreement and with the express written consent of the Series Manager; and
- (iv) the Offered Notes are only to be sold in a manner that does not constitute an offer to the public for the purposes of the Prospectus Directive.

7. Part 7 – Glossary

Glossary of Terms

A\$ and Australian dollars means the lawful currency for the time being of Australia.

Activation Date means the date on which the provisions of the Backup Servicing Agreement are activated.

Affected Party has the meaning given to it in the relevant Derivative Contract or Interest Rate Swap Agreement (as applicable).

Arranger means National Australia Bank Limited (ABN 12 004 044 937).

Arrears Ratio means, on a Determination Date, the amount (expressed as a percentage) calculated as follows:

$$A = \frac{B}{C}$$

where:

A = the Arrears Ratio;

B = the aggregate Outstanding Balance of all Series Receivables in respect of which payments are greater than 60 days in arrears (each as calculated on the last day of the immediately preceding Collection Period);

C = the average of the aggregate Outstanding Balance of all Series Receivables (as calculated on the first day and the last day of the immediately preceding Collection Period).

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 the system.

Australian Financial Services Licence means an Australian financial services licence within the meaning of Chapter 7 of the Corporations Act.

Australian Tax Act means the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997, as the case may be.

Authorised Investments means:

- (a) cash in an interest bearing bank account in the name of the Issuer with an Eligible Bank;
- (b) any debt securities which:
 - (i) have a credit rating by Moody's as follows:
 - A. for debt securities whose remaining maturities at the time of purchase are less than or equal to 90 days, a short term credit rating by Moody's of P-1 or a long term credit rating by Moody's of A2; or
 - B. for debt securities whose remaining maturities at the time of purchase are more than 90 days but less than or equal to 180 days, a short term credit rating by Moody's of P-1 and a long term credit rating by Moody's of Aa3;
 - (ii) have a credit rating by Fitch as follows:
 - A. if the rating assigned by Fitch to the most highly rated Note outstanding is less than AA-, a credit rating by Fitch which is equal to or higher than the rating by Fitch for the most highly rated Note outstanding at that time;

- B. if the rating assigned by Fitch to the most highly rated Note outstanding is equal to or higher than AA-:
- (aa) for debt securities whose remaining maturities at the time of purchase are less than or equal to 30 days, a short term credit rating by Fitch of F1 or a long term credit rating by Fitch of A;
 - (bb) for debt securities whose remaining maturities at the time of purchase are 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 AA-; and
 - (cc) for debt securities whose remaining maturities at the time of purchase are more than 365 days, a credit rating by Fitch which is equal to or higher than the rating by Fitch for the most highly rated Note outstanding at that time;
- (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; and
 - (v) are held in the name of the Issuer,

which, in each case do not constitute a securitisation exposure or a re-securitisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority, including any amendment or replacement of that Prudential Standard).

Available Income has the meaning given to it in Part 4.6.

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.

Average Arrears Ratio means, on any Determination Date, the amount (expressed as a percentage) calculated as follows:

$$AAR = \frac{SAR}{6}$$

where:

AAR = the Average Arrears Ratio; and

SAR = the sum of the Arrears Ratios for that Determination Date and the Arrears Ratios for the 5 Determination Dates immediately preceding that Determination Date.

Backup Servicer means illion Australia Pty Ltd or any other backup servicer approved by the Issuer in connection with the Transaction Documents.

Backup Servicing Agreement means the agreement between the Servicer, the Issuer and illion Australia Pty Ltd dated on or about the date of the Issue Supplement.

Bank means an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cth)).

Bank Bill Rate means for a Note for an Interest Period:

- (a) the rate expressed as a percentage per annum designated “AVGMID” for prime bank eligible securities having a tenor of one month as displayed on the “BBSW” page of the Reuters Screen on the first day of that Interest Period at approximately 10:30am Sydney time; or
- (b) if a rate for that Interest Period cannot be determined in accordance with the procedures in paragraph (a), the rate specified in good faith by the Calculation Agent in good faith and in a commercially reasonable manner having regard to the extent it determines it to be appropriate to any relevant information then available including without limitation any internally or externally sourced relevant market data such as but not limited to alternative benchmarks, relevant rates, prices, yields, yield curves, volatilities, spreads and correlations. The rate so calculated by the Calculation Agent will be expressed as a percentage per annum and rounded, if necessary, to the next higher one ten thousandth of a percentage point.

BBSW has the meaning given to the term “AUD BBR BBSW” in the ISDA Definitions.

Business Day means a day on which commercial banks are open for business in Sydney and Melbourne (excluding Saturday, Sunday and any public holiday in Sydney or Melbourne).

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 Series Manager.

Call Option means the Issuer's option to redeem Notes on each Call Option Date.

Call Option Date - see Part 1.2.

Carryover Charge-Off has the meaning given in Part 4.12.

Cashflow Allocation Methodology means the cashflow allocation methodology described in Part 4. Methodology

Class means each class of Notes specified in Part 1.1.

Class A Note means a Class A1 Note and a Class A1-G Note.

Class A Noteholder means a Noteholder of a Class A Note.

Class A1 Note means any Note designated as a “Class A1 Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class A1 Noteholder means a Noteholder of a Class A1 Note.

Class A1-G Note means any Note designated as a “Class A1-G Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class A1-G Noteholder means a Noteholder of a Class A1-G Note.

Class B-G Note means any Note designated as a “Class B-G Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class B-G Noteholder means a Noteholder of a Class B-G Note.

Class C-G Note means any Note designated as a “Class C-G Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class C-G Noteholder means a Noteholder of a Class C-G Note.

Class D-G Note means any Note designated as a “Class D-G Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class D-G Noteholder means a Noteholder of a Class D-G Note.

Class E-G Note means any Note designated as a “Class E-G Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class E-G Noteholder means a Noteholder of a Class E-G Note.

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.

Class G Note means any Note designated as a “Class G Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class G Noteholder means a Noteholder of a Class G Note.

Class Margin has the meaning given in Part 1.1.

Class Step-up Margin has the meaning given in Part 1.1.

Climate Bonds Standard means the Climate Bonds International Standards and Certification Scheme (Version 2.1) dated January 2017 issued by the Climate Bonds Standard Board of the Climate Bonds Initiative.

Closing Date means on or about 28 November 2019 (or such other date as the Series Manager may notify to the Issuer as the Issue Date of the Notes).

Collateral means all the Series Assets which the Issuer acquires or to which the Issuer becomes, or is entitled on or after the date of the General Security Deed.

Collateral Advance has the meaning given to it in Part 5.10(d).

Collateral Support means, on any day:

- (a) in respect of a Derivative Contract, the amount of collateral (if any) paid or transferred to the Issuer by a Derivative Counterparty in accordance with the terms of a Derivative Contract that has not been applied before that day to satisfy the Derivative Counterparty’s obligations under the Derivative Contract; and
- (b) in respect of the Liquidity Facility Agreement, the Collateral Account Balance (as defined in the Liquidity Facility Agreement).

Collection Account means an account in the name of the Issuer established with an Eligible Bank in accordance with the Master Trust Deed for the Series. The Collection Account will initially be established with Australia and New Zealand Banking Group Limited.

Collection Period means, in relation to a Payment Date, the period from (and including) the first day of a calendar month to (and including) the last day of that calendar month, provided the first Collection Period will commence on (and include) the Closing Date and will end on (and include) 31 December 2019.

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, the following amounts received by or on behalf of the Issuer:

- (a) all amounts in the nature of principal, interest and fees;
- (b) the proceeds of sale or Reallocation of any Series Receivables;
- (c) the proceeds of the repurchase of any Ineligible Receivable by the Originator;
- (d) any subscription proceeds received in respect of the Class G Notes;
- (e) any proceeds recovered from any enforcement action;
- (f) any amount received as damages in respect of a breach of any representation or warranty,

but excluding any Obligor Taxes in respect of that Collection Period.

Conditions means the conditions of the Notes set out in Part 1.9.

Controller has the meaning given to it in the Corporation Act.

Corporations Act means the Corporations Act 2001 (of the Commonwealth of Australia).

Cut-Off Date means, in respect of a Receivable, the date specified in the relevant Reallocation Notice in respect of that Receivable.

Dealer Agreement means the agreement entitled "Flexi ABS Trust 2019-2 Dealer Agreement" between (amongst others) the Issuer, the Series Manager, Arranger and the Dealers in respect of the offering of the Notes.

Dealers means the Joint Lead Managers.

Deed of Release means each of:

- (a) the document entitled "Deed of Release - Flexi ABS Trust 2010-2" signed on or prior to the Closing Date by P.T. Limited; and
- (b) the document entitled "Deed of Release - Flexi ABS Warehouse Trust No.3" signed on or prior to the Closing Date by P.T. Limited.

Deed of Retirement and Appointment means the deed entitled "Flexirent Deed of Retirement and Appointment of Manager and Trust Administrator" dated 23 June 2011 between the Issuer, the Series Manager and others.

Defaulting Party in respect of a Derivative Contract, has the meaning given to it in that Derivative Contract.

Derivative Contract means:

- (a) each Interest Rate Swap Agreement; and
- (b) each other Derivative Contract (as defined in the Master Security Trust Deed) in respect of the Series entered into by the Issuer provided that a Rating Notification has been given in respect of such Derivative Contract.

Derivative Counterparty means, at any time, the counterparty under a Derivative Contract.

Derivative Reserve means:

- (a) the Derivative Reserve Account (CBA); and
- (b) the Derivative Reserve Account (NAB),

as applicable.

Derivative Reserve Account (CBA) means a ledger account of the Collection Account styled as the "Derivative Reserve Account (CBA)" to be established and maintained by the Series Manager in accordance with Part 4.18 ("Derivative Reserve").

Derivative Reserve Account (NAB) means a ledger account of the Collection Account styled as the "Derivative Reserve Account (NAB)" to be established and maintained by the Series Manager in accordance with Part 4.18 ("Derivative Reserve").

Derivative Reserve Percentage (CBA) means, in respect of a Payment Date, an amount (expressed as a percentage) calculated as follows:

$$A = \frac{B}{C}$$

where:

A = the Derivative Reserve Percentage (CBA) in respect of that Payment Date;

B = the amount specified in the confirmation under the Initial Derivative Contract (CBA) as the "Notional Amount" applicable to that Payment Date; and

C = the Total Notional Amount applicable to that Payment Date.

Derivative Reserve Percentage (NAB) means, in respect of a Payment Date, an amount (expressed as a percentage) calculated as follows:

$$A = \frac{B}{C}$$

where:

A = the Derivative Reserve Percentage (NAB) in respect of that Payment Date;

B = the amount specified in the confirmation under the Initial Derivative Contract (NAB) as the "Notional Amount" applicable to that Payment Date; and

C = the Total Notional Amount applicable to that Payment Date.

Derivative Reserve Required Balance (CBA) means, in respect of a Determination Date:

(a) on which any Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes are outstanding, the amount (if positive) calculated as follows:

$$A = (B - C) \times D \times E/12$$

where:

A = the Derivative Reserve Required Balance (CBA) in respect of that Determination Date.

B = either:

- (i) (subject to sub-paragraph (ii) below) the amount specified in the confirmation under the Initial Derivative Contract (CBA) as the "Notional Amount" applicable to the Payment Date immediately following that Determination Date; or

- (ii) zero, if the Payment Date immediately following that Determination Date is on or after the date designated as the "Early Termination Date" (as defined in the Initial Derivative Contract (CBA)) in accordance with the Initial Derivative Contract (CBA).
- C = the amount calculated as the Derivative Reserve Percentage (CBA) in respect of the Payment Date immediately following that Determination Date multiplied by the aggregate Outstanding Balance of all Series Receivables as at the last day of the Collection Period immediately preceding that Determination Date.
- D = the amount (expressed as a percentage per annum) specified as the "Fixed Rate" in the confirmation under the Initial Derivative Contract (CBA).
- E = the number of whole months remaining from that Determination Date until the date on which the final payment is scheduled to be made in accordance with the confirmation under the Initial Derivative Contract (CBA); or
- (b) on which any Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes are not outstanding, the amount which is equal to the greater of A and B:
- where:
- A = the amount calculated on that Determination Date in accordance with paragraph (a) above.
- B = the amount (if any) determined by the relevant Derivative Counterparty in good faith which would be owing to that Derivative Counterparty if the Derivative Counterparty closed out the Initial Derivative Contract (CBA) at 9.00 am (Sydney time) on that Determination Date.

The Derivative Reserve Required Balance (CBA) on the Determination Date immediately preceding the Maturity Date will equal zero.

Derivative Reserve Required Balance (NAB) means, in respect of a Determination Date:

- (a) on which any Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes are outstanding, the amount (if positive) calculated as follows:
- $$A = (B - C) \times D \times E/12$$
- where:
- A = the Derivative Reserve Required Balance (NAB) in respect of that Determination Date.
- B = either:
- (i) (subject to sub-paragraph (ii) below) the amount specified in the confirmation under the Initial Derivative Contract (NAB) as the "Notional Amount" applicable to the Payment Date immediately following that Determination Date; or
- (ii) zero, if the Payment Date immediately following that Determination Date is on or after the date designated as the "Early Termination Date" (as defined in the Initial Derivative

Contract (NAB)) in accordance with the Initial Derivative Contract (NAB).

- C = the amount calculated as the Derivative Reserve Percentage (NAB) in respect of the Payment Date immediately following that Determination Date multiplied by the aggregate Outstanding Balance of all Series Receivables as at the last day of the Collection Period immediately preceding that Determination Date.
- D = the amount (expressed as a percentage per annum) specified as the "Fixed Rate" in the confirmation under the Initial Derivative Contract (NAB).
- E = the number of whole months remaining from that Determination Date until the date on which the final payment is scheduled to be made in accordance with the confirmation under the Initial Derivative Contract (NAB).

- (b) on which any Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes are not outstanding, the amount which is equal to the greater of A and B:

where:

- A = the amount calculated on that Determination Date in accordance with paragraph (a) above.
- B = the amount (if any) determined by the relevant Derivative Counterparty in good faith which would be owing to the Derivative Counterparty if the Derivative Counterparty closed out the Initial Derivative Contract (NAB) at 9.00 am (Sydney time) on that Determination Date.

The Derivative Reserve Required Balance (NAB) on the Determination Date immediately preceding the Maturity Date will equal zero.

Designated Rating Agencies has the meaning given to it in Part 1.3.

Determination Date has the meaning given to it in Part 1.2

Different GST Group means a GST Group of which FlexiGroup Limited or a Subsidiary is the representative member.

Disposing Trust means each of:

- (a) the Flexi ABS Trust 2010-2 in respect of Series 1; and
- (b) the Flexi ABS Warehouse Trust No.3 in respect of Series 1.

Disposing Trust Charge means each of:

- (a) the charge created pursuant to the deed entitled "Flexi ABS Trust 2010-2 – Series 1 Deed of Charge" dated 4 November 2010 between the relevant Disposing Trustee and others; and
- (b) the charge created pursuant to the deed entitled "Flexi ABS Warehouse Trust No.3 – Series 1 Deed of Charge" dated 12 December 2011 between the relevant Disposing Trustee and others.

Disposing Trustee means Perpetual Corporate Trust Limited as trustee of each Disposing Trust.

Eligibility Criteria has the meaning given to it in Part 1.6.

Eligible Bank means any Bank with a rating equal to or higher than:

- (a) in the case of Moody's:
 - (i) a long term credit rating of "A2" and a short term rating of "P-1"; or
 - (ii) if the Bank does not have a short term rating from Moody's, a long term credit rating of "A1"; and
- (b) in the case of Fitch, a long term credit rating of "A" or a short term credit rating of "F1",

or such other credit ratings by the Designated Rating Agency as may be notified by the Series Manager to the Issuer from time to time provided that the Series Manager has delivered a Rating Notification in respect of such other credit ratings.

Eligible Receivable means a Receivable that complies with the Eligibility Criteria on the Closing Date.

Encumbrance means any:

- (a) 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 and any "security interest" as defined in Sections 12(1) or (2) of the PPSA; or
- (b) 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
- (c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or
- (d) 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 the Servicer and/or the Issuer in connection with the enforcement of any Receivable or any Related Security in respect of the Series in accordance with the Transaction Documents.

Euroclear means Euroclear Bank, S.A./N.V..

Event of Default has the meaning given to it in Part 5.8.

Excluded Series Receivable means any Series Receivable in respect of which the Originator has subscribed for Class G Notes in accordance with clause 7.1(a)(iv) ("Funding or repurchase") of the Issue Supplement.

Extraordinary Resolution means a resolution that is passed by 75% of votes cast by the Voting Secured Creditors present and entitled to vote at a meeting or a written resolution of the Voting Secured Creditors made in accordance with the Master Security Trust Deed.

Fitch means Fitch Australia Pty Ltd (ABN 93 081 339 184).

Flexigroup GST Group means the GST group with Flexirent Capital Pty Limited as the representative member.

Further Liquidity Shortfall means, on a Determination Date, the amount (if positive) equal to:

A – B

where:

A = the Payment Shortfall on that Determination Date.

B = the Principal Draw on that Determination Date.

General Security Deed means the document entitled “Flexi ABS Trust 2019-2 General Security Deed– Series 2019-2” between the Issuer and the Security Trustee.

GST means any goods and services tax, value added tax or similar tax imposed by the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia.

Income Collections has the meaning given to it in Part 4.5.

Ineligible Amount means, in respect of a Payment Date, an amount equal to:

- (a) the aggregate Outstanding Balance (calculated as at the immediately preceding Determination Date) of all Series Receivables (which was an Ineligible Receivable on the Closing Date or which is a Terminated Receivable) in respect of which the Originator has not complied with its obligations under clause 7.1 (“Funding or repurchase”) of the Issue Supplement; less
- (b) the aggregate of all amounts allocated under Part 4.10(x) on any prior Payment Dates in respect of such Series Receivables.

Ineligible Receivable means a Receivable that is not an Eligible Receivable.

Initial Derivative Contract (CBA) means the ISDA Master Agreement (including the schedule, credit support annex and any confirmations) dated on or about the date of this Information Memorandum between the Issuer, the Series Manager and Commonwealth Bank of Australia.

Initial Derivative Contract (NAB) means the ISDA Master Agreement (including the schedule, credit support annex and any confirmations) dated on or about the date of this Information Memorandum between the Issuer, the Series Manager and National Australia Bank Limited.

Initial Invested Amount means:

- (a) for each Note (other than a Class F Note and a Class G Note), the amount of A\$10,000;
- (b) for each Class F Note, the amount of A\$1,000; and
- (c) for each Class G Note, such amount as may be determined by the Series Manager in accordance with clause 7.1(b) (“Funding or repurchase”) of the Issue Supplement.

Insolvent means 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 the Series Manager, in the case of the solvency of 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 Series 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

something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

The reference to “person” in the above definition of “Insolvent”, when used in respect of the Issuer or the Security Trustee, is a reference to the Issuer or the Security Trustee:

- (i) in its personal capacity; and
- (ii) (in the case of the Issuer) in its capacity as trustee of the Trust in respect of the Series,
- (iii) (in the case of the Security Trustee) in its capacity as trustee of the Security Trust,

but not the Issuer or the Security Trustee in its capacity as trustee of any other trust or (in the case of the Issuer) in its capacity as trustee of the Trust in respect of any Other Series.

Interest Period means, in respect of a Note, the period commencing on and including) a Payment Date for that Note and ending on (but excluding) the next Payment Date for that Note, except that the first Interest Period will commence on (and include) the Issue Date and end on (but exclude) the first Payment Date for that Note.

Interest Rate in respect of a Note, has the meaning given to it in Part 1.1

Interest Rate Swap means each interest rate swap transaction which is entered into under an Interest Rate Swap Agreement.

Interest Rate Swap Agreement means each of the Interest Rate Swap Agreement (NAB) and the Interest Rate Swap Agreement (CBA).

Interest Rate Swap Agreement (CBA) means the ISDA Master Agreement (including the schedule, credit support annex and any confirmations forming part of it) between the Issuer, the Series Manager and Commonwealth Bank of Australia.

Interest Rate Swap Agreement (NAB) means the ISDA Master Agreement (including the schedule, credit support annex and any confirmations forming part of it) between the Issuer, the Series Manager and National Australia Bank.

Interest Rate Swap Provider means each relevant person specified as such in Part 1.3.

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.

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

Issue Date means the date of issue of the Notes.

Issue Supplement means the document entitled “Flexi ABS Trust 2019-2 Issue Supplement - Series 2019-2” between the Series Manager, the Issuer and the Security Trustee.

Issuer has the meaning given to it in Part 1.3.

Issuer’s Fee means the fees payable to the Issuer in accordance with clause 11.2 (“Issuer’s fee”) of the Issue Supplement.

Joint Lead Managers means the persons specified as such in Part 1.3.

Liquidity Advance means a drawing made under Part 5.10(b), and includes any withdrawal from the Collateral Account which is deemed to be a Liquidity Advance in accordance with Part 5.10(d)(iii).

Liquidity Draw has the meaning given to it in Part 4.8.

Liquidity Facility means a facility available to be drawn to fund the Liquidity Draws under the Liquidity Facility Agreement.

Liquidity Facility Agreement means the agreement entitled “Flexi ABS Trust 2019-2 Liquidity Facility Agreement - Series 2019-2” dated on or about 22 November 2019 entered into between the Issuer, the Series Manager and the Liquidity Facility Provider.

Liquidity Facility Availability Period has the meaning given to it in Part 5.10(g).

Liquidity Facility Provider means National Australia Bank Limited or any other provider of the Liquidity Facility from time to time.

Liquidity Limit has the meaning given to it in Part 5.10(h).

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 capitalised interest); less
- (b) any repayments or prepayments of all such Liquidity Advances made by the Trustee on or before that time.

Losses means, for a Collection Period, the aggregate losses (as determined by the Servicer) for all Series Receivables which arise during that Collection Period after all enforcement action has been taken by the Servicer (in accordance with the Master Servicing Deed) in respect of any Series Receivables and its Related Security and after taking into account:

- (a) all proceeds received as a consequence of enforcement under any Series Receivables (less the relevant Enforcement Expenses);

- (b) any payments received from the Series Manager, the Servicer or any other person for a breach of its obligations under the Transaction Documents,

and “Loss” has a corresponding meaning.

Management Deed means the document entitled “Flexirent Management Deed” dated 12 February 2010 between the Issuer and Flexirent Capital Pty Ltd and to which the Series Manager is bound, as amended.

Master Sale Deed means the deed entitled “Certegy Master Sale Deed” dated on or about 12 February 2010 between the Issuer and others to which the Series Manager is bound, as amended.

Master Servicing Deed means the deed entitled “Flexirent Master Servicing Deed” dated 12 February 2010 between the Issuer and Flexirent Capital Pty Ltd and to which the Series Manager is bound, as amended.

Master Security Trust Deed means the document entitled “Flexirent Master Security Trust Deed” dated 12 February 2010 between the Issuer and others and to which the Series Manager is bound, as amended.

Master Trust Deed means the document entitled “Flexirent Master Trust Deed” dated 12 February 2010 between the Issuer and Flexirent Capital Pty Ltd and to which the Series Manager is bound, as amended.

Material Adverse Effect means a material adverse effect on the Issuer’s ability to comply with its obligations under any Transaction Documents.

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 to a Noteholder (other than a Class F Noteholder or a Class G Noteholder) or the timing of any such payment.

Maturity Date has the meaning given to it in Part 1.1.

Moody’s means Moody’s Investors Service Pty Limited.

Notes means:

- (a) a Class A1 Note;
- (b) a Class A1-G Note;
- (c) a Class B-G Note;
- (d) a Class C-G Note;
- (e) a Class D-G Note;
- (f) a Class E-G Note;
- (g) a Class F Note; and
- (h) a Class G Note.

Note Deed Poll means the deed entitled “Flexi ABS Trust 2019-2 Note Deed Poll - Series 2019-2” signed by the Issuer.

Noteholder means, for a Note, each person whose name is entered in the Note Register for the Series as the holder of that Note. If a Note is held in a Clearing System, references to the Noteholder of that Note include the operator of that Clearing System or its nominee, depository

or common depository (in each case acting in accordance with the rules and regulations of the Clearing System).

Notice of Creation of Security Trust means the document entitled “Flexi ABS Trust 2019-2 - Series 2019-2 Notice of Creation of Security Trust” dated 4 October 2019 signed by the Security Trustee.

Notice of Creation of Trust means the document entitled “Flexi ABS Trust 2019-2 Notice of Creation of Trust” dated 4 October 2019 signed by the Issuer.

Novation Agreement means each of:

- (a) the document entitled “Novation Agreement” dated on or about the date of the Issue Supplement between the Issuer, Commonwealth Bank of Australia and others; and
- (b) the document entitled “Novation Agreement” dated on or about the date of the Issue Supplement between the Issuer, National Australia Bank Limited and others.

Obligor means any person who is obliged to make payments either jointly or severally to the Originator or the Issuer in connection with a Receivable or Related Security, as applicable.

Obligor Taxes means any amount received by, or on behalf of, the Issuer in respect of a Series Receivable from the relevant Obligor in respect of GST or other Taxes in respect of that Series Receivable (not being an amount which the Issuer is liable to pay to a government agency).

Offered Notes means the Class A1 Notes, Class A1-G Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes and Class E-G Notes.

Original Outstanding Balance means, in respect of a Receivable, the amount specified as such for that Receivable in the relevant Reallocation Notice.

Originator means Certegy Ezi-Pay Pty Ltd (ABN 28 129 228 986).

Other Income means, in respect of a Collection Period, any miscellaneous income (other than amounts in respect of Excluded Series Receivables or income received from any Cash Collateral (as defined in the relevant Interest Rate Swap Agreement)) or other amounts otherwise not included in Available Income or Total Available Principal received or to be received by the Issuer during the relevant Collection Period (but excluding any Obligor Taxes in respect of that Collection Period).

Other Series means any series relating to the Trust other than the Series.

Outstanding Balance means, at any time in respect of a Receivable:

- (a) the Original Outstanding Balance of that Receivable; less
- (b) the aggregate of all principal payments received in respect of that Receivable, prior to that time, by or on behalf of the Issuer.

Part means a part within this Information Memorandum.

Participation Unitholder such person who holds a Participation Unit from time to time.

Participation Unit means the participation unit in the Trust issued pursuant to the Master Trust Deed and the Notice of Creation of Trust.

Payment Date has the meaning given to it in Part 1.2.

Payment 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.

B = the Available Income on that Determination Date.

If this calculation is negative, the Payment Shortfall is equal to zero.

Permitted Encumbrance means:

- (a) the General Security Deed; and
- (b) any Encumbrance arising under any other Transaction Document.

PPSA means:

- (a) the Personal Property Securities Act 2009 (Cth) (**PPS Act**);
- (b) any regulations made at any time under the PPS Act;
- (c) any provision of the PPS Act or regulations referred to in paragraph (b) above; and
- (d) any amendment to any of the above, made at any time.

Principal Collections has the meaning given to it in Part 4.2.

Principal Draw has the meaning given to it in Part 4.7.

Pro-rata Paydown Conditions has the meaning given to it in Part 1.2.

Reallocation and Reallocated means reallocation of series assets from one series of the Trust to another series of the Trust or to a series of a different trust with the same trustee in accordance with the Master Trust Deed.

Reallocation Notice means each Reallocation Notice (as defined in the Master Trust Deed) from a Disposing Trustee and the Series Manager to the Issuer.

Receivable Terms means, in respect of a Receivable or any Related Security, any agreement or other document that evidences the Obligor's payment or repayment obligations or any other terms and conditions of that Receivable or Related Security.

Receivables means any financial assets, including without limitation a loan, hire-purchase, lease or debt owned pursuant to a trade receivable or any other receivable or other form of monetary obligation.

Receiver includes a receiver or receiver and manager.

Redemption Amount means, on any day in respect of a Note an amount equal to:

- (a) the aggregate of:
 - (i) the Invested Amount of that Note; and
 - (ii) all accrued and unpaid interest in respect of that Note, on that day; or
- (b) such lesser amount as may be approved by an Extraordinary Resolution of the Noteholders of that Class of Notes.

Related Entity has the meaning it has in the Corporations Act.

Related Security means, at any time in respect of a Receivable, any Encumbrance given as security for that Receivable which is then, or is immediately to become, a Series Asset of the Series, but excluding any such Encumbrance in respect of a Series Receivable which has become an Excluded Series Receivable.

Relevant Party means each party to a Transaction Document other than the Issuer and the Security Trustee.

Required Payments means, in respect of a Payment Date, the aggregate of payments payable on that Payment Date in accordance with Part 4.10(a) to Part 4.10(j).

Residual Unitholder such person who holds a Residual Unit from time to time.

Residual Units means the residual units in the Trust issued pursuant to the Master Trust Deed and the Notice of Creation of Trust.

Secured Creditor means:

- (a) the Security Trustee (for its own account);
- (b) the Series Manager;
- (c) the Trust Administrator;
- (d) each Noteholder;
- (e) each Derivative Counterparty;
- (f) the Dealers;
- (g) the Servicer; and
- (h) the Liquidity Facility Provider.

Secured Money means all money that:

- (a) at any time;
- (b) for any reason or circumstance in connection with the Transaction Documents (including any transaction in connection with them);
- (c) whether at law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation); and
- (d) whether or not of a type within the contemplation of the parties at the date of the General Security Deed:
 - (i) the Issuer is or may become actually or contingently liable to pay to any Secured Creditor of the Series (including money by way of principal, interest, distributions, fees, costs, indemnities, guarantees, charges, duties or expenses, or payment of liquidated or unliquidated damages as a result of any breach of or default under or in connection with a Transaction Document); or
 - (ii) 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

- (iii) 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 Secured Property or any security interest in the General Security Deed following an act or omission on the Issuer's part; or
- (iv) 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:

- (a) 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;
- (b) whether the Issuer or the Secured Creditor of the Series is liable as principal debtor, as surety, or otherwise;
- (c) whether the Issuer is liable alone, or together with another person;
- (d) 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:
 - (i) the assignment was before, at the same time as, or after the date of the General Security Deed; or
 - (ii) the Issuer consented to or was aware of the assignment; or
 - (iii) the assigned obligation was secured before the assignment;
- (e) even if the General Security Deed was assigned to the Secured Creditor of the Series, whether or not:
 - (i) the Issuer consented to or was aware of the assignment; or
 - (ii) any of the Secured Money was previously unsecured;
- (f) whether or not the Issuer has a right of indemnity from the Series Assets.

Secured Property means all Series Assets which the Issuer acquires or to which the Issuer becomes entitled after the date of the General Security Deed.

Security Trust means the trust known as the "Flexi ABS Trust 2019-2 - Series 2019-2 Security Trust" established under the Master Security 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 Part 1.3.

Security Trustee's Fee means the fees payable to the Security Trustee in accordance with clause 11.3 ("Security Trustee's fee") of the Issue Supplement.

Senior Obligations means the obligations of the Issuer:

- (a) in respect of the Class A Notes any obligations ranking equally or senior to the Class A Notes (as determined in accordance with the order of priority set out in Part 4.10), at any time while the Class A Notes are outstanding; and
- (b) in respect of the Class B-G Notes and any obligations ranking equally or senior to the Class B-G Notes (as determined in accordance with the order of priority set out

in Part 4.10), at any time while the Class B-G Notes are outstanding but no Class A Notes are outstanding; and

- (c) in respect of the Class C-G Notes and any obligations ranking equally or senior to the Class C-G Notes (as determined in accordance with the order of priority set out in Part 4.10), at any time while the Class C-G Notes are outstanding but no Class A Notes or Class B-G Notes are outstanding; and
- (d) in respect of the Class D-G Notes and any obligations ranking equally or senior to the Class D-G Notes (as determined in accordance with the order of priority set out in Part 4.10), at any time while the Class D-G Notes are outstanding but no Class A Notes, Class B-G Notes or Class C-G Notes are outstanding; and
- (e) in respect of the Class E-G Notes and any obligations ranking equally or senior to the Class E-G Notes (as determined in accordance with the order of priority set out in Part 4.10), at any time while the Class E-G Notes are outstanding but no Class A Notes, Class B-G Notes, Class C-G Notes or Class D-G Notes are outstanding; and
- (f) 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 Part 4.10), at any time while the Class F Notes are outstanding but no Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G Notes are outstanding; and
- (g) under the Transaction Documents generally, at any time while no Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes, Class E-G Notes or Class F Notes are outstanding.

Series means the Series 2019-2.

Series Assets has the meaning given in Part 5.4.

Series Business means the business of the Issuer in:

- (a) acquiring Receivables and any Related Securities;
- (b) administering, collecting and otherwise dealing with the Receivables and any Related Securities;
- (c) issuing Notes;
- (d) entering into, and exercising rights or complying with obligations under, the Transaction Documents to which it is a party and the transactions in connection with them; and
- (e) any other activities in connection with the Series.

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 but excluding any amount of a type otherwise referred to in Part 4.10 ("Application of Total Available Income (prior to an Event of Default)") or Part 4.16 ("Excluded Series Receivables").

Series Manager such person who is, from time to time, acting as Series Manager pursuant to the Transaction Documents. The initial Series Manager is specified in Part 1.3.

Series Manager's Fee means the fees payable to the Series Manager in accordance with clause 11.1 ("Manager's fee") of the Issue Supplement.

Series Manager Termination Event has the meaning given to it in Part 5.5.

Series Receivables means, at any time, a Receivable which is then or is immediately to become, a Series Asset of the Series, but excluding any Series Receivable which has become an Excluded Series Receivable.

Series Receivables (CBA) means Series Receivables which were assigned to the Trust (in accordance with the relevant Reallocation Notice) from the Flexi ABS Trust 2010-2 in respect of Series 1.

Series Receivables (NAB) means Series Receivables which were assigned to the Trust (in accordance with the relevant Reallocation Notice) from the Flexi ABS Warehouse Trust No.3 in respect of Series 1.

Servicer means such person who is, from time to time, acting as Servicer pursuant to the Transaction Documents. The initial Servicer is specified in Part 1.3.

Servicer Default has the meaning given to it in Part 5.7.

Servicing Deed means:

- (a) the Master Servicing Deed; and
- (b) any other agreement which the Issuer and the Series Manager agree is a Servicing Deed and a Transaction Document.

Servicing Guidelines means the guidelines relating to the origination, servicing and collection procedures (including enforcement) as agreed by the Series Manager and the Servicer and provided to the Issuer (as such guidelines may be amended by the Series Manager from time to time in accordance with the Master Servicing Deed).

Subsidiary has the same meaning as in the Corporations Act.

Stated Amount means, at any time in respect of a Note, an amount equal to:

- (a) the Invested Amount of that Note; less
- (b) the amount of any Carryover Charge-Offs which have been allocated to that Note under Part 4.12 prior to that time which have not been reimbursed on or before that time under Part 4.13.

Tax means includes any levy, charge, impost, fee, deduction, stamp duty, financial institutions duty, bank account debit tax, GST 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 the overall net personal income of the Issuer or the Security Trustee and **Taxes** and **Taxation** shall be construed accordingly.

Tax Account means a ledger account of the Collection Account styled as the "Tax Account" to be established by the Issuer and maintained in accordance with clause 12.2 ("Tax Account") of the Issue Supplement.

Tax Amount means, in respect of a Payment Date, the amount (if any) of Tax that the Series 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 as set aside under clause 12.2 ("Tax Account") of the Issue Supplement.

Tax Shortfall means, in respect of a Payment Date, the amount (if any) determined by the Series Manager to be the shortfall between the aggregate Tax Amounts determined by the Series Manager in respect of previous Payment Dates and the amounts set aside and retained in the Tax Account on previous Payment Dates.

Terminated Receivable means a Receivable which is noted as a non-valid contract in the Originator's systems, that does not require the Originator to advance funds to a retailer, or having advanced funds to the retailer, allows the Originator to recover outstanding funds back from the retailer.

Title Perfection Event means the occurrence of any of the following events:

- (a) the Seller becomes Insolvent;
- (b) so long as the Servicer is Flexirent Capital Pty Limited, the Servicer becomes Insolvent;
- (c) so long as the Servicer is Flexirent Capital Pty Limited, the Servicer does not pay any amount payable by it under any Transaction Document on time and in the manner required under the Transaction Documents (including a failure to remit Collections in accordance with the Transaction Documents) unless, in the case of a failure to pay on time, the Servicer pays the amount within 3 Business Days of notice from the Issuer or the Series Manager requiring such payment to be made in accordance with the Transaction Documents;
- (d) a representation or warranty made by the Originator under section 1.7 is found to have been incorrect when made, where,
 - A. such breach has a Material Adverse Effect; and
 - B. such breach is not remedied, so that it no longer has a Material Adverse Effect, within 20 Business Days (or such longer period as the Issuer may agree to) of notice of such breach being given to the Originator by the Series Manager, the Issuer or the Security Trustee; or
- (e) a Servicer Default occurs.

Total Available Income has the meaning given to it in Part 4.9.

Total Available Principal has the meaning given to it in Part 4.3.

Total Notional Amount, in respect of a Payment Date, means the aggregate of:

- (a) the amount specified in the confirmation under the Initial Derivative Contract (CBA) as the "Notional Amount" applicable to that Payment Date; and
- (b) the amount specified in the confirmation under the Initial Derivative Contract (NAB) as the "Notional Amount" applicable to that Payment Date.

Transaction Documents means:

- (a) each of the following to the extent they apply to the Series:
 - (i) the Master Security Trust Deed;
 - (ii) the Master Trust Deed;
 - (iii) the Master Sale Deed;
 - (iv) the Notice of Creation of Trust;
 - (v) the Management Deed;
 - (vi) the Trust Administration Deed;

- (vii) the Master Servicing Deed;
- (b) the Issue Supplement;
- (c) the Notice of Creation of Security Trust;
- (d) the General Security Deed;
- (e) the Note Deed Poll;
- (f) the Conditions;
- (g) the Dealer Agreement
- (h) the Backup Servicing Agreement;
- (i) each Derivative Contract;
- (j) the Liquidity Facility Agreement;
- (k) the Deed of Retirement and Appointment;
- (l) each Novation Agreement;
- (m) each Reallocation Notice;
- (n) each Deed of Release; and
- (o) (subject to obtaining any consents which may be required under the Transaction Documents) any other documents designated by the Issuer and the Series Manager as such from time to time.

Trust means the Flexi ABS Trust 2019-2.

Trust Administration Deed means the document entitled "Flexirent Trust Administration Deed" dated 12 February 2010 between the Issuer and the Trust Administrator.

Trust Administrator means such person who is, from time to time, acting as Trust Administrator pursuant to the Transaction Documents. The initial Trust Administrator is specified in Part 1.3.

Trust Administrator Termination Event has the meaning given to it in Part 5.6.

Underlying Document means, in respect of a Receivable, the Receivable Terms that apply to that Receivable.

Unitholder means each Residual Unitholder and each Participation Unitholder.

Voting Secured Creditors means, at any time:

- (a) if any Class A Notes are outstanding:
 - (i) the Class A Noteholders; and
 - (ii) any Secured Creditors ranking equally or senior to the Class A Noteholders (as determined in accordance with the order of priority set out in Part 4.15);
- (b) if Class B-G Notes, but no Class A Notes, remain outstanding:

- (i) the Class B-G Noteholders; and
 - (ii) any Secured Creditors ranking equally or senior to the Class B-G Noteholders (as determined in accordance with the order of priority set out in clause Part 4.15);
- (c) if Class C-G Notes, but no Class A Notes or Class B-G Notes, remain outstanding:
- (i) the Class C-G Noteholders; and
 - (ii) any Secured Creditors ranking equally or senior to the Class C-G Noteholders (as determined in accordance with the order of priority set out in Part 4.15);
- (d) if Class D-G Notes, but no Class A Notes, Class B-G Notes or Class C-G Notes, remain outstanding:
- (i) the Class D-G Noteholders; and
 - (ii) any Secured Creditors ranking equally or senior to the Class D-G Noteholders (as determined in accordance with the order of priority set out in Part 4.15);
- (e) if Class E-G Notes, but no Class A Notes, Class B-G Notes, Class C-G Notes or Class D-G Notes, remain outstanding:
- (i) the Class E-G Noteholders; and
 - (ii) any Secured Creditors ranking equally or senior to the Class E-G Noteholders (as determined in accordance with the order of priority set out in Part 4.15); and
- (f) if Class F Notes, but no Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes or Class E-G 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 Part 4.15);
- (g) if no Class A Notes, Class B-G Notes, Class C-G Notes, Class D-G Notes, Class E-G Notes or Class F Notes remain outstanding, the remaining Secured Creditors.

Wilful Default means, in relation to the Issuer or the Security Trustee, any Wilful Default to comply with, or wilful breach of the Issuer or the Security Trustee (as the case may be) of any of its obligations under any Transaction Document, other than where such failure or breach:

- (a) is caused by a failure by another person to act where that act is a precondition to the act of that person;
- (b) is in accordance with a lawful court order or direction or required by law; or
- (c) is in accordance with an instruction or direction of:
 - (i) in the case of the Issuer, the Series Manager or the Trust Administrator given in accordance with the Transaction Documents; and
 - (ii) in the case of the Security Trustee, the Secured Creditors.

Directory

Originator

Certegy Ezi-Pay Pty Limited
Level 7, 179 Elizabeth Street
Sydney NSW 2000

Trust Administrator and Series Manager

FlexiGroup Management Pty Ltd
Level 7, 179 Elizabeth Street
Sydney NSW 2000

Issuer

Perpetual Corporate Trust Limited
Level 18, 123 Pitt Street
Sydney NSW 2000

Security Trustee

P.T. Limited
Level 18, 123 Pitt Street
Sydney NSW 2000

Joint Lead Manager, Dealer and Interest Rate Swap Provider

Commonwealth Bank of Australia
Ground Floor, Darling Park Tower 1
201 Sussex Street
Sydney NSW 2000

Arranger, Joint Lead Manager and Dealer, Interest Rate Swap Provider and Liquidity Facility Provider

National Australia Bank Limited
Level 32, 500 Bourke Street
Melbourne VIC 3000

Servicer

Flexirent Capital Pty Ltd
Level 7, 179 Elizabeth Street
Sydney NSW 2000

Backup Servicer

illion Australia Pty Ltd
Ground floor, 479 St Kilda Road
Melbourne VIC 3004

NEW SOLAR MERCHANT

INSERT trading as INSERT

Director/ s	INSERT	Yes	No	ABN	INSERT
No GO List		<input type="checkbox"/>	<input type="checkbox"/>	Evidence (Yes/No)	
ASIC Search completed		<input type="checkbox"/>	<input type="checkbox"/>	(Yes/No) - Active from INSERT	
Veda Search completed (comprehensive)		<input type="checkbox"/>	<input type="checkbox"/>	Adverse Veda (Yes/No)	
Solar Review Link		<input type="checkbox"/>	<input type="checkbox"/>	Link found (Yes/No)	
Website		<input type="checkbox"/>	<input type="checkbox"/>	(Active/None)	
Media Searches completed		<input type="checkbox"/>	<input type="checkbox"/>	adverse forums present (Yes/No)	
Adverse Findings		<input type="checkbox"/>	<input type="checkbox"/>	Adverse findings (Yes/No)	
Cooling Off & T & C's		<input type="checkbox"/>	<input type="checkbox"/>	T & C's (Confirmed/Non-compliant) (Unsolicited/Solicited)	
Review				(Approved/Rejected)	

Additional Comments / Recommendations

INSERT

FINAL OUTCOME: **(APPROVED/REJECTED)**

Review by: INSERT

Date: INSERT

Flexi ABS Trust 2019-2

Presale

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Related Presale Appendix

[Flexi ABS 2019-2 Trust - Appendix](#)

Related Criteria

[Global Structured Finance Rating Criteria \(May 2019\)](#)

[Consumer ABS Rating Criteria \(January 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(April 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(April 2019\)](#)

[Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds – Excel File \(March 2019\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(June 2019\)](#)

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Capital Structure

Class	Expected Rating	Outlook	Amount (AUDm)	Credit Enhancement	Final Maturity
A1	AAA(EXP)sf	Stable	137.69	25.8%	Apr 2025
A1-G	AAA(EXP)sf	Stable	44.10	25.8%	Apr 2025
B-G	AA+(EXP)sf	n.a.	19.84	17.7%	Apr 2025
C-G	A(EXP)sf	n.a.	16.91	10.8%	Apr 2025
D-G	BBB(EXP)sf	n.a.	10.04	6.7%	Apr 2025
E-G	BB+(EXP)sf	n.a.	4.17	5.0%	Apr 2025
F	NR(EXP)sf	n.a.	12.25	0.0%	Apr 2025
Total			AUD245.0		

Expected ratings do not reflect final ratings and are based on information provided by the issuer as of 4 October 2019. These expected ratings are contingent on final documents conforming to information already received. Ratings are not a recommendation to buy, sell or hold any security. The offering circular and other material should be reviewed prior to any purchase.

Transaction Summary

Fitch Ratings has assigned expected ratings to Flexi ABS Trust 2019-2's pass-through floating-rate notes. The issuance consists of notes backed by a pool of first-ranking Australian unsecured consumer receivables, branded as 'hummm', and originated by Certegey Ezi-Pay Pty Ltd (not rated), a wholly owned subsidiary of FlexiGroup Limited (flexigroup). The notes will be issued by Perpetual Corporate Trust Limited as trustee for Flexi ABS Trust 2019-2 (the issuer).

Key Rating Drivers

Obligor Default Risk: Default rates have been stable since 2015, despite falling weighted-average (WA) customer-deposit rates. A greater proportion of Certegey's originations are from repeat customers with a demonstrated performance history. We assumed a WA default rate of 5.0% based on the sound performance of Certegey's previous comparable transactions and a WA default multiple of 5.0x for 'AAAsf', which reflects the default data of a benign economic period, the data's relative volatility and a higher default base case for jewellery and other items.

Fitch expects stable asset performance, supported by sustained economic growth in Australia. We forecast GDP growth of 2.3% in 2020, a stable labour market and low interest rates to support the Outlook of the rated notes.

Cash Flow Dynamics: Fitch completed full cash-flow modelling and determined that full and timely payment of principal and interest was made in all target rating scenarios.

Structural Risk: A liquidity facility is available to ensure stable cash flow for classes A1 to E-G notes as well as trust expenses. The transaction includes fixed-rate swaps with notionals based on a fixed schedule and derivative reserve accounts to trap excess spread to the extent that voluntary prepayments and defaults cause the transaction to be overhedged.

Counterparty Risk: The transaction includes structural mechanisms to ensure remedial action takes place if the ratings of the swap providers or trust account bank fall below a certain level.

Servicer, Operational Risks: Fitch reviewed the originator's underwriting and servicing capabilities and found that the operations of the originator and servicer were comparable with those of other consumer-finance lenders. Flexirent Capital Pty Ltd (servicer) is not rated and servicer disruption risk is mitigated via back-up arrangements. The nominated back-up servicer is illion Australia Pty Ltd, which has live access to the servicer's systems and can step in immediately upon servicer termination.

Portfolio Characteristics

Current balance (AUD)	243,439,672
Number of receivables	89,165
Average balance (AUD)	2,730
WA seasoning (months)	4.9
WA current remaining maturity (months)	31.6
Solar (%)	47.0
Home items(%)	16.2
Others (%)	23.7
Jewellery (%)	13.1
Pool cut-off date	26 Sep 2019

Source: Fitch Ratings

Key Differences to Previous Flexi ABS (Certegy) Transactions

The transaction structure for Flexi 2019-2 does not include a short-term class A1 note, which was a feature of Flexi ABS Trust 2019-1. The 'AAAsf' rated class A notes are now made up of a class A1 and A1-G notes. Climate bond certified green bonds are again a feature of Flexi 2019-2 and make up a greater portion of note issuance (38.8%) than Flexi 2019-1 (30.3%).

Flexi 2019-2 uses a liquidity facility to cover interest shortfalls in contrast with Flexi 2019-1, which utilised a liquidity reserve funded by issuance proceeds.

Pool characteristics are similar to those of previous transactions, with home products, including solar equipment, remaining dominant. However, the proportion of solar equipment has increased from that in Flexi 2019-1 to 47.0% of the current portfolio; the WA yield has fallen to 14.4%, from 15.3%; the average deposit percentage has shrunk to 6.8%, from 7.6%; and the average contract balance has increased to AUD2,730, from AUD2,364.

Base-Case Assumptions and Credit Enhancement Levels

Base-Case Loss and Recovery Summary

	Pool (%)	Gross loss (%)	Recovery rate (%) ^c	Net loss (%)
Solar energy	47.0	4.0	0.0	4.0
Home items	16.2	4.5	0.0	4.5
Others	23.7	6.2	0.0	6.2
Jewellery	13.1	7.2	0.0	7.2
Portfolio weighted	100.0^a	5.0^b	0.0^b	5.0^b

^a Total pool percentage

^b Portfolio WA

^c Zero credit is given to recoveries for all product types

Source: Fitch Ratings

Credit Enhancement Levels

	Gross loss (%)	Recovery rate (%)	Net loss (%)	Current hard CE ^a (%)	Current buffer ^b (%)
AAAsf	25.2	0.0	25.2	25.8	0.6
AA+sf	21.8	0.0	21.8	17.7	0.0
Asf	15.1	0.0	15.1	10.8	0.0
BBBsf	11.1	0.0	11.1	6.7	0.0
BB+sf	8.7	0.0	8.7	5.0	0.0

^a Current hard CE; current subordination provided by the lower notes

^b Current buffer excludes credit given to excess spread

Source: Fitch Ratings

Expected Rating Sensitivity¹

Unanticipated increases in the frequency of defaults and loss severity on defaulted receivables could produce loss levels higher than Fitch's base case and is likely to result in a decline in credit enhancement (CE) and remaining loss-coverage levels available to the notes. Decreased CE may make certain note ratings susceptible to negative rating action, depending on the extent of the coverage decline. Hence, Fitch conducts sensitivity analysis by stressing a transaction's initial base-case assumptions.

This section provides insight into the model-implied sensitivities the transaction faces when one risk factor is stressed while holding others equal. The modelling process first uses the estimation and stress of base-case assumptions to reflect asset performance in a stressed environment and secondly, structural protection is analysed in a customised proprietary cash flow model (see [Cash Flow Analysis](#)). The results below should only be considered as one potential outcome as the transaction is exposed to multiple dynamic risk factors.

¹ These sensitivities only describe the model-implied effect of a change in one of the input variables to provide information about the sensitivity of the rating to model assumptions. It should not be used as an indicator of possible performance.

Related Research

[Auto ABS Index – Australia: The Dinkum](#)

[ABS Index – 2Q19 \(August 2019\)](#)

[Australia \(May 2019\)](#)

Expected Rating Sensitivity to Increased Default Rates

	Class A1/A1-G	Class B-G	Class C-G	Class D-G	Class E-G
Original Rating	AAAsf	AA+sf	Asf	BBBsf	BB+sf
Defaults increase 10%	AAAsf	AAsf	A-sf	BBB-sf	BB+sf
Defaults increase 25%	AA+sf	A+sf	BBBsf	BB+sf	BBsf
Defaults increase 50%	AAsf	A-sf	BBB-sf	BBsf	B+sf

Source: Fitch Ratings

Example – Interest-Free Receivable

Purchased item (AUD)	1,600.00
Deposit paid to retailer by customer (AUD)	-400.00
Amount due from customer (AUD)	1,200.00
Term (months)	12
Customer repayment per month (AUD)	100.00
Merchant fee paid by retailer (%)	10.00
Settlement to retailer (AUD)	1,080.00
Interest rate paid by customer (%)	0.0
Net discount by retailer (%)	7.5
Implicit yield created by merchant fee (%)	19.9
Principal recovered from customer (AUD)	1,080.00
Implied yield recovered from customer (%)	120.00
Total amount received from customer (AUD)	1,200.00

Source: Fitch Ratings, flexigroup

Fitch modelled various loss distributions and recovery profiles in our analysis, as well as prepayment speeds. Under Fitch’s ‘AAAsf’ rating, the class A notes can withstand more than 5.0x the WA expected base-case loss. For ‘AA+sf’ and ‘Asf’ ratings, the class B-G and C-G notes can withstand more than 4.4x and 3.0x, respectively, of expected base-case losses. For ‘BBBsf’ and ‘BB+sf’ ratings, the class D-G and E-G notes can withstand more than 2.2x and 1.7x, respectively, of expected base-case losses.

ESG Relevance Score



Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3. ESG issues are credit neutral or have only a minimal credit impact on the transaction, either due to their nature or the way in which they are being managed by the transaction.

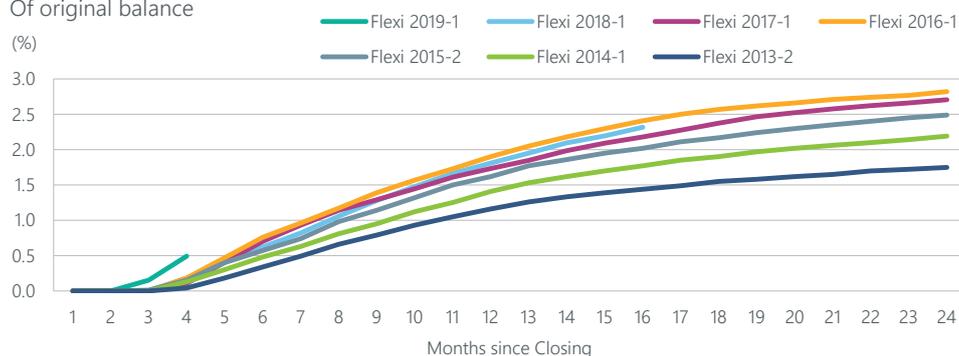
For more information on our ESG Relevance Scores, visit <https://www.fitchratings.com/site/esg>

Historical Performance

Historical net losses for Fitch-rated Flexi ABS (Certegy) transactions have remained under 3.0%. The portfolio WA net loss for previous Flexi ABS (Certegy) transactions was between 2.3% and 2.9%.

Losses Since Closing

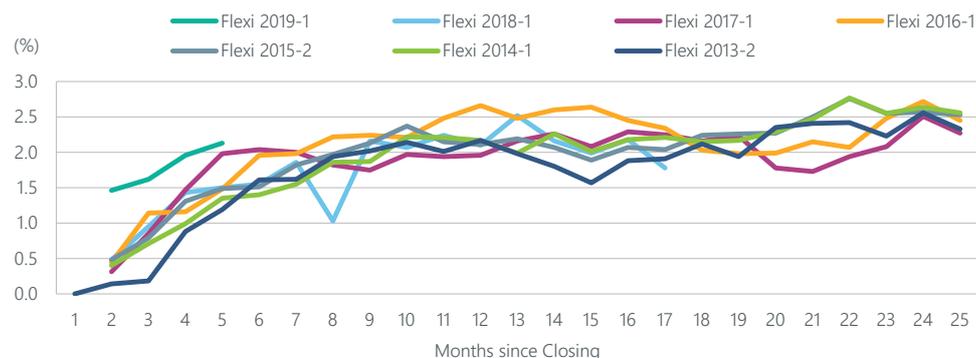
Of original balance (%)



Source: Fitch Rating, flexigroup

Delinquencies of more than 30 days have traditionally tracked below 2.9% for Fitch-rated Flexi ABS (Certegy) transactions.

Arrears Since Closing



Source: Fitch Ratings, flexigroup

Transaction Comparison Table

	Flexi ABS 2019-2	Flexi ABS 2019-1	Flexi ABS 2018-1	Flexi ABS 2017-1	Flexi ABS 2016-1	Flexi ABS 2015-2
Closing date	Nov 19	Mar 19	May 18	Feb 17	Apr 16	Jun 15
Total issuance (AUDm)	245.0	300.0	300.0	265.0	260.0	285.0
Final bond structure (%)^a						
Class A1	74.2	33.3	33.3	34.7	35.1	35.1
Class A2	0.0	42.8	44.2	42.8	42.5	43.9
Class B	8.1	6.1	5.1	5.1	4.8	6.0
Class C	6.9	5.6	5.9	5.9	5.7	4.5
Class D	4.1	3.7	4.0	4.0	4.0	3.5
Class E	1.7	3.5	2.5	2.5	3.0	2.0
Class F	5.0	5.0	5.0	5.0	5.0	5.0
Liquidity (%)^b	1.0^c	1.5^b	1.5^b	1.5^b	1.5^b	1.5^b
Liquidity floor (AUD)	500,000	500,000	500,000	500,000	500,000	500,000
Portfolio						
Collateral balance (AUDm)	243.4	295.7	295.7	261.2	256.2	280.9
Number of contracts	89,165	125,107	141,527	128,002	131,613	142,188
Average current balance per borrower (AUD)	2,730	2,364	2,090	2,041	1,947	1,976
Maximum contract balance (AUD)	23,609	22,648	19,442	19,792	19,233	18,875
WA seasoning (months)	4.9	5.7	6.8	5.2	5.3	5.6
WA remaining term to maturity (months)	31.6	29.5	25.4	24.4	22.9	22.5
WA yield (%)	14.4	15.3	16.5	17.8	18.1	18.3
WA deposit (%)	6.8	7.6	8.4	9.5	11.0	11.3
Solar (%)	47.0	43.2	40.0	38.7	39.0	43.1
Jewellery (%)	13.1	16.1	16.8	19.7	20.1	17.9
Roofing/shutters/gutters (%)	4.8	5.7	7.1	6.1	5.5	5.2
Furniture/bedding new (%)	3.9	4.0	4.7	4.8	5.1	5.0
Fitness equipment (%)	1.0	1.0	2.0	2.8	3.8	4.0
Vacuums (%)	1.5	1.2	1.5	2.5	3.2	3.1
Homewares (%)	1.4	2.1	3.4	3.2	3.1	3.3
Medical services (%)	9.3	5.8	4.1	3.1	2.4	2.0
Mobility, health and therapy (%)	2.0	2.1	2.3	2.3	1.9	2.2

^a Flexi ABS 2019-2 class A1 notes include A1-G notes. Flexi ABS 2019-1, 2018-1, 2017-1 and 2016-1 class A2 notes include class A2-G. Flexi ABS 2018-1, 2019-1 and 2019-2 class B note is B-G. Flexi ABS 2019-1 and 2019-2 class C note is C-G, Flexi ABS 2019-2 class D and E note is D-G and E-G respectively.

^b Liquidity reserve: funded at closing date by note issuance

^c Liquidity facility

Source: Fitch Ratings, flexigroup

Transaction Parties

Role	Name	Fitch Rating
Issuer	Perpetual Corporate Trust Limited as trustee of Flexi ABS Trust 2019-2	n.a.
Originator	Certegy Ezi-Pay Pty Ltd	n.a.
Servicer	Flexirent Capital Pty Ltd	n.a.
Trust manager	FlexiGroup Management Pty Ltd	n.a.
Security trustee	P.T. Limited	n.a.
Joint lead managers	Commonwealth Bank of Australia	AA-/Negative/F1+
	National Australia Bank Limited	AA-/Negative/F1+
Liquidity facility provider	National Australia Bank Limited	AA-/Negative/F1+
Collection account holder	Australia and New Zealand Banking Group Limited	AA-/Negative/F1+
Interest rate swap counterparties	Commonwealth Bank of Australia	AA-/Negative/F1+
	National Australia Bank Limited	AA-/Negative/F1+
Backup servicer	Illion Australia Pty Ltd	n.a.

Source: Fitch Ratings

Asset Analysis

Servicing and Origination

Certegy has been operating since 1989 and is a wholly owned subsidiary of flexigroup. Certegy offers a buy-now-pay-later (BNPL) payment plan to consumers, originated at point of sale through a range of merchants and industries. In April 2019, flexigroup rebranded Certegy's 'Ezi-Pay' offering, which is now originated under the brand 'hummm'.

Merchant sales staff complete a 'hummm' application using a written application or online, followed by phone authorisation from Certegy. Following receipt of a completed application, Certegy formally advises the merchant of approval. Certegy utilises various factors in its credit-approval process, including customer age, gender, postcode, consistent address, consistent employer, prior-known history and deposit amount. The approval process is generally completed within several minutes. Credit agency checks are made in certain circumstances. In all cases, merchant sales staff have no credit authority.

Portfolio Summary

The pool of eligible receivables totalled AUD243.4 million as of the cut-off date. The receivables collateral backing the portfolio financed a variety of products, ranging from jewellery and solar equipment to other household equipment. Solar equipment (47.0%), home items (16.2%) and jewellery (13.1%) make up the majority of financing. Other products financed include medical services and auto repair/services.

All receivables amortise fully over their terms, with an implied yield created by the charging of merchant fees on each contract. The implied interest rate is calculated based on the merchant fee and the size and frequency of repayments. Contracts are provided only to Australian resident borrowers and minimum age restrictions apply for all product types. The pool has an average receivable size of AUD2,730 and a maximum receivable contract balance of AUD23,609. Homeowners make up 57.4% of the pool.

All receivables pay fixed instalments and the WA borrower interest rate for the pool is 14.4%. Customers who previously used Certegy to finance goods make up 32.7% of the pool. Fitch has applied separate loss assumptions on various portions of the portfolio (see [Static Loss Analysis](#)) due to the distinct difference in historical experience

The pool's WA remaining term at the cut-off date was 31.6 months and WA seasoning was 4.9 months.

Geographic Concentration

The portfolio is geographically diversified throughout Australia. The diversity partially insulates the portfolio from regional downturns.

Eligibility Criteria

The receivables collateral backing the portfolio is eligible if it satisfies the following criteria on the closing date:

- The receivable is denominated and payable in Australian dollars.
- The obligor is not deemed to be insolvent.
- The receivable is capable of being assigned by the disposing trustee to the relevant trustee in accordance with the master trust deed and the reallocation notice
- The receivable is not the subject of any dispute, set-off, discount, refund or claim.
- The obligor is obliged to bear all costs of servicing, maintaining and repairing the receivable.
- No payment under the relevant underlying document has been rescheduled due to a breach relating to payment irregularities.
- The receivable is approved and originated by the originator in the ordinary course of business and in compliance with all applicable laws.
- The receivable is governed by the law of an Australian jurisdiction.
- At the cut-off date, the receivable does not have arrears greater than 14 days and is not otherwise in default.
- The term of the receivable is not more than 60 months.
- No modification or amendment has been made to the underlying document, except where made in accordance with the originator's standard policies and procedures for originating receivables.
- The receivable is not subject to the National Consumer Credit Protection Act 2009.
- The disposing trustee is the sole beneficial owner of the receivable and no encumbrance exists in relation to its right, title and interest
- The disposing trustee is entitled to assign the receivable in the relevant reallocation notice and no consent to the sale and assignment of the receivable is required to be given.
- The receivable is a valid obligation and enforceable against the relevant obligor.
- The originator has complied with its obligations under the underlying documents in respect of the receivable.
- There is no dispute between the originator and the relevant obligor in relation to the financing or other services or property which may result in the obligor disputing its liability to pay all or any part of that receivable.

Representations and Warranties

Asia-Pacific ABS transactions typically feature a country-specific standard set of representations and warranties (R&Ws) with regards to the mortgage collateral provided by the originator. Fitch's analysis focuses on assessing the risk of R&W breaches. Fitch expects an extensive performance history, a solid R&W record or structural protection. Effectively aligned incentives between originator and investor interests through retention arrangements can be viewed as an additional mitigant to the potential for R&W breaches.

Model, Criteria Application and Data Adequacy

flexigroup provided Fitch with at least five years of static gross loss data that was converted to annual originations. The annual static pool data were stratified into four sub-segments based on collateral type:

- Solar
- Home items
- Jewellery
- Other items

Fitch derived the expected base-case gross loss distribution curves for each of the static pools utilising the aforementioned data. The agency was also provided with annual origination data of the pool, segmented to mirror the static pool information. Given such segmentation, each of the loss proxies was weighted by the corresponding composition within annual originations, allowing Fitch to conduct an origination-specific vintage analysis.

Fitch used its own cash flow model in its analytical process to simulate stresses to a transaction and determine the sufficiency of available enhancement for each class. The agency customised its proprietary cash flow model to replicate the flow of funds outlined in the transaction documents, and grouped the loan collateral into representative pools based on the original and remaining loan-term, seasoning, and balloon amount.

flexigroup has provided Fitch with a comprehensive set of data, which includes the majority of data fields generally used in the agency's analysis of unsecured consumer receivables.

As part of its ongoing monitoring, Fitch conducted a review of a small targeted sample of the originator's files and found the information contained in the reviewed files to be adequately consistent with the originator's policies and practices and the other information provided to the agency about the asset portfolio. Prior to the transaction closing, Fitch sought to receive a third-party assessment conducted on the asset portfolio information, but none was made available to Fitch. Overall, Fitch's assessment of the asset pool information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

Credit Analysis

In addition to an underwriting and servicing review, Fitch analyses portfolio growth and performance as well as expected pool performance as measured by static data and overall portfolio characteristics.

Static Loss Analysis

To assess potential losses through a complete contract maturity cycle, Fitch analysed the static pool to determine an expected base-case loss estimate. Fitch has taken into consideration the concentration of asset types in the pool and the historical loss data of these asset types with at least 12 months' seasoning to determine a WA base-case loss assumption of 5.0%.

Stresses were then applied to the base-case default assumption to determine credit enhancement for higher-investment-grade ratings.

Cash Flow Analysis

Fitch customises its proprietary cash flow model to replicate the flow of funds outlined in the documentation. Performance variables include loss distribution, losses, prepayment rates, and coupon rates.

Modelling Assumptions

	(%)
WA base-case gross loss	5.0
WA recovery rate	0.0
Lag between default and charge-off (months)	4
WA lending rate (%)	14.4
Base-case prepayment rate	9.0
Senior expense floor per annum (AUD)	355,000

Source: Fitch Ratings

From a cash flow perspective, the collateral balance is reduced either through principal collections or losses, both of which are passed through to investors as principal payments or realised losses. Excess spread is compressed in this environment, since no interest is collected on delinquent receivables, and collateral life is shortened through high defaults and prepayments. A shortfall in principal payments to investors will occur unless excess spread is sufficient to cover losses.

Fitch also stressed factors such as the timing of defaults and the lag between default and note charge-offs. A worst-case scenario results in more defaults in the later stages of the deal and fewer defaults in the earlier period. This back-loaded loss scenario stresses potential tail-end risks resulting from the amortisation of the junior tranches in the pro rata period.

Recoveries were analysed taking into consideration historical performance. Due to the small-ticket, depreciable and non-recourse nature of the assets, the servicer's (Flexirent) collections team assesses whether the economic value upon recovery exceeds the economic cost of collections and sale on a case-by-case basis. To this point, Fitch has applied a conservative assumption of a zero recovery value in the event of borrower default.

The agency also stressed the timing lag between default and note charge off; this factors in any carry costs, as the longer the time period, the greater the strain on transaction cash flow. Full and timely payment of principal and interest was made to each respective Fitch-rated note class in each modelled rating scenario.

The following multiples are applied to the base-case expectation to determine the default rate for each rating scenario. The multiples are used with Fitch's proprietary cash-flow model and stresses are applied to the base-case loss assumption to determine credit enhancement for investment-grade ratings.

Rating Loss Multiples

Rating category	Rating multiples ^a	Solar energy	Jewellery	Home items	Other items
AAAsf	4.0 – 6.0	5.0	4.5	5.3	5.3
AAsf	3.2 - 4.8	4.0	3.6	4.2	4.2
Asf	2.4 – 3.6	3.0	2.7	3.2	3.2
BBBsf	1.8 – 2.6	2.2	2.0	2.3	2.3
BBsf	1.2 – 1.8	1.5	1.4	1.6	1.6

^a Represents Fitch loss multiple ranges
Source: Fitch Ratings

Default Distribution

Months (%)

Home Items & Others	1-2	3-4	5-6	7-8	9-16
Front	25.7	21.9	18.1	14.3	20.0
Even	12.5	12.5	12.5	12.5	50.0
Back	2.0	4.5	7.2	9.7	76.6
Jewellery	1-2	3-4	5-6	7-8	9-13
Front	34.6	27.3	20.0	12.7	5.4
Even	18.2	18.2	18.2	18.2	27.2
Back	3.6	8.3	13.1	17.9	57.1
Solar	1-9	10-15	16-21	22-27	28-38
Front	54.7	24.6	15.1	5.6	0.0
Even	29.0	19.4	19.4	29.0	3.2
Back	7.6	12.8	18.9	32.1	28.6

Source: Fitch Ratings

In each modelled rating scenario, full and timely payment of principal and interest was made to the class A1 and A1-G notes.

Concentration Risk

The underlying pool is made up of 89,165 receivables, with the maximum receivable contract balance being AUD23,609. Concentration risk may arise due to the inclusion in the structure of a principal pro rata payment method (see [Pro Rata Paydown Test](#)).

We expect the aggregate invested balance of the notes to be AUD24.5 million at the call date, while the subordination percentage of the class A notes will be at least 34%, subject to performance triggers. Losses on any one receivable can at this point form a more significant proportion of available subordination than in similar transactions with sequential paydown structures.

Capital Structure at Call

Class	Amount (AUDm)	TT (%)	Credit enhancement (%)	Subordination (AUDm)	Cumulative number of largest contracts ^a
A1	12.2	50.0	34.0	8.3	525
A1-G	3.9	16.0	34.0	8.3	525
B-G	2.6	10.7	23.3	5.7	336
C-G	2.2	9.1	14.2	3.5	188
D-G	1.3	5.4	8.8	2.1	108
E-G	0.5	2.2	6.6	1.6	77
F	1.6	6.6	0.0	0.0	n.a.

Total **24.5**

^a Based on loan balance as of the cut-off date
Source: Fitch Ratings

Fitch tested for concentration risk at the call date; the agency's model takes into consideration this concentration risk by analysing a default of the largest receivables and its effect on the rating of the senior notes. Concentration risk is mitigated by the granular nature of the pool and the fact that higher-risk asset types repay within a relatively short time.

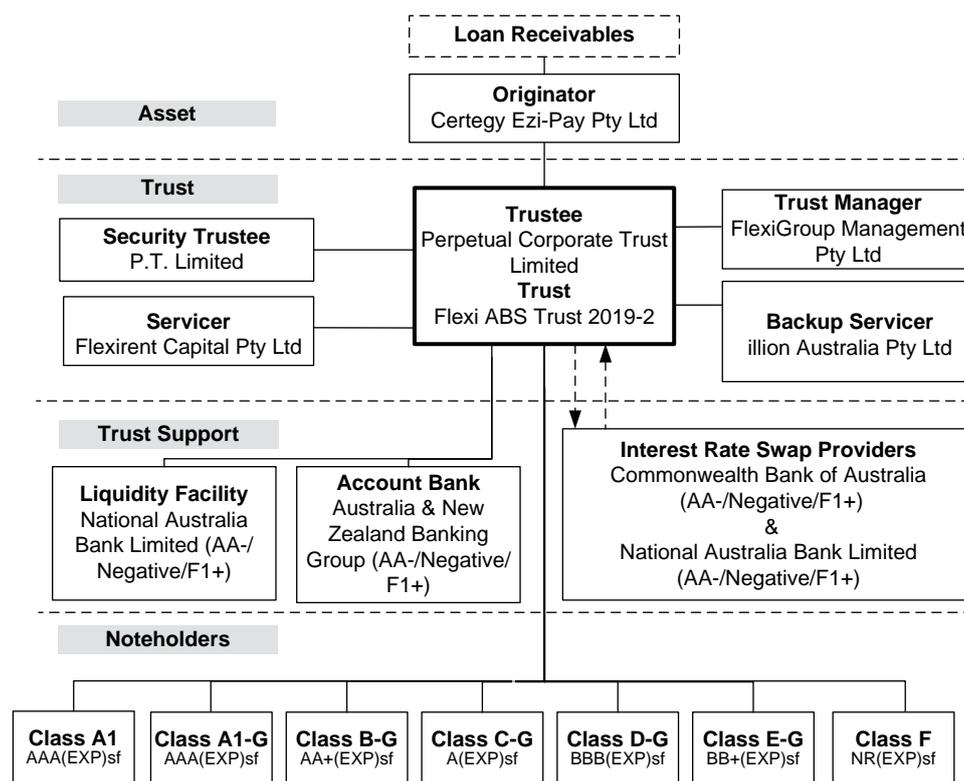
Transaction and Legal Structure

Legal Structure

Flexi 2019-2 is a bankruptcy-remote special-purpose vehicle (SPV) created pursuant to a master trust deed.

The master trust deed provides for the creation of an unlimited number of trusts. Each trust is separate and distinct from any other trusts established under the master trust deed and under the security trust deed; its assets are only available to meet its related liabilities. The transaction is governed by the laws of New South Wales.

Structure Diagram



The trustee's obligations in respect of the notes are secured under the security trust deed between the trustee and security trustee and also by a security interest under the general security deed in favour of the security trustee. Under these arrangements, the trustee has granted to the security trustee a security interest for the purposes of the Personal Property Securities Act over all secured property to which the act applies and a first-ranking fixed charge over any secured property to which the act does not apply. Together, these arrangements secure the trustee's obligations to creditors of the series – including noteholders and the swap providers. In an event of default, the security trustee would enforce the security interest and take possession of the assets of Flexi 2019-2 to protect the series' secured creditors.

Transaction Structure

In summary, seven classes of notes will be issued: A1, A1-G, B-G, C-G, D-G, E-G and F notes. The class A1 and A1-G notes will rank senior to the B-G, C-G, D-G, E-G and F notes in the interest and principal payment waterfall. All collections received will be allocated and paid in accordance with the order of priority set out below and in the terms of the issue supplement.

Priority of Payments Pre-Enforcement

1.	Taxes, trustee, security trustee fees and expenses
2.	Servicer and manager's fees
3.	Payments to the interest-rate swap providers, excluding termination payments where a swap provider is the defaulting party, and fees and interest payable to the liquidity facility provider
4.	Reimburse any outstanding liquidity facility draws
5.	Interest due on the class A1 and A1-G notes
6.	Interest due on the class B-G notes
7.	Interest due on the class C-G notes
8.	Interest due on the class D-G notes
9.	Interest due on the class E-G notes
10.	Principal draws outstanding
11.	Losses, then carryover charge-offs allocated to the class A notes
12.	Losses, then carryover charge-offs allocated to the class B-G notes
13.	Losses, then carryover charge-offs allocated to the class C-G notes
14.	Losses, then carryover charge-offs allocated to the class D-G notes
15.	Losses, then carryover charge-offs allocated to the class E-G notes

16.	Derivative reserve accounts (up to the derivative reserve required balances)
17.	Ineligible amount due (if applicable)
18.	Subordinated termination payments towards interest-rate swap providers
19.	Losses, then carryover charge-offs allocated to the class F notes
20.	Interest due on the class F notes
21.	Participation unitholder

Required payments: the aggregate of payments payable from 1 to 9
Source: Fitch Ratings, flexigroup

Principal collections will initially be used to fund principal draws, after which remaining collections will be paid sequentially to class A (pro rata between A1 and A1-G), B-G, C-G, D-G, E-G and F notes. On any payment date in which the pro rata paydown test is satisfied, principal collections will be distributed pro rata towards the class A1, A1-G, B-G, C-G, D-G, E-G and F notes.

Pro-Rata Paydown Conditions

The pro-rata paydown conditions are satisfied on a determination date if:

- the subordination percentage available to the class A notes (class A1 and A1-G notes), excluding the Class G note, is equal to or greater than 34%;
- the aggregate invested amount of the notes, expressed as a percentage of the aggregate initial invested amount, is greater than 10%;
- average 60+ day arrears are not greater than 4.0% of the average outstanding contract balance over the prior six months, and
- there are no charge-offs outstanding on any notes.

Class G Notes

Certegy may subscribe for class G notes to fund ineligible receivables. Alternatively, the company may repurchase the ineligible receivables in accordance with the issue supplement.

Clean-Up Call Option

The issuer holds the right to call the remaining notes on issue at any payment date when the aggregate outstanding invested note balance, excluding any applicable class G notes, is less than 10% of that at closing.

Credit Enhancement

CE is provided by two sources: excess income, and the subordination of the junior notes.

Excess Income

The first source of CE is excess income. On each payment date, available excess income, after meeting trust expenses, interest payments (excluding the class F notes) and reimbursing any principal draws, will be available to cover principal charge-offs.

The actual value of excess income depends on the level of delinquencies, defaults, prepayments and the portfolio's WA interest rate throughout the life of the transaction. A key feature of the transaction is the significant amount of excess income, which is generated from the assets' considerably high yields – including monthly account fee income – available to cover potential losses. The WA yield for the receivables portfolio was 14.4% as of the cut-off-date.

Note Subordination

The class A1 and A1-G notes benefit from initial 25.8% subordination of the class B-G, C-G, D-G, E-G and F notes in the event of security being enforced with respect to all payments of interest and principal. Should losses deplete excess income, losses will be allocated reverse sequentially to the F notes then to the E-G, D-G, C-G, B-G, A notes (pro-rata amongst the Class A1 and A1-G notes) until the stated amount of the respective class is reduced to zero.

Liquidity Support

Where the available interest collections on any determination date are insufficient to meet the total Required Payments for that month, liquidity support will be sought to ensure that trust obligations are met in a timely manner.

Liquidity support is provided by three sources: (1) the derivative reserve accounts; (2) principal collections, in the form of principal draws; and (3) the liquidity facility.

Derivative Reserve Accounts

An account will be set up at closing for the manager to trap excess income should the aggregate outstanding balance of all series receivables fall below the fixed swap schedule as of the respective payment date. This scenario may be a result of faster-than-expected voluntary prepayments or defaults, as the fixed swap schedule has been developed using the amortisation of the total balance of notes (excluding class F and G) under a zero prepayment and zero default assumption.

The reserve is included as available income each payment date, and topped up to its respective required amount, to the extent excess income is available.

Principal Draws

Principal collections are available to make the payments to the extent that the available income is not sufficient to meet the Required Payments. Principal draws are reimbursed through excess income.

Liquidity Facility

The liquidity facility is available to the trustee to fund the Required Payments to the extent available income and principal draws are insufficient. It will be initially sized at AUD2.33 million on the closing date and subsequently the greater of: 1) 1.0% of the aggregate invested amount of the notes (excluding the class F and G notes) for that payment date; and 2) AUD500,000. Draws under the liquidity facility are reimbursed senior to interest payments in the interest waterfall.

Counterparty Risk

Originator

Certegy, under the brand 'humm', offers a buy-now-pay-later product to retail consumers. The company has about 1.7 million customers, originated through 18,000 retail and business outlets, and delivers its products through a diverse range of retailers, with industry concentrations in jewellery, medical services and home-related products, such as solar, roofing and shutters. The individual contract size is small, with wide margins providing excess income to cover losses.

Certegy was acquired by flexigroup in 2008. flexigroup was founded in 1988 and listed on the Australian Stock Exchange in 2006. It now has a market capitalisation of approximately AUD780 million as of October 2019.

As part of its rating process, Fitch performed an on-site review of the origination and servicing operations and found them to be acceptable.

Strengths and Weaknesses

Fitch took into consideration several strengths and weaknesses as part of the operational review. The main weaknesses were the pro-cyclical nature of the consumer receivables portfolio, its exposure to risk of elevated unemployment levels, combined with the targeted demographic market serviced by Certegy. Unemployment is currently low, but a sharp upturn could rapidly increase arrears and losses, as Certegy's 'humm' products focus in demographic areas and populations that are less resilient to economic shocks.

Fitch believes the originator's strengths include a large historical database from which performance data is drawn and well-formed risk-management, with a robust risk-management framework and review process that allow the business to quickly reposition its lending if needed.

Underwriting

Merchant sales staff may offer customers financing products, including Certegy's 'hummm' BNPL product. The company provides training for major introducers' sales staff to enable them to identify and profile potential customers and guide them through the credit-assessment process.

Customers typically choose to use Certegy's 'hummm' for its convenient approval process and interest-free nature of its product. The company also offers some customers a limit within which they can buy multiple products at approved retailers. The originator can quickly amend required deposit levels or terminate merchant arrangements if negative trends appear in certain industry segments, postcodes or demographics. This is due to the short-term and high-volume nature of its credit contracts.

Deposit levels are a key driver of losses in certain products and geographic locations. Merchants are audited by the originator's staff regularly. The originator has some recourse to merchants, with the ability to reverse contracts where the customer is in dispute with the merchant or through direct-debit authority claw-backs. Certegy's 'hummm' has introduced a VIP card for existing borrowers who have demonstrated a clean repayment history, which encourages repeat business from creditworthy customers while offering the customer pre-defined facility limits and preferential deposit rates. Cash deposits are not permitted and must be paid from the account from which future repayments will be made.

Servicing

The primary servicing and collections team is located in Adelaide. Daily servicing of the receivables portfolio is undertaken in-house through a highly automated system, with all payments made via a combination of credit card payments and direct debit.

Arrears Management and Recoveries

The arrears management department has a collections team of 36. The collections process commences within 24 hours of dishonour. Contact is made with the customer via phone, letter or SMS on the first day the payment is overdue. A redraw is attempted seven days after the missed payment. The servicer has the right to demand full payment if the second redraw fails. Where arrangements are missed, a summons is issued after 21 days; and if 28 days have elapsed since the initial due date, a notice of demand is sent out automatically.

The originator seeks return of the assets, but has no recourse to them. The contract is terminated and specialist portfolio-based operators conduct further investigations and negotiations to avoid customer loss if arrangements are broken or overdue monies are not cured within the notice of demand period. The collections team determines the expected recovery value and decides whether it is economic to refer the arrears to internal or external debt-recovery operators for long-term payment arrangements. Unpaid receivables are written off at 120 days.

Risk Management

Business continuity plan tests are regularly undertaken and disaster recovery infrastructure is housed at separate data centres. Disaster recovery tests take place at least every 12 months. Alternative sites are contracted to conduct operations if required. The originator maintains a strict risk-management regime, with continual hindsight reviews to ensure credit standards are met.

Back-Up Servicing

Illion will act as back-up servicer for this transaction on a hot basis. Illion employs more than 600 professionals in Australia and New Zealand and

is a major provider of credit information and debt-management services. flexigroup has had hot back-up arrangements with illion across other products since 2004.

illion has access to the originator's systems to receive data on a live basis, allowing it to step in immediately either as a back-up servicer or as temporary cover for the collections team. illion has some staff actively servicing the Certegy portfolio. This ensures illion has trained staff in the servicer's collection processes and allows the servicer to increase its collection efforts without having to employ additional staff.

illion acts as servicer and back-up servicer for various other parties and can draw on extra staff to cater for increased collection activity. If the back-up servicer role is activated, illion will be remunerated through existing servicer fees, which are payable towards the top of the transaction income waterfall.

Document Custody

All contractual documents are executed at the merchant, with original documents forwarded to the originator for scanning. Documents are then stored electronically in Certegy's document management system. The originator acts as custodian of the security documents.

Hedge Provider

The issuer trustee will enter into one or more swap transactions to the extent necessary to effect an exchange of cash flows that will cause the cash flows from the receivables to satisfy the payment obligations under each issued note.

The swap provisions are in line with Fitch's current criteria. For further details of Fitch's counterparty criteria, see [Structured Finance and Covered Bonds Counterparty Rating Criteria](#) and [Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum](#).

Fixed or Floating-Rate Swaps

The trustee will enter into fixed- or floating-rate swaps to hedge the interest-rate risk between the fixed rate on the underlying receivables and the floating-rate obligations of the trust. Under the swaps, on each payment date, the trustee will pay the relevant swap counterparty an amount equal to the balance according to a fixed swap profile, multiplied by a fixed rate. In return, the trustee will receive the one-month bank bill swap rate.

Commonwealth Bank of Australia (CBA) and National Australia Bank Limited (NAB) satisfy Fitch's counterparty criteria and have elected to be considered as highly rated banks. The banks are subject to, at their own cost, the following extended remedial timeframes should they be downgraded below 'AA-' and 'F1+'.

- Replacement with, or obtain a guarantee from, an eligible swap provider within 60 calendar days of the downgrade.
- Cash collateralise their obligations under the swap within 59 calendar days of the downgrade.
- Enter into any other arrangements the agency confirms will not result in a withdrawal or downgrade of the ratings then assigned to the notes.

CBA and NAB have the option to not be considered as highly rated banks. Upon this selection, the banks will be subject to, at their own cost, the following remedial timeframes should they be downgraded below 'A' and 'F1':

- Replacement with, or obtain a guarantee from, an eligible swap provider within 30 calendar days of the downgrade.
- Cash collateralise their obligations under the swap within 13 calendar days of the

downgrade.

- Enter into any other arrangements the agency confirms will not result in a withdrawal or downgrade of the ratings then assigned to the notes.

If the interest rate swap counterparties are downgraded further to below 'BBB-' and 'F3', the choice to cash collateralise will no longer be available and the relevant swap provider must either novate the swap or enter into other arrangements acceptable to Fitch.

Account Bank

Collections received by Flexirent, as servicer, will be deposited directly into the collection account within one business day of receipt. Under the transaction's terms, the collection account will be held with a financial institution with at least a Long-Term Issuer Default Rating of 'A' or a Short-Term Issuer Default Rating of 'F1'. Initially, the collection account will be held with Australia and New Zealand Banking Group Limited.

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Performance Analytics

Fitch will monitor the transaction regularly. The performance analytics team will receive monthly investor reports detailing the portfolio's performance. These reports will provide the basis for the agency's surveillance of the transaction's performance against both base-case expectations and the performance of the industry as a whole. Where appropriate, the agency may request to monitor further data from the originator or servicer. The agency's structured finance performance analytics team ensures the assigned ratings remain, in the agency's view, an appropriate reflection of the issued notes' credit risk.

Details of the transaction's performance are available at www.fitchratings.com

Please call the Fitch analysts listed on the first page of this report with any queries regarding the initial analysis or the ongoing performance.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

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CREDIT OPINION

30 October 2019

Pre-Sale

Expected closing date

November 2019

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Flexi ABS Trust 2019-2

Pre-sale report - flexigroup's second Australian consumer ABS transaction for 2019

Capital structure

Exhibit 1

Provisional ratings

Classes	Rating	Amount (AUD million)	% of Notes	Legal final maturity	Coupon**	Credit enhancement*
A1	(P)Aaa (sf)	137.69	56.20%	April 2025	1mBBSW+[]%	25.80%
A1-G	(P)Aaa (sf)	44.10	18.00%	April 2025	1mBBSW+[]%	25.80%
B-G	(P)Aa2 (sf)	19.84	8.10%	April 2025	1mBBSW+[]%	17.70%
C-G	(P)A2 (sf)	16.91	6.90%	April 2025	1mBBSW+[]%	10.80%
D-G	(P)Baa2 (sf)	10.04	4.10%	April 2025	1mBBSW+[]%	6.70%
E-G	(P)Ba1 (sf)	4.17	1.70%	April 2025	1mBBSW+[]%	5.00%
F	NR	12.25	5.00%	April 2025	Undisclosed	nil
Total		245.00	100.00%			

* Does not include any benefit attributable to excess spread.

** The margin on the notes increases by 0.25% on the Class A notes and 0.50% on Class B-G to Class E-G once the aggregate invested amount of all notes falls below 10% of the initial invested amount.

Sources: Moody's Investors Service, flexigroup

Summary

Flexi ABS Trust 2019-2 is an Australian ABS originated by Certegy Ezi-Pay Pty Ltd (originator) and serviced by Flexirent Capital Pty Limited (Flexirent), subsidiaries of FlexiGroup Limited (flexigroup). It is a cash securitisation of unsecured retail, Buy Now Pay Later (BNPL) receivables originated under the brand 'hummm' and extended to consumer obligors in Australia.

A key strength of this transaction is its high level of portfolio granularity, high level of portfolio yield and substantial exposure to homeowner products such as solar panels. Credit challenges for the portfolio include the potential for lower credit quality borrowers originated through jewellery retailers.

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of 30 October 2019. Investors should be aware that certain issues concerning this transaction have yet to be finalized. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavor to assign definitive ratings to this transaction. The definitive ratings may differ from the provisional ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.

The transaction features a sequential/pro rata paydown structure. The notes will be repaid on a sequential basis starting with the Class A Notes until pro rata paydown conditions are satisfied, at which principal will be distributed pro rata among all Notes. If the pro rata conditions are not satisfied or post the call date the principal collections will be distributed sequentially starting with Class A Notes.

Credit strengths

- » **Pool composition:** There is a high proportion (57.4%) of home-owner type obligors in this pool, of which the majority related to solar-related products. Obligor characterised as homeowners have historically displayed lower default rates than non-home owners. (See "Asset description")
- » **Obligor diversification:** The transaction is not exposed to high or unusual single-obligor defaults, with the largest single-obligor concentration limited to less than 0.01% of the aggregate portfolio balance. (See "Asset description")
- » **Short horizon:** The weighted average remaining term to maturity of the pool is only 31.6 months. Together with sequential amortisation in early periods, the risk exposure of the Class A notes is over a relatively short horizon which is forecast to include favourable consumer credit conditions such as low unemployment and interest rates. (See "Asset description")
- » **High portfolio yield:** The portfolio yields 14.45% providing strong excess spread available to cure portfolio losses

Credit challenges

- » **Performance:** The receivables are interest free Buy Now Pay Later retail products distributed by retailers at the point of sale. Although flexigroup have provided extensive performance history there is no history of performance of these types of receivables through a full consumer credit cycle. In a more stressful consumer economic environment borrowers may prioritise payment of their other debt above their unsecured retail "point-of-sale" debt.
- » **Obligor credit quality:** The receivables are not subject to NCCP responsible lending requirements such as the lender's obligation to understand the borrower's financial position. It is therefore possible that some obligors may be of a lower credit quality than those found in a typical prime consumer loan transaction where the lender is governed by responsible lending regulations.
- » **Unrated servicer:** Flexirent and the originator are unrated, heightening the risk of a possible disruption in payment. illion Australia Pty Ltd acts as the backup servicer. (See "Securitisation structure description")

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Key characteristics

Exhibit 2

Asset characteristics

Receivables (Pool as of 26 September 2019)

Receivables:	Humm branded Australian unsecured, Buy Now Pay Later payment plans
Total securitized portfolio amount (AUD):	243,439,672
Length of revolving period:	N/A
Number of contracts:	89,165
Average contract balance (AUD):	2,730
Maximum contract balance (AUD):	23,609
Loan concentration:	Top 1: 0.0% Top 10: 0.1% Top 20: 0.2%
Weighted average remaining term:	31.6 months
Maximum remaining term:	60 months
Weighted average seasoning:	4.9 months
Weighted average original term:	36.5 months
Weighted average financier rate:	14.4%
Interest basis:	100% fixed rate
W.A. deposit:	6.83%
W.A. borrower age:	48
Home owner industry lending:	57.43%
Delinquency status:	No loans in arrears greater than 14 days as of pool cut-off date

Historical portfolio performance data

Delinquencies observed:	30 days past due arrears have historically been in the range of 1.6%-3.1%
Mean default rate observed (extrapolated):	2.82%
Mean default rate assumed (stressed):	3.50%
Recovery rate observed:	0.00%
Recovery rate assumed (stressed):	0.00%
Coefficient of variation (stressed):	59.00%
Portfolio credit enhancement:	32.50%

Transaction parties

Sellers:	Perpetual Corporate Trust Limited in its capacity as trustee of the Flexi ABS 2010-2 Trust in respect of Series 1 and Perpetual Corporate Trust Limited in its capacity as trustee of the Flexi ABS Warehouse Trust No.3 in respect of Series 1.
Originator:	Certegy Ezi-Pay Pty Ltd (originator), a subsidiary of FlexiGroup Limited ('flexigroup')
Servicer(s):	Flexirent Capital Pty Limited ('Flexirent')
Back-up servicer:	Illion Australia Pty Ltd

Sources: Moody's Investors Service, flexigroup

Exhibit 3

Securitisation structure characteristics

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Credit enhancement, liquidity and hedging	
Credit enhancement:	Excess spread Subordination of the notes
Form of liquidity:	Principal Draw Liquidity Facility of 1.0% of the aggregate balance of the rated Notes, subject to a floor of AUD 500,000
Number of interest payments covered by liquidity facility:	Sufficient to cover 4 months of interest payments
Notes interest payments:	Monthly in arrears on each payment date
Notes principal payments:	Pass-through on each payment date
Notes payment dates:	The 12th of each month First payment date: 13 January 2020
Hedging arrangements:	Interest rate swaps
Transaction parties	
Issuer/trustee:	Perpetual Corporate Trust Limited as trustee of the Flexi ABS Trust 2019-2
Security trustee:	P.T. Limited
Back-up servicer(s):	Illion Australia Pty Ltd
Back-up servicer facilitator(s):	N/A
Cash manager:	N/A
Back-up cash manager:	N/A
Trust manager:	FlexiGroup Management Pty Limited ('FlexiGroup Management')
Collection account bank:	Australia and New Zealand Banking Group Limited (ANZ, Aa3/P-1/Aa2(cr)/P-1(cr))
Back-up trust manager and its rating:	Perpetual Corporate Trust Limited
Interest rate swap counterparty:	Commonwealth Bank of Australia (CBA, Aa3/P-1/Aa2(cr)/P-1(cr)) National Australia Bank Limited (NAB, Aa3/P-1/Aa2(cr)/P-1(cr))
Liquidity facility provider:	NAB
Joint lead managers:	CBA, NAB

Sources: Moody's Investors Service, flexigroup

Asset description

The originator's interest free BNPL product, branded 'hummm', relies on a retailer fee component to meet financing costs and profit margin generation.

There are no outstanding obligations to/from the retailer once the initial payments are made.

The receivables are made on a full-recourse, unsecured basis.

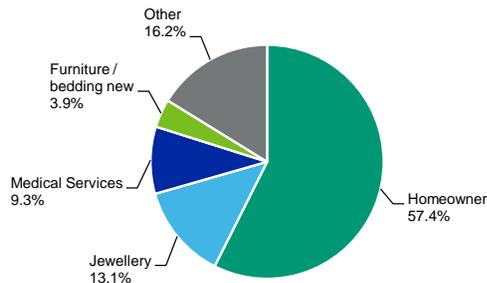
The risk profile of the portfolio is heavily influenced by the industry of the asset financed.

For a more detailed description of the product, refer to Appendix 2.

Assets (pool as of 26 September 2019)

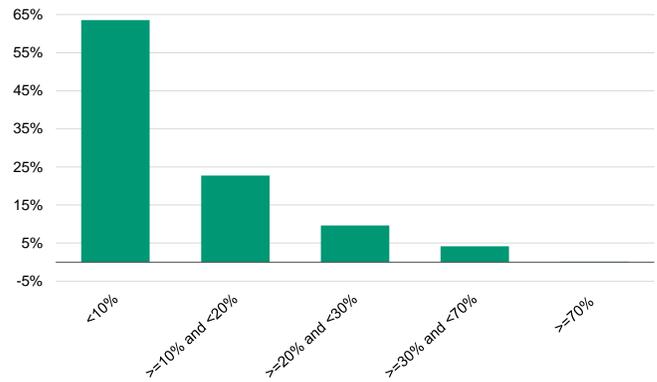
Exhibits 4-9 summarise the pool characteristics.

Exhibit 4
Reseller industry distribution



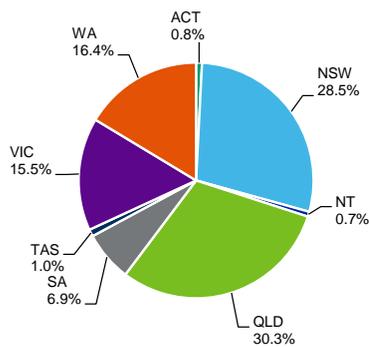
Sources: Moody's Investors Service, flexigroup

Exhibit 5
Deposit percentage distribution



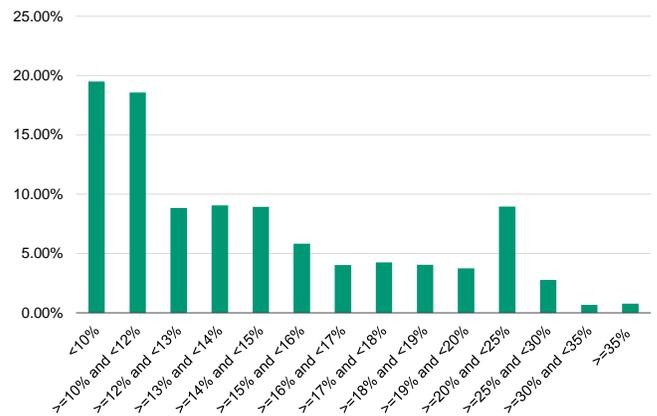
Sources: Moody's Investors Service, flexigroup

Exhibit 6
Geographical distribution



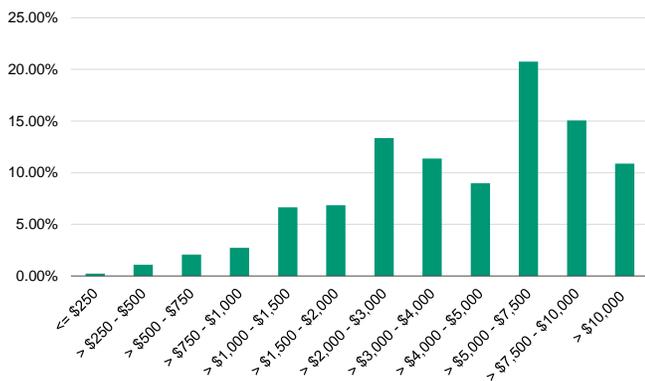
Source: Moody's Investors Service

Exhibit 7
Financier rate distribution



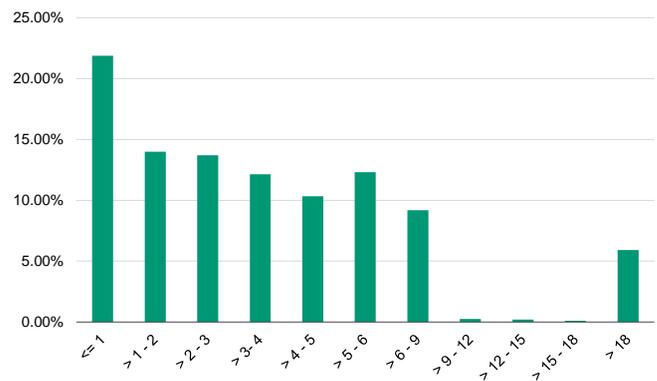
Sources: Moody's Investors Service, flexigroup

Exhibit 8
Outstanding principal balance distribution



Sources: Moody's Investors Service, flexigroup

Exhibit 9
Seasoning distribution (months)



Sources: Moody's Investors Service, flexigroup

Eligibility criteria

At closing, all receivables comply with, among others, the following eligibility criteria:

- » Each receivable must be denominated in Australian dollars
- » The obligor is not insolvent
- » The receivable is assignable
- » The receivable is not subject to any dispute, set-off or counter claim
- » The obligor bears all costs of operating, maintaining, servicing or repairing the funded asset
- » The obligor agrees to pay unconditionally irrespective of the condition of the asset
- » Payment has not been re-scheduled or modified
- » Was originated by the originator in the ordinary course of business
- » Is not in arrears by more than 14 days
- » Must not have a term in excess of 60 months
- » Not subject to the National Consumer Credit Protection Act (NCCP)

Originator

The originator, Certegy Ezi-Pay Pty Ltd, is a 100%-owned subsidiary of FlexiGroup Limited, an ASX-listed corporate.

The originator has been originating interest free receivables since 1989. This transaction is the tenth securitisation of Certegy/humm receivables under the Flexi ABS programme.

Exhibit 10

Originator background

Certegy	
Date of operations review:	25 February 2019
Rating:	Unrated
Financial Institution Group outlook for sector:	Stable
Ownership structure:	100% owned subsidiaries of FlexiGroup Ltd, an ASX-listed corporate
Asset size:	AUD 535 million
% of total book securitised:	Approximately 95% after the closing date
Transaction as % of total asset:	Approximately 41%, depending on final transaction size
% of transaction retained:	At least 5%

Sources: Moody's Investors Service, flexigroup

Servicer

The servicer, Flexirent, is a 100%-owned subsidiary of FlexiGroup Limited, an ASX-listed corporate. illion Australia Pty Ltd conducts backup servicing on a live, parallel basis.

Exhibit 11

Servicer background

Flexirent	
Rating:	Unrated
Total number of receivables serviced:	Approximately 233,000
Number of staff (assigned to Certegy):	Total Staff: 144; collections staff: 36
Servicer assessment:	Experienced servicer of consumer receivables
Strength of back-up servicer arrangement:	Back-up servicing is conducted on a live, parallel basis. This is a positive feature of the transaction.
Back-up servicer and its rating:	illion Australia Pty Ltd, unrated

Sources: Moody's Investors Service, flexigroup

Historical performance data

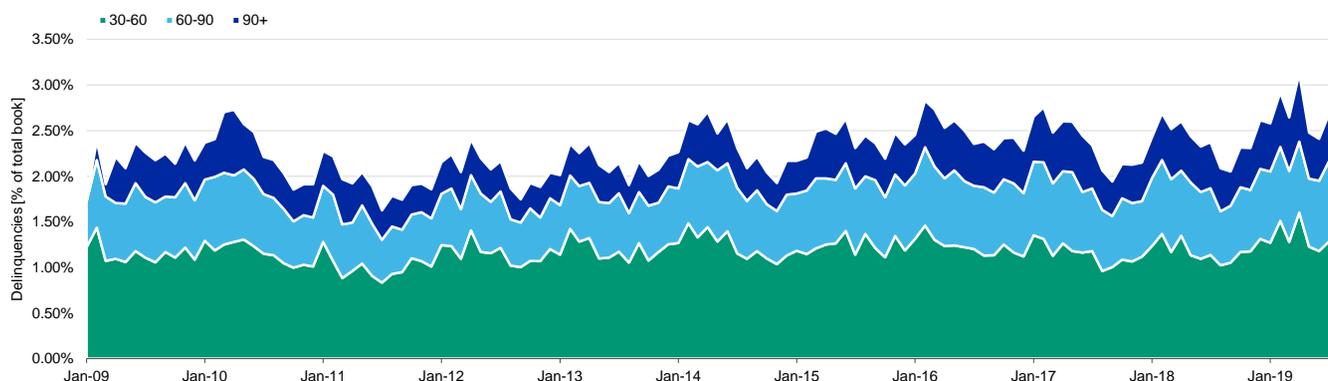
We were provided with historical data for each receivable originated by the originator dating back to 2004. The data comprises over 1.5 million individual contracts. We were also provided with a data tape detailing the securitised pool on a loan-by-loan basis.

In our view, the quantity and quality of the data received exceed that of comparable transactions — where data is typically provided on a vintage basis rather than on a loan-by-loan basis — which have achieved high-investment-grade ratings in this sector.

Delinquencies on the originator's portfolio are relatively stable and were within 1.62%-3.12% since January 2009. As of August 2019, 30+ day arrears on the originator's portfolio were 2.39%.

Exhibit 12

Certegy portfolio arrears performance

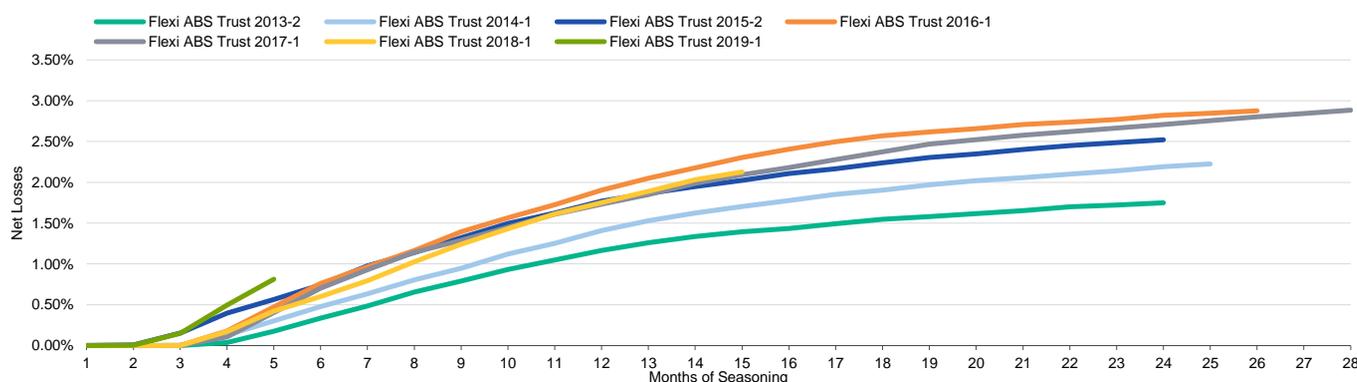


Source: flexigroup

The performance of the originator's precedent transactions is within our expectations.

Exhibit 13

Historical Flexi ABS net loss performance



Sources: Moody's Investors Service, flexigroup

Static pool

Flexi ABS Trust 2019-2 has a static structure. There can be no substitution of the assets after the closing date.

Additional asset description

Homeowner assets

A major part of the portfolio (57.4%) consists of homeowner assets, which are products typically purchased by homeowners. Of the homeowner assets, 81.9% of receivables are backed by solar equipment installations. The originator has been funding solar products since 2001, reaching peak levels of origination in mid-2012. Since the reduction of government assistance in 2012, the origination volumes remained consistently lower, while the performance deteriorated, although remaining largely within our expectations.

Exhibit 14

Homeowner assets

Asset Type	% of Homeowner
Solar	81.9%
Roofing / Shutters / Gutters	8.4%
Hot Water / Gas	2.4%
House Exterior	1.7%
Curtains / Blinds / Tinting	1.1%
Floor Covering	0.9%
Air Conditioning / Heating	0.8%
Other	2.8%

Source: Moody's Investors Service, flexigroup

Asset analysis

We based our asset analysis on factors including historical performance data, pool characteristics, and originator and servicer quality.

Primary asset analysis**Default distribution**

The first step in the rating analysis is to define a default distribution for the pool of receivables to be securitised. Owing to the large number of receivables, we use a continuous distribution to approximate the default distribution: the lognormal distribution.

To determine the shape of the curve, two parameters are needed: the mean default rate and the volatility around this mean. These parameters are generally derived from the historical data. Adjustments may be made based on further analytical elements.

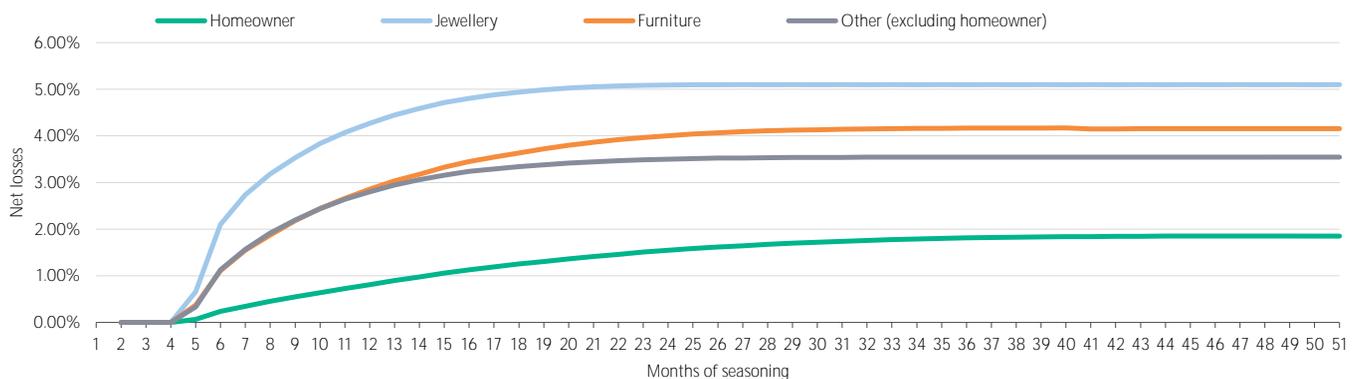
Determination of default rate and coefficient of variation of default assumption

Our mean default rate assumption is 3.50% and the coefficient of variation of default (CoV) assumption is 59.00%.

We have estimated these two parameters on the basis of the historical default data provided to us, including the performance of comparable receivables in the market, as well as qualitative analysis, focusing on portfolio characteristics and the current economic environment in Australia.

The historical default data was broken down into various subsets, such as homeowner, jewellery, new furniture/bedding and other (non-homeowner). Exhibit 15 shows the cumulative extrapolated net losses for these subsets.

Exhibit 15

Extrapolated net losses

Sources: Moody's Investors Service, flexigroup

Exhibit 16 details our stressed mean default rate assumptions for each of the subsets.

Exhibit 16

Default rate by asset type based on performance data from 2008

Asset Type	Actual mean defaults	% of the portfolio
Homeowner	1.76%	57.43%
Jewellery	5.08%	13.15%
Fitness equipment	5.32%	0.98%
Furniture	4.15%	3.91%
Other (excluding homeowner)	3.52%	24.52%

Sources: Moody's Investors Service, flexigroup

The assumed mean default rate is stressed relative to the extrapolated mean default rate of 2.82%. The difference between the actual and assumed default rate is in part explained by the addition of several stressed curves (for example, average default rate multiplied by three) to address the lack of a stressed economic environment during 2008-2019. We applied a further qualitative stress to account for more recent homeowner vintages experiencing a higher level of defaults than average. While we continue to recognise the relative strength of the homeowner products, we took into account homeowner loans originated from 2013 onward have substantially higher default rates from 1.7% to 3.2% compared to those originated between 2004 and 2013 with default rates of 0.4%-2.1%.

Derivation of recovery rate assumption

In our analysis, we assume 0% recoveries based on the nature of the assets and data provided to us.

Key modelling assumptions

Exhibit 17 describes our key modelling assumptions.

Exhibit 17

Key modelling assumptions

Flexi ABS Trust 2019-2	
Default distribution:	Lognormal
Mean default:	3.50%
Default definition:	4 months
Coefficient of variation:	59.00%
Portfolio credit enhancement (PCE):	32.50%
Timing of default curve:	Actual default timing based on historical static loss data
Recovery:	0.00%
Recovery lags:	N/A
Residual value inputs:	N/A
Conditional prepayment rate (CPR):	0%
Amortisation profile:	Vector, according to the scheduled amortisation of the assets
Fees:	1.50% (stressed), with a floor of AUD 50,000

Source: Moody's Investors Service

Comparables**Prior transactions**

The current transaction is similar to [Flexi ABS Trust 2019-1](#) in respect of collateral pool composition and transaction structure.

For detailed pool and structural comparisons, refer to Appendix 1.

Additional asset analysis**Industry and manufacturer exposure**

Receivables originated by retailers operating in different industries have historically performed differently, at times significantly so. We have analysed the data based on the top four industries (homeowners, jewellery, furniture and other excluding homeowners). (See "Asset analysis")

If the underlying financed asset is returned to the merchant or recalled by the asset's manufacturer, the receivable may not be recovered in full. However, the portfolio is diversified with no significant exposure to a single manufacturer. (See "Asset analysis")

Securitisation structure description

Flexi ABS Trust 2019-2 is a bankruptcy-remote series trust. The assets of each trust are segregated from the assets of any other trust and can only be available to meet the liabilities incurred by the trustee in respect of that trust.

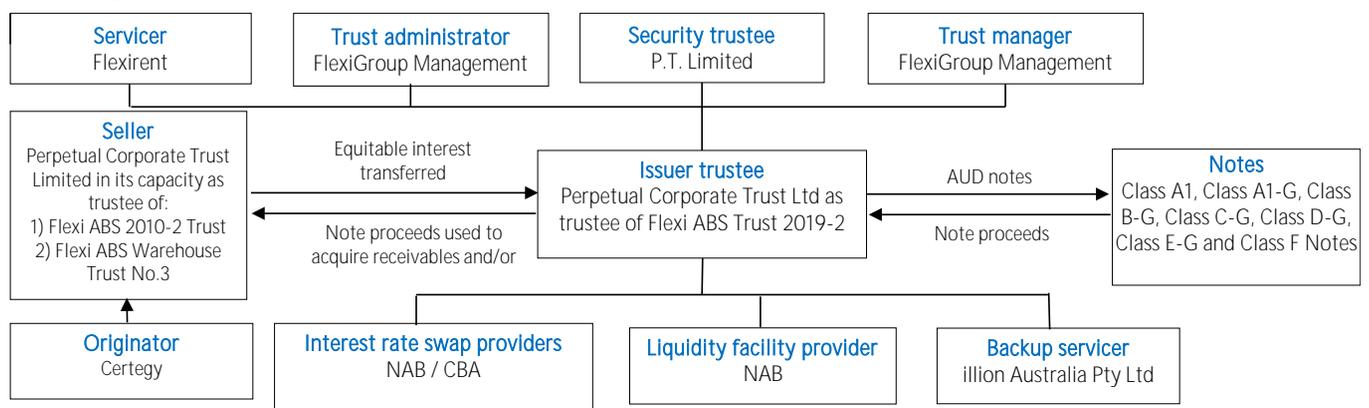
The trust has issued seven Classes of notes to purchase the portfolio. Principal collections will be at first distributed sequentially. All notes may be able to participate in proportional principal collection distribution, subject to the fulfillment of the pro rata paydown conditions (as described below).

Structural diagram

Exhibit 18 is a structural diagram illustrating the relationships between the transaction parties and noteholders.

Exhibit 18

Structural diagram



Source: Moody's Investors Service, transaction documents

Detailed description of the structure

Key structural features of the transaction are detailed below. For detailed structural comparisons, refer to Appendix 1.

Credit enhancement

The Class A notes are supported by 25.80% subordination at closing. Any excess spread, to the extent available, also provides credit enhancement to the rated notes.

Allocation of payments

Interest waterfall

On each monthly payment date, the issuer's available income funds (that is interest, fees and break costs received from the portfolio, recoveries from losses, interest and investment proceeds from the issuer transaction account and the collection account, liquidity and principal draws) will be applied in the following simplified order of priority:

1. Senior expenses
2. Pari passu and rateably between interest and fees payable to Liquidity Facility Provider and net amounts payable to the hedge provider (except the amounts payable under the item 13 below)
3. To the Liquidity Facility Provider towards repayment of all outstanding Liquidity Draws
4. Class A1 and Class A1-G notes interest
5. Class B-G notes interest
6. Class C-G notes interest

7. Class D-G notes interest
8. Class E-G notes interest
9. Reimbursement of principal draws
10. Reinstatement of defaulted amounts and carry-over charge-offs outstanding (other than in regard to Class F notes)
11. Towards the derivative reserve accounts
12. Towards principal up to an amount equal to ineligible receivables
13. Pari passu and rateably to any other amounts payable to Liquidity Facility Provider not paid under 2 and 3 above and to net amounts payable to the hedge provider, where the hedge provider is the sole affected or defaulting party
14. Any other servicer and manager fees and expenses
15. Reinstatement of defaulted amounts and carry-over charge-offs in regard to Class F notes
16. Class F notes interest
17. Participation unitholders

Required payments

On each monthly determination date, the required payments will be items 1-8 in the interest waterfall above.

Interest on the notes

Interest on all the notes will be calculated, and payable in arrears, based on the invested amount of the notes.

No interest will accrue on any note if the note has been charged off in full.

Principal waterfall

Principal collections will be at first distributed sequentially (although pro rata between the Class A1 and Class A1-G Notes). All notes may be able to participate in proportional principal collections distribution, subject to the pro rata paydown conditions (as described below) being met.

Pro rata paydown conditions

The pro rata paydown test is satisfied if:

1. the 10% cleanup call date has not been reached
2. the aggregate balance of the subordinated notes (to Class A notes) is equal to or greater than 34% of all notes
3. there are no carry-over charge-offs (on any notes)
4. the average 60+ days past due arrears ratio does not exceed 4%

Allocation of charge-offs

Principal charge-offs will be applied in the following order of priority:

1. Class F notes
2. Class E-G notes
3. Class D-G notes

4. Class C-G notes
5. Class B-G notes
6. Pari passu among Class A notes

Excess spread

The transaction benefits from excess spread (implicit portfolio yield, net of the swap rate, coupon on the notes, and senior fees and expenses), which represents the first layer of credit enhancement to the rated notes. The excess spread may vary depending on the portfolio amortisation and prepayments, final cost structure, and the incidence and timing of any defaults.

Liquidity

Principal draw

The first source of liquidity is the ability of the issuer to use principal collections to meet interest payment shortfalls. Any principal draws must be reimbursed on subsequent payment dates in accordance with the interest waterfall above.

Liquidity facility

The next source of liquidity is the liquidity facility provided by NAB. The liquidity facility will be available where trust income and principal collections are insufficient to meet the required payments. On any payment date, the available liquidity facility is subject to a liquidity facility limit, equal to the lesser of:

» an amount equal to the greater of:

– 1.0% of the aggregate Invested Amount of the Class A Notes, the Class B-G Notes, the Class C-G Notes, the Class D-G Notes and the Class E-G Notes at that time;

– AUD500,000;

» the amount agreed from time to time in writing by the Liquidity Facility Provider and the Manager (in respect of which a Rating Notification has been given); and

» the amount (if any) to which the Liquidity Limit has been reduced at that time.

Any draws from the liquidity facility will be reimbursed on subsequent payment dates in accordance with the interest waterfall above.

Asset transfer risk

The equitable interest has been transferred from Perpetual Corporate Trust Limited in its capacity as trustee of Flexi ABS 2010-2 Trust in respect of Series 1 and Flexi ABS Warehouse Trust No.3 in respect of Series 1 to the trustee. The originator, the lender on record, will maintain the legal ownership of the receivables.

The receivables have been transferred in equity only. The trustee must perfect its legal title following a perfection of title event, which includes the provision of a written notice of its interest to all obligors.

Title perfection events include failure by the servicer to remit amounts as required by the transaction documents, and insolvency of the originator.

Interest rate mismatch risk

While the assets are fixed rate in nature, the rated notes bear a floating rate of interest, exposing the structure to potential mismatches.

The trustee will enter into interest rate swaps only in respect of the rated notes with both NAB and CBA (each Aa3/P-1/Aa2(cr)/P-1(cr)). Under the interest rate swap agreements, the trustee will make a payment to the swap provider at a fixed rate of interest and receive from the swap counterparty an amount calculated based on the 30-day bank bill swap rate.

The notional amount in the swap agreements is based on the repayment profile of the rated notes, assuming no prepayments.

While the notional amount under the swap agreements may exceed the portfolio balance in the event of any prepayment of loans by obligors or defaults, that prepayment is unlikely because of the interest-free nature of the receivables.

To address any risk of over-hedging, any payment by a swap provider for any prepaid loan will be paid into a reserve. Amounts standing to a reserve will become available for distribution to noteholders, to the extent the relevant reserve balance exceeds the reserve requirements.

Securitisation structure analysis

Primary structural analysis

Once we determine the asset default distribution and recoveries (see "Asset analysis"), we use a cash flow model to assess the structural features of the transaction, including the priority of payments of interest and principal, liquidity, the impact of portfolio yield, portfolio amortisation and hedging.

Another key input into the cash flow model is the assumption for the timing of losses. The curve is derived from the historical data provided by flexigroup.

The sum of the loss experience per note Class weighted by the probability of such loss scenario (derived from the lognormal probability distribution) determines the expected loss on each tranche.

Additionally, we calculate the average life for each Class in each loss-rate scenario. The weighted average life of each Class of notes is then calculated as the sum product of the probability of each loss-rate scenario and the corresponding average life in each loss-rate scenario for a specific Class of notes.

The combination of the expected loss and the weighted average life for each Class of notes is mapped into our rating, based on the idealised expected loss table, yielding the final ratings result assigned to each tranche of the notes.

Additional structural analysis

Interest rate mismatch

We have assessed the impact of the linkage to CBA and NAB as interest rate swap providers in the transaction. Given the Aa2(cr) of both NAB and CBA, swap linkage has no present rating impact on the notes. This is because the linkage between the note ratings and NAB/CBA's ratings as swap providers is mitigated by an obligation to post cash collateral if the swap provider has a Counterparty Risk Assessment (CR Assessment) below A3(cr) and novate the swap if the swap has a CR Assessment below A3(cr) (CBA) or Baa1(cr) (NAB).

Cash commingling

The structure has sufficient protection from cash commingling risks resulting from the exposure to Flexirent as servicer, receiving all payments from the obligors.

Collections are transferred from the servicer's collection account to the trust collection account within one business day of receipt.

The servicer is collecting accounts on behalf of the trust and any monies it holds is held on trust for the trust.

Excess spread

We have stressed excess spread by incorporating higher-than-contracted senior fees. We have also considered the impact of prepayment and defaults of higher-yielding receivables by assuming a lower yield on the portfolio.

Class G notes

In the event some accounts become ineligible or terminated, either because they were originated in error or should not have been funded by the originator, it will receive funds back from the relevant retailer. The contract with the customer will remain in place with the originator and, therefore, the trust will continue to receive the contracted installments (subsequently, passed on to the retailer).

We understand these arrangements will not give rise to an obligation on the part of the trust to make payments to the retailer. However, to the extent there are any outstanding ineligible or terminated receivables, the structure provides for the originator to subscribe to additional Class G notes in their lieu.

In the event the originator does not subscribe for Class G notes, the receivables will continue to comprise part of the securitised pool and the repayments received from the customer to form part of trust collections.

The Class G notes are repaid from such excluded receivables' collections. Only repayments on those receivables for which Certegy has subscribed for Class G notes are paid directly to the Class G notes.

Methodology and monitoring

Methodology

Methodology used: [Moody's Approach to Rating Consumer Loan-Backed ABS, March 2019 \(1112199\)](#)

Monitoring

We will track the performance of the underlying collateral, material developments regarding the originator, servicer and other participants in the transaction, the amount and form of credit enhancement, and factors that affect the integrity of the legal structure. The starting point is typically the monitoring of the collateral performance relative to our initial expectations.

The performance metric that we typically track is the then current cumulative default rate for the transaction, which we use, in combination with the issuer's historical loss experience, to update, when deemed appropriate, our estimate of the ultimate lifetime default rate and recoveries on the pool of loans. We take into account any material changes in the macroeconomic environment that could affect future performance. We then use that updated estimate to assess whether the current ratings assigned to the transaction are still appropriate based on the credit protection available to investors.

Any changes in the rating of the notes will be publicly announced and disseminated via a press release.

Originator/servicer/cash manager-related triggers

Exhibit 19

Counterparty and structural triggers

[Flexi ABS Trust 2019-2](#)

Key servicer termination events:	Insolvency; Payment default; Breach of obligations under the servicing agreement.
Key manager termination event:	Breach of obligations under the transaction documents
Notification of obligors of true sale:	Upon the occurrence of a title perfection event.
Conversion to daily sweep:	N/A
Notification of redirection of payments to SPV's account:	N/A
Accumulation of set off reserve	N/A

Source: *Moody's Investors Service, transaction documents*

Originator linkage

Flexirent will act as the servicer and Flexigroup Management will act as the trust manager.

We assess the degree of linkage as moderate.

Exhibit 20

Counterparty linkages

Counterparty rating triggers	Condition	Remedies
Interest rate swap counterparty	Loss of A3(cr)	Post cash
	Loss of A3(cr) (CBA)	Novate
	Loss of Baa1(cr) (NAB)	Novate
Collection account bank	Loss of short term bank deposit rating P-1	Replace

Sources: *Moody's Investors Service, transaction documents*

Appendices

Appendix 1: Transaction comparison table

Deal name	Flexi ABS Trust 2019-2	Flexi ABS Trust 2019-1	Flexi ABS Trust 2018-1
Closing date:	TBD	28-Mar-19	09-May-18
Pool cut date:	26-Sep-19	04-Mar-19	23-Apr-18
Originator:	Certegy Ezi-Pay Pty Ltd ('Certegy'), a subsidiary of FlexiGroup Limited ('flexigroup')	Certegy Ezi-Pay Pty Ltd ('Certegy'), a subsidiary of FlexiGroup Limited ('flexigroup')	Certegy Ezi-Pay Pty Ltd ('Certegy'), a subsidiary of FlexiGroup Limited ('flexigroup')
Captive finance company:	No	No	No
Servicer:	Flexirent Capital Pty Limited ('Flexirent')	Flexirent Capital Pty Limited ('Flexirent')	Flexirent Capital Pty Limited ('Flexirent')
Pool characteristics:			
Total securitized portfolio amount (AUD):	243,439,672	295,725,000	295,725,000
Number of contracts:	89,165	125,107	141,527
Average contract balance (AUD):	2,730	2,364	2,090
Maximum contract balance (AUD):	23,609	22,648	19,443
Weighted average remaining term:	31.6 months	29.5 months	25.4 months
Maximum remaining term:	60 months	60 months	49.0 months
Weighted average seasoning:	4.9 months	5.7 months	6.8 months
Weighted average financier rate:	14.4%	15.3%	16.5%
Interest basis:	100% fixed rate	100% fixed rate	100% fixed rate
W.A. deposit:	6.8%	7.6%	8.4%
Delinquency status:	No loans in arrears greater than 14 days as of pool cut-off date	No loans in arrears greater than 14 days as of pool cut-off date	No loans in arrears greater than 14 days as of pool cut-off date

Sources: Moody's Investors Service, flexigroup

Exhibit 22

Transaction comparison table

Deal name	Flexi ABS Trust 2019-2	Flexi ABS Trust 2019-1	Flexi ABS Trust 2018-1
Industry mix			
Homeowner	57.4%	56.4%	55.3%
Jewellery	13.1%	16.1%	16.8%
Fitness equipment	1.0%	1.0%	1.9%
Furniture / bedding new	3.9%	4.0%	4.7%
Other	24.5%	22.5%	21.2%
Geographical distribution:			
Australian Capital Territory:	0.8%	0.8%	1.0%
New South Wales:	28.5%	24.4%	20.6%
Northern Territory:	0.7%	0.8%	1.2%
Queensland:	30.3%	31.2%	29.0%
South Australia:	6.9%	7.5%	7.7%
Tasmania:	1.0%	0.9%	1.2%
Victoria:	15.5%	16.2%	20.3%
Western Australia:	16.4%	18.2%	19.0%
Obligor concentration:			
Top 1:	0.0%	0.0%	0.0%
Top 10:	0.1%	0.1%	0.1%
Top 20:	0.2%	0.1%	0.1%
Historical portfolio performance and asset assumptions:			
Mean default rate observed (extrapolated):	2.82%	2.74%	2.48%
Mean default rate assumed (stressed):	3.50%	3.30%	3.00%
Recovery rate assumed (stressed):	0.00%	0.00%	0.00%
Coefficient of variation (stressed):	59.00%	59.00%	60.00%
Structural features:			
Note payment frequency:	Monthly	Monthly	Monthly
Length of revolving period:	N/A	N/A	N/A
Subordination to Aaa notes at closing:	25.80%	24.20%	22.50%
Liquidity reserve/facility at closing:	1.00%	1.50%	1.50%
Liquidity reserve/facility floor (AUD):	500,000	500,000	500,000
Hedging arrangements:	Interest rate swap	Interest rate swap	Interest rate swap
Interest accrual shut-off:	Yes. For all Notes, interest will no longer accrue if the Note is charged-off in full	Yes. For all Notes, interest will no longer accrue if the Note is charged-off in full	Yes. For all Notes, interest will no longer accrue if the Note is charged-off in full
Principal to pay interest:	Yes, for Class A to Class E-G Notes.	Yes, for Class A to Class E Notes.	Yes, for Class A to Class E Notes.
Principal to pay interest shut-off:	No	No	No

Source: Moody's Investors Service, flexigroup

Appendix 2: Product description

The originator's interest-free BNPL product, branded 'hummm', relies on a retailer fee component to meet financing costs and profit margin generation.

Each participating retailer offers its customers the interest free payment option to finance their purchase of goods.

The customer would enter into a contract with the originator to obtain the necessary financing.

The purchase generally requires the customer to pay a deposit to the merchant of 0%-25%, with the remainder constituting the balance of the securitised receivable from the obligor's perspective.

At origination, the retailer will make a payment to the originator by way of a fee, reducing the balance of the receivable that is necessary to be funded, that is, the securitised balance of the receivable is the net amount, cost of goods less merchant fee component.

During the life of the receivable, the customer will make monthly, fortnightly or weekly payments to the originator, with the difference between the balance payable by the obligor and the balance funded by the originator (equal to the merchant fee) representing implicit interest.

The underlying assets are goods and only a small percentage are services such as medical services or education, reducing the risk of payment default in the event of merchant insolvency/discontinuation of maintenance.

Appendix 3: Class A1-G, Class B-G, Class C-G, Class D-G, and Class E-G notes and climate bond certification

The Class A1-G, Class B-G, Class C-G, Class D-G and Class E-G notes have met the requirements for Climate Bonds Standard certification by the Climate Bonds Initiative (CBI)¹.

Class A1-G, Class B-G, Class C-G, Class D-G and Class E-G notes are collateralised by a pool containing a portion of receivables backed by solar equipment and other energy-efficient assets, which meet the standards of the Climate Bonds Initiative.

Moody's related publications

For a more detailed explanation of our approach to this type of transactions, as well as similar transactions, please refer to the following reports:

Methodology used:

- » [Moody's Approach to Rating Consumer Loan-Backed ABS, March 2019 \(1112199\)](#)

Rating implementation guidance:

- » [Data Requirements for Australian ABS, July 2009 \(SF174307\)](#)

Special reports:

- » [ABS Australia - Performance update: Excel Q2 2019, August 2019 \(1189999\)](#)
- » [Auto ABS - Asia Pacific: Sector update, Q2 2019 – Performance broadly stable in most countries](#)
- » [2019 Outlook – Credit quality and performance will remain strong, but weakening will intensify for many asset classes, December 2018 \(1151757\)](#)
- » [Structured Finance - Australia, New Zealand, Korea and China: High household debt increases risk of delinquencies and defaults, June 2018 \(1123315\)](#)
- » [Global Auto ABS Market Comparison Tool, June 2018 \(SF428154\)](#)
- » [Structured Finance and Sovereign - Japan, Korea and Australia: Mitigating factors will minimize risks posed by aging populations, January 2018 \(1098143\)](#)

New issue reports

- » [Flexi ABS Trust 2019-1, March 2019 \(1167467\)](#)
- » [Flexi ABS Trust 2018-1, May 2018 \(1122843\)](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Endnotes

- 1 Climate Bonds International Standards and Certification Scheme (Version 2.1) dated January 2017 (the Climate Bonds Standard) by the Climate Bonds Standard Board.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454



hummm Retailer Agreement

Certegy Ezi-Pay Pty Ltd ABN 28 129 228 986 (hummm)
Level 7, 55 Currie Street, Adelaide SA 5000, Australia

This **hummm** Retailer Agreement consists of:

- the **hummm** Schedule;
 - the **hummm** Retailer General Terms; and
 - the **hummm** Retailer Additional Terms,
- (together, this Agreement).

hummm Schedule

Subscriber Number		Retailer Number	
RETAILER DETAILS			
Legal Name			
Trading Name			
ACN & ABN			
Contact Name		Contact Email	
Business Phone		Contact Phone	
Address			
Goods and/or Services		ANZSIC Code	
If you are a trustee of a trust	Name of Trust		
	Trust ABN		
If you are a Partnership	Name of Partnership		
	Partnership ABN		
CREDIT CARD SURCHARGE (ON BALANCE OWING)			
MasterCard + VISA			
AMEX			
SPECIAL CONDITIONS			
IMPORTANT: If there is inconsistency between the Special Conditions and the rest of this Agreement, the Special Conditions prevail to the extent of the inconsistency. Not Applicable:			
RETAILER SERVICE FEE			
Per month			
JOINING FEE			

PRODUCT SELECTION AND RATE TABLE

Product Type	Big Things			
Premium Advance				
No.	Full Term	Max Limit	Min Deposit	Rate
1 Big Things	3 months			
2 Big Things	6 months			
3 Big Things	12 months			
4 Big Things	18 months			
5 Big Things	24 months			
6 Big Things	30 months			
7 Big Things	60 months			
8 Big Things				

DIRECT DEBIT REQUEST AUTHORITY

You request and authorise **hummm** (User ID No. 125202) to direct credit payments owed to you, or debit amounts you owe to **hummm**, from the Account identified below, subject to the terms of this **hummm** Retailer Agreement.

Name on Account		Bank & Branch	
BSB No.		Account Number	

This Agreement is executed as an agreement and comes into effect on the earlier of:

- the date **Retailer** signs this Agreement; or
- the date **hummm** first provides the Payment Plan Product to Customers.

By signing this Agreement, you acknowledge and confirm that:

- you have read, understood, and agree to be bound by this Agreement including the DDR Service Agreement in the Operating Procedures;
- you are entitled to negotiate the terms of this Agreement; and
- all information provided by you to **hummm** when this Agreement comes into effect is true and correct in all material respects.

Your acceptance of this agreement

Signed by Authorised Representative of the Retailer

Retailer signature Retailer name Date

hummm's acceptance

Signed on behalf of Certegy Ezi-Pay Pty Ltd by:

Signature Name Date

In this Agreement:

- (a) if something is to be done on a day which is not a Business Day, then it must be done on the next Business Day;
- (b) this Agreement, or any part of it, means that agreement as amended, altered, novated or replaced;
- (c) the singular includes the plural and the plural includes the singular;
- (d) a person includes an individual, a body corporate and a government entity;
- (e) a Party includes the Party's executors, administrators, successors and permitted assigns;
- (f) a statute or regulation includes that statute, regulation as amended, replaced or re-enacted;
- (g) monetary amounts are Australian dollars, unless otherwise stated;
- (h) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (i) agreements, warranties, representations or obligations binding or benefiting multiple persons operate jointly and severally; and
- (j) headings are for convenience and do not affect the interpretation of, or form part of, this Agreement.

hummm Retailer General Terms

1. What hummm will do

hummm will make available and support the Payment Plan Product by providing ongoing training, documentation and Customer service support.

2. What you must do and must not do

2.1 You must not:

- (a) set or charge a Purchase Price for goods and/or services using a Payment Plan Product that is higher than the price that would be, or is charged, if another payment method was used;
- (b) give or offer a discount or rebate because a Customer does not use the Payment Plan Product to pay for goods and/or services; and
- (c) charge fees for using a Payment Plan Product to pay for goods and/or services;

2.2 You must comply with:

- (a) Relevant Laws;
- (b) the documents titled "Advertising Guidelines" and "Operating Procedures" issued by hummm from time to time; and
- (c) provide hummm with information, documents and access (including access to premises) reasonably requested to monitor your compliance with this Agreement.

3. Representations and warranties

You represent and warrant, for each transaction where a Customer seeks to use the Payment Plan Product, that:

- (a) you do not know of, or have reason to suspect, fraud or suspicious activity relating to the Purchase, and neither you nor your employees or agents have concealed or otherwise failed to disclose to hummm information which is contrary to information or documentation provided to hummm;
- (b) the Purchase represents a bona fide sale by you in the ordinary course of your business, and only goods and/or services sold by you are the subject of the Purchase;
- (c) you have delivered and/or will promptly dispatch the goods and/or services in respect of the Purchase, and the Customer has clear title to those goods free of all encumbrances, liens and claims;
- (d) goods and/or services comprising a Purchase are of acceptable quality, and fit for any particular purpose made known to you, your agents or employees; and
- (e) you have not done, and will not do, anything to prevent amounts owing under the Payment Plan Product from being valid and enforceable against the Customer.

4. Fees, payments and settlement

4.1 You must pay hummm the Rate for each Purchase.

4.2 You authorise hummm to debit your Account for any amount payable by you under this Agreement in accordance with the DDR Service Agreement.

4.3 Subject to clauses 5 and 4.4 and the Operating Procedures, for each Purchase hummm will instruct payment to be made to your Account of the Balance Owing less hummm's Fees on the next Business Day.

4.4 hummm can set off all amounts owed by you to hummm against amounts hummm owes you.

4.5 hummm may delay, block or refuse to make a payment or process a Purchase, or cease to provide the Payment Plan Product to you, if hummm reasonably believes that failing to do so may breach a Relevant Law.

5. Rejecting Purchases and withholding payment

5.1 You acknowledge and agree that hummm will determine, in its sole discretion, whether to accept or reject any Purchase submitted to hummm.

5.2 hummm may, acting reasonably, reject a Purchase, or withhold payment of the Balance Owing less hummm's Fees in respect of a Purchase (or other amount owing to you under this Agreement), if:

- (a) any representations and warranties made by you prove to be false or inaccurate;
- (b) the Customer does not exist, or disputes liability under the Payment Plan or the Purchase on reasonable grounds; or
- (c) you did not comply with any provision in relation to the Purchase.

5.3 If hummm withholds payment, hummm may make a New Offer. If the Customer accepts the New Offer, hummm may pay you the Balance Owing less hummm's Fees immediately.

6. When hummm is not liable

hummm is not liable in respect of a Claim for special loss or damage, indirect loss or damage, or consequential loss:

- (a) if you do not give hummm a Claim Notice within 20 Business Days after you first become aware of that fact, matter or circumstance;
- (b) if within 6 months after the Claim Notice is received by hummm, you have not commenced legal proceedings against hummm in respect of the Claim;
- (c) to the extent that you have insurance cover in respect of any fact, matter or event giving rise to that Claim;
- (d) to the extent that the Claim arises from a change in any legislation or regulation, any judicial or administrative interpretation of the law, or any practice, policy or view of a Regulatory Authority (whether or not retroactive);
- (e) to the extent that the liability for that Claim is a contingent liability, unless and until the liability is an actual liability and is due and payable; or
- (f) to the extent that the Claim could only have been avoided by hummm breaching its obligations at law or under this Agreement.

7. Indemnities

7.1 You indemnify hummm and keep hummm indemnified against all actions, suits, claims, demands, loss, damage, liabilities, costs, charges, taxes and expenses of whatever kind or nature suffered or incurred (whether directly, indirectly or consequential) from or in respect of:

- (a) failure by you to observe your material obligations under this Agreement;
- (b) a representation or warranty given by you which is materially untrue or misleading;
- (c) any false representation, warranty or statement made by you or your Personnel to a Customer in relation to the Payment Plan Product;
- (d) a breach of any Relevant Law by you;
- (e) any dishonest, fraudulent, wilful, reckless, unlawful or negligent act or omission by you or your Personnel in respect of the hummm Service;
- (f) a breach of the sale contract or non-delivery of goods or non-provision of services to a Customer as a result of a statement, act or omission by you or your Personnel; and
- (g) legal proceedings being brought against you or hummm arising from the matters at (a) to (f) above.

7.2 The indemnities under this clause 7:

- (a) do not extend to loss (including loss of bargain or profit), damage, liabilities, costs, taxes, duties, charges and expenses suffered or incurred as a result of the negligent or fraudulent acts or omissions, or wilful misconduct by hummm, its agents or employees;
- (b) are in addition to statutory indemnities in favour of hummm;
- (c) are continuing obligations, independent of your other obligations under this Agreement, and continue in full force and effect following termination of this Agreement; and
- (d) are continuing obligations, independent of your other obligations under this Agreement, and continue in full force and effect following termination of this Agreement.

8. Suspension of Agreement

- 8.1 **hummm** may suspend this Agreement at any time without notice if **hummm** considers it reasonably necessary to avoid loss to you or **hummm**, to comply with a regulatory or legal requirement, or to protect the integrity of its systems, including if **hummm** suspects fraudulent activity.
- 8.2 If **hummm** suspends this Agreement:
- hummm** will notify you as soon as reasonably practicable;
 - all your rights under this Agreement will be suspended; and
 - hummm** may subsequently reinstate or terminate this Agreement.

9. Term and Termination of Agreement

- 9.1 This Agreement continues until terminated in accordance with this clause 9.
- 9.2 **hummm** may terminate this Agreement by giving you 7 days written notice if:
- you fail to pay **hummm** an amount within 2 Business Days of the due date;
 - you breach any essential provision of this Agreement and, if such breach is capable of rectification, you do not rectify the breach within 5 Business Days of written notice requiring you to rectify the breach;
 - a representation, warranty or statement made by you in connection with this Agreement is materially untrue or misleading (by omission or otherwise); or
 - there is, in **hummm's** reasonable opinion, a material adverse change in your business, assets or financial condition, or a material change in the persons who comprise, own or control the management of you, without **hummm's** prior written consent.
- 9.3 Either Party may terminate this Agreement:
- immediately by written notice to the other Party if an Insolvency Event occurs or it becomes unlawful to maintain the Agreement; or
 - at any time with 30 days written notice.
- 9.4 Termination does not affect any right or obligation which arose before termination, or in respect of a Purchase or sales transaction processed by **hummm** after termination.
- 9.5 On termination, you must comply with **hummm's** direction in relation to all materials provided by **hummm**.

10. Assignment

- 10.1 **hummm** may assign, novate or otherwise deal with its rights and obligations under this Agreement without your consent.
- 10.2 You must not assign your interest in this Agreement, or any rights, remedies, liabilities or obligations arising under or by reason of it, without **hummm's** prior written consent, which will not be unreasonably withheld. Such consent may require you to satisfy conditions required by **hummm**.

11. Confidentiality

- 11.1 The Parties may from time to time provide each other with, or may gain access to, Confidential Information and the Parties agree to keep and treat as confidential the Confidential Information disclosed by the other Party.
- 11.2 The Parties must treat the other Party's Confidential Information as proprietary and not use, disclose or permit the disclosure of Confidential Information without the other Party's prior written consent. The Parties must only use or disclose Confidential Information to their Personnel to the extent necessary to satisfy their obligations under this Agreement.
- 11.3 On termination, the Parties must follow each other's reasonable instructions relating to the other Party's Confidential Information.

12. Intellectual Property

- 12.1 Nothing in this Agreement affects a Party's intellectual property rights that exist at any time.
- 12.2 All intellectual property rights in and relating to the **hummm** Service, will be owned by **hummm** at all times.

13. Privacy

- 13.1 **hummm** may require access to data, including Personal Information, held by you. You must provide access to the data if reasonably requested.
- 13.2 **hummm** collects, uses, discloses, holds and manages Personal Information provided to **hummm** in accordance with **hummm's** Privacy Policy, which is available at <https://www.shophummm.com.au/privacy-policy> or on request.

14. GST

- 14.1 If GST is payable by a supplier (or by the representative member for a GST group of which the supplier is a member) on any supply made under or in relation to this Agreement, the recipient must pay to the supplier an amount equal to the GST payable on the supply. That amount is payable by the recipient in addition to and at the same time as the net consideration for the supply.
- 14.2 If a Party is required to make any payment or reimbursement, that payment or reimbursement must be reduced by the amount of any input tax credits or reduced input tax credits to which the other Party (or the representative member for a GST group of which it is a member) is entitled for any acquisition relating to that payment or reimbursement.
- 14.3 This clause 14 is subject to any other specific agreement regarding the payment of GST on supplies.
- 14.4 The recipient of a taxable supply may issue tax invoices in respect of supplies. The supplier will not issue tax invoices in respect of supplies.
- 14.5 The supplier acknowledges that it is registered for GST when it enters into this Agreement and that it will notify the recipient if it ceases to be registered.
- 14.6 The recipient acknowledges that it is registered for GST when it enters into this Agreement and that it will notify the supplier if it ceases to be registered or if it ceases to satisfy the requirements of the determination GSTR 2000/10.
- 14.7 The recipient must not issue a document that would otherwise be a recipient created tax invoice on or after the date when either the supplier or the recipient has failed to comply with any of the requirements of the determination.

15. Miscellaneous

- 15.1 This Agreement is governed by the laws of South Australia.
- 15.2 A provision in this Agreement, or a right created under it, may be waived by **hummm** at its absolute discretion. No failure or delay to exercise operates as a waiver unless in writing.
- 15.3 **hummm** may exercise a right or remedy in any way **hummm** considers appropriate.
- 15.4 If you are not appointed **hummm's** limited agent to obtain customer identity information, you must not act as, or represent yourself to be, **hummm's** agent. You have no authority to make any agreement, representation or promise, or to give any warranty or to agree to any condition, on **hummm's** behalf. You will refer the Customer to **hummm** to satisfy the Customer's enquiries in respect of their obligations.
- 15.5 You must not make any public announcements regarding your relationship with **hummm** without **hummm's** prior written consent.
- 15.6 If a provision of this Agreement is invalid it will have no force or effect and will be severed from this Agreement without affecting the remaining provisions and operation of this Agreement.
- 15.7 **hummm** may vary or amend this Agreement by giving 30 days' written notice. If you are not satisfied with any change, you can terminate this Agreement.
- 15.8 If you enter into this Agreement as a trustee of a trust, you:
- represent and warrant that you enter into this Agreement for a proper purpose of the trust;
 - have power and authority under the trust to enter into and perform your obligations under this Agreement;
 - have the right to be indemnified fully out of the trust property before the trust's beneficiaries for all liabilities you incur under or in connection with this Agreement; and
 - must not (without **hummm's** prior written consent) distribute any capital of the trust, retire as trustee or be

replaced as trustee, re-settle the trust, amend the trust deed of the trust or otherwise vary the terms of the trust, grant a security interest over any of the assets of the trust, or breach any terms of the trust.

15.9 You must provide immediate written notice to **hummm** if any of the events in clauses 15.8 (a) to (d) occur.

16. Definitions

Unless the context otherwise requires, Terms are defined as follows:

Account means the account specified in the DDR Authority (or as updated in accordance with the DDR Service Agreement) to which amounts payable by you and to you will be debited or credited by **hummm**.

Agreement means this document between **hummm** and you which is comprised of:

- (a) the **hummm** Schedule;
- (b) the **hummm** Retailer General Terms; and
- (c) the **hummm** Retailer Additional Terms, as amended from time to time.

Application means the process by which a person applies for a Payment Plan Product or seeks an advance of credit under a Payment Plan Product.

Application Form means the forms approved by **hummm** for use in an Application (including the "Credit Schedule" and "**hummm** Terms and Conditions") or as completed and signed by the Customer.

Balance Owning means, in respect of a Purchase, the Purchase Price less any Deposit.

BECS means the Bulk Electronic Clearing System.

Business Day means a day other than a Saturday, Sunday or public holiday in South Australia.

Claim means any claim, demand, legal proceeding or cause of action, relating to this Agreement or the transactions contemplated by it.

Claim Notice means a notice describing in reasonable detail each fact, matter or circumstance giving rise to the Claim, stating why that fact, matter or circumstance gives rise to a Claim, and including an estimate of the amount of the Claim.

Confidential Information means information the disclosing party makes available to the receiving party, their employees or advisers in connection with this Agreement other than Excluded Information, including technical information with respect to the disclosing party's operations, financial data and projects, business plans and/or intellectual property which has been or will be identified by the disclosing party as proprietary or confidential.

Credit Schedule means the "Credit Schedule" forming part of the Payment Plan Contract with the Customer. A separate Credit Schedule is required for each Purchase.

Customer means a person who purchases goods and/or services from you financed under a Payment Plan Contract.

Deposit means the minimum amount or percentage of the Purchase Price that the Customer must pay **hummm** before **hummm** accepts a Purchase. The Deposit must be paid to **hummm** and must not include rebates, or trade-ins.

DDR Service Agreement means the "DDR Service Agreement" set out in the Operating Procedures.

DDR Authority means the "Direct Debit Request Authority" set out in the **hummm** Schedule

Excluded Information means information that is in or comes into the public domain otherwise than as a result of a breach of this Agreement or other obligation of confidence or information that was within a Party's possession prior to being furnished to the other Party.

Fees means the Rate and other fees payable to **hummm**.

GST has the meaning given by the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

hummm Service means the transaction processing services provided to retailers (including you) by **hummm**.

Insolvency Event means where a Party enters into, or takes steps to enter into, liquidation, provisional liquidation, official management, receivership, receivership and management, administration, bankruptcy or enter into an arrangement, reconstruction or composition with the Party's creditors, or a

Party fails to pay their debts as they fall due or otherwise become insolvent, or anything analogous or having a substantially similar effect to any of the above events happens in respect of a Party under the law of any applicable jurisdiction.

New Offer means a new offer for a Payment Plan Product (or a new Credit Schedule for a subsequent Payment Plan under a Payment Plan Product) issued by **hummm** to the Customer on the terms on which the Customer would have borrowed, or made an offer to borrow, from **hummm** if you had correctly transcribed all information into the Application, after **hummm** has rejected their initial Purchase.

Operating Procedures means documents titled "Operating Procedures" issued to you by **hummm** from time to time, together with other written directions **hummm** gives you in relation to the **hummm** Service.

Party means either **hummm** or you, together the Parties.

Payment Plan means each advance of credit provided by **hummm** for a Purchase under a Payment Plan Contract.

Payment Plan Contract means the contract between **hummm** and the Customer in relation to the Payment Plan Product Terms.

Payment Plan Product means the continuing credit product provided by **hummm** and known as "**hummm**". For the purpose of this Agreement please refer to the Product Selection & Rate Table.

Personal Information has the meaning given by the *Privacy Act 1988* (Cth).

Personnel means a Party's officers, employees, agents, franchisees, contractors or other representatives.

Purchase means the application by a Customer to purchase goods and/or services from you which are wholly or partly financed under a Payment Plan Contract.

Purchase Price means the total price of the goods and/or services supplied by you to the Customer.

Rate means, in respect of a Purchase, the percentage rate described as "Rate" in the **hummm** Schedule (or as advised to you by **hummm** from time to time) for the product type with the corresponding term and minimum Deposit for that Purchase multiplied by the Balance Owning.

Regulatory Authority means any government authority, administrative or judicial body or tribunal, department, commission, public authority, agency, minister, statutory corporation or instrumentality.

Relevant Law means any relevant law, regulation, code, ordinance, rule or other legislative instrument, or guideline issued by a regulator or statutory authority, or relevant industry codes, including but not limited to the *Privacy Act 1988* (Cth), consumer protection and fair trading laws which apply to the operation of this Agreement and the transactions contemplated by it.

Retailer Additional Terms means the document titled "**hummm** Retailer Additional Terms".

Operating Procedures

1. Processing and submitting Applications In-Person via Manual Credit Schedule (Big Things only)

- 1.1 You must confirm with the Customer, that all Customer information provided and/or displayed on the Credit Schedule is correct.
- 1.2 You must ensure that Customers' Payment Plans are within the maximum terms and limits, as contained in the **hummm** Retailer Agreement.
- 1.3 You must obtain your minimum deposit, except where the Customer is identified as a VIP. If a Customer is a VIP Customer, you will need to obtain a **hummm** VIP number from the Customer. If the Customer does not have a VIP number present they can obtain this from the **hummm** Customer Service team.
- 1.4 You must complete a verification call to our Authorisations team for approval. The Customer financial information A to G on the Credit Schedule, will be provided on approval.
- 1.5 You must not release the goods and/or services to the Customer until the Customer's Payment Plan Application has been approved.
- 1.6 You must ensure the Credit Schedule is dated and signed by the Customer whose name is on the Purchase.
- 1.7 You must give the Customer a Terms and Conditions and a copy of their signed Credit Schedule. There are to be no amendments to the Credit Schedule.
- 1.8 You must comply with all laws relating to, and not just limited to, cooling off periods, refund policies and respective building codes and practices.
- 1.9 You agree to notify **hummm** immediately of any cancellation of service, returned merchandise and details of any refunds or payments accepted by you from the Customer to repay any Payment Plan. If you accept payment from the Customer in relation to a Payment Plan Contract, you do so on **hummm's** behalf.
- 1.10 You agree that **hummm** will make adjustments to amounts payable under this Agreement when there are Customer refunds or cancellations.

2. Processing and submitting Applications In-Person via all Digital Methods (Big Things and Little Things)

- 2.1 You must input the Purchase Price into the seller portal.
- 2.2 For Little Things purchases, you must obtain a **hummm** Customer barcode or barcode number to process the application. For Big Things, if a Customer is a VIP Customer, you may obtain a **hummm** Customer VIP number and input this into the seller portal for validation. For Big Things Customers who do not have a VIP number, please continue the application by pressing next.
- 2.3 For Big Things, you must ensure that all information provided by the Customer is entered correctly.
- 2.4 You must ensure that Customers' Payment Plans are within the maximum terms and limits, as contained in the **hummm** Schedule.
- 2.5 For Big Things, you must obtain your minimum deposit, except where the Customer is identified as a VIP or a transaction is "Point Of Sale Integrated". VIP recognition will be displayed to you in the seller portal after entering the Customer's VIP number.
- 2.6 You must not release the goods and/or services to the Customer until the Customer's Payment Plan Application is shown in the seller portal as approved.
- 2.7 You must comply with all laws relating to, and not just limited to, cooling off periods, refund policies and respective building codes and practices.
- 2.8 You agree to notify **hummm** immediately of any cancellation of service, returned merchandise and details of any refunds or payments accepted by you from the Customer to repay any Payment Plan. If you accept payment from the Customer in relation to a Payment Plan Contract you do so on **hummm's** behalf.

- 2.9 You agree that **hummm** will adjust from you, those Customer refunds or cancellations.

3. Processing and submitting Applications via Online Shopping Carts (Big Things and Little Things)

- 3.1 You will be provided with a unique API Key which enables transactions to be initiated from your website or ecommerce facility. It is your responsibility to secure the API Key and the environment in which it is used. Industry 'Best Practice' must be followed to ensure that your website/facility is secure and access to the API Key is restricted to authorised parties only. **hummm** will never request that you disclose your API Key. You must immediately notify **hummm** if the API Key is or you suspect it has been accessed by an unauthorised party.
- 3.2 You must comply with all laws relating to, and not just limited to, cooling off periods, refund policies and applicable codes of practice.
- 3.3 You agree to notify **hummm** immediately of any cancellation of service, returned merchandise and details of any refunds or payments accepted by you from the Customer to repay any Payment Plan. If you accept payment from the Customer in relation to a Payment Plan Contract you do so on **hummm's** behalf.
- 3.4 You agree that **hummm** will make adjustments to amounts payable under this Agreement when there are Customer refunds or cancellations.

4. DDR Service Agreement

- 4.1 **hummm** (User ID No. 125202) undertakes to periodically debit the Account for the agreed payment amount in accordance with your instructions set out in the DDR Authority or as varied. The payment will be debited from the Account on the payment due date through BECS or, if unavailable, as otherwise authorised by you. If the payment due date falls on a day that is not a Business Day, the payment will be processed on the next Business Day. If you are unsure of the date a payment will be debited please contact us.
- 4.2 If your debit is returned or dishonoured by your financial institution, the Account will be subject to a dishonour fee and you authorise us to redirect the debit within 10 Business Days.
- 4.3 We may vary the terms of this DDR Authority or DDR Service Agreement at any time by giving you at least 14 days' notice. If you would like to make changes to the DDR Authority, please contact us or your financial institution.
- 4.4 Changes you may request include altering the timing or stopping any debit or suspending or cancelling the DDR Authority. However, if you make changes to the DDR Authority without our written consent, we may suspend this Agreement in accordance with clause 8 of this Agreement.
- 4.5 Any enquiries addressed to us should be made at least 2 Business Days prior to the next scheduled debit date. All communications addressed to us should include your name and customer ID.
- 4.6 You authorise us to provide to our financial institution:
 - (a) information necessary to debit your Account; and
 - (b) information in connection with a claim made relating to an alleged incorrect debit.

Please refer to our Privacy Policy for further information regarding our collection, use and disclosure of personal information.
- 4.7 If you believe that an incorrect debit has occurred, please contact us or your financial institution. You will receive a refund of the debited amount if we cannot substantiate the reason for the debit.
- 4.8 You must ensure that:
 - (a) you have completed the correct details on the DDR Authority (your Account details should be checked against a recent statement from your financial institution. If you are in any doubt, please contact your financial institution);
 - (b) your Account can accept direct debits (you should check this with your financial institution before you sign this Agreement);
 - (c) on the debit date there are sufficient cleared funds in the Account; and
 - (d) you advise us if the Account is closed.

humm Retailer Additional Terms

These are the **humm** Retailer Additional Terms which are incorporated into the **humm** Retailer Agreement.

Capitalised terms not defined in these **humm** Retailer Additional Terms have the meaning defined in the **humm** Retailer General Terms.

The following additional definitions apply for Big Things.

Non-Valid means that the Application and/or relevant Payment Plan Contract forms have not been completed and/or processed for a particular Payment Plan/Purchase in accordance with this Agreement and any Operating Procedures. A later Payment Plan can be Non-Valid even where the initial Payment Plan/Purchase was valid (e.g. where the relevant Application was not correctly completed for the first Payment Plan and Purchase when the Payment Plan Contract was initially established).

Paper Applications means any Application made using a paper form.

1. Paper Applications

If you process Paper Applications, you must comply with the procedures for Paper Applications specified by **humm** from time to time, as set out in the Operating Procedures. You must also comply with clause 2 of the Additional Terms.

2. Premium Advance and Non-Valid Contracts

2.1 A Non-Valid Purchase does not affect the enforceability of the Customer's Payment Plan Contract.

2.2 If the **humm** Schedule indicates that you use Premium Advance for **humm** Big Things, **humm** will pay you the Balance Owing less any Fees for a Non-Valid Payment Plan relating to **humm** Big Things in accordance with clause 2.3 unless the Payment Plan is Non-Valid for one or more of the following reasons:

- (a) the term (amount of time to repay) stated on the Payment Plan Contract exceeds the term currently available to you to offer to Customers;
- (b) the Customer is less than 18 years old;
- (c) the Customer is not a permanent resident of Australia;
- (d) the Customer has not signed their Payment Plan Contract; or
- (e) the goods and/or services have not been delivered and/or dispatched to the Customer.

2.3 All Non-Valid Applications received by **humm** will be reviewed in accordance with the Operating Procedures. **humm** will pay you up-front for Non-Valid Payment Plans relating to **humm** Big Things during **humm's** regular remittance cycle on the condition that you agree and acknowledge that:

- (a) when 25% of the term of the Purchase has cleared the banking system and the Customer has made all payments on time, **humm** will have no further claim against you in respect of that Payment Plan;
- (b) if a Customer fails to make a required payment in respect of the Payment Plan during the first 25% of the term of their Payment Plan, including by reason of dissatisfaction or cancellation, **humm** will net ("clawback") the unpaid balance from your next remittance. **humm** will credit you the unused portion of **humm's** Rate by applying the following formula: *Original financed amount divided by 365 days and multiplied by the number of days you held the funds;*
- (c) clawbacks will be reported as a negative remittance and will if relevant be noted as "Premium Advance". No other reporting of these contracts will be provided;
- (d) **humm** will continue to collect on Non-Valid Payment Plans and you will have to pay the Collections Commission fee set out in clause 2.4;
- (e) if there are insufficient funds in the next outgoing remittance to you, the balance owed to **humm** will be collected in subsequent remittances. If there are insufficient remittances, you may be invoiced;
- (f) you agree to pay **humm** a \$5.00 Non-Valid charge for each Non-Valid Application; and

(g) **humm** may charge you, and you must pay, the establishment fee and/or payment processing fees which would have been collected from the customer had the Payment Plan Contract been "valid".

2.4 You must pay to **humm** a Collections Commission fee of 18% on any receivables collected for a Non-Valid Application.

2.5 If an Application is Non-Valid and the Balance Owing less any Fees is not payable in accordance with clause 2.2, **humm** may not pay you the Balance Owing less any Fees immediately (under clause 2.3) and instead pay you only as **humm** successfully collects instalments from the Customer less any applicable collection fees. **humm** may charge you for the establishment fee and/or payment processing fees which, had the Payment Plan been "valid", would have been collected from the customer.

3. AML/CTF limited agency

3.1 You are appointed **humm's** limited agent for **humm's** customer identification purposes required under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

3.2 As **humm's** limited agent you must:

- (a) use your best endeavours to properly identify each Customer; and
- (b) follow any procedures specified by **humm**.

4. Credit card surcharge

If a Customer pays any amount to **humm** by credit card in respect of a Payment Plan originating from a **humm** Big Things transaction, you must pay to **humm** the credit card surcharge as specified in the **humm** Schedule (if any).

This section only applies if you provide solar, hot water, PV solar installations or energy storage systems.

5. Additional things you must do

You must:

- (a) ensure that the Customer is the owner of the domestic property or dwelling to which the solar unit/system is being installed. The Customer cannot be renting or leasing the property or dwelling;
- (b) deduct any rebate, REC or STC from the sale value of the goods and/or service and record this figure (the deducted figure) as the purchase amount on the **humm** Credit Schedule;
- (c) ensure the actual deposit paid by the Customer will be written in the "deposit received" field on the **humm** Credit Schedule and will not include any rebate, REC or STC;
- (d) ensure the minimum deposit received from the Customer will be the minimum required by **humm**;
- (e) not submit any agreements to **humm** for processing and payment until the goods and/or services have been provided to the Customer in full;
- (f) complete the sales and installation service for the Customer and submit the required supporting documents to **humm** within 90 days of the date that the Verification Number (contract date) was given. If you do not do this, **humm** may cancel the Payment Plan Contract with the Customer. **humm** may sign the Customer on a new agreement if you obtain a new Verification Number from **humm**; and
- (g) provide the following supporting documents with each agreement submitted to **humm** for processing and payment:
 - (i) a copy of the sales invoice and sales quotation;
 - (ii) a copy of the sales contract with the Customer;
 - (iii) a copy of the completed REC or STC application;
 - (iv) a correctly completed and signed **humm** Credit Schedule; and
 - (v) a correctly completed and signed **humm** Solar Customer Satisfaction form (which is a form approved by **humm**).

6. Exclusivity

- 6.1 **hummm** will make the Payment Plan Product available to you at the Exclusive Rate on the condition that you:
- provide payment plans to Customers exclusively using **hummm**. You must not introduce, market, promote or offer any Customer any Competing Finance Solution; and
 - must not enter into any agreement or understanding with any other person for the provision of any Competing Finance Solution in association with the sales, marketing and financing of any goods or services you offer.
- 6.2 The Exclusive Rates will apply in place of the Rates that would otherwise be payable by you under the Agreement.
- 6.3 **hummm** will apply the Exclusive Rate to Payment Plans which meet the requirements set out in the table below:

TERM (MONTHS)	LIMIT	DEPOSIT	EXCLUSIVE RATE
24	\$6,000.00	0.00%	9.00%
30	\$10,000.00	0.00%	11.00%
40	\$20,000.00	0.00%	13.50%
50	\$25,000.00	0.00%	16.50%
60	\$30,000.00	0.00%	19.50%

- 6.4 In this **clause 6** terms are defined as follows:

Competing Finance Solution means any product(s) and/or service(s) which any person can use to defer payment of a debt and which is made available by any person other than **hummm** or a Related Entity of **hummm**.

Exclusive Rate means the Exclusive Rates specified in clause 6.3 above.

Related Entity has the meaning given to that term in the *Corporations Act 2001 (Cth)*.



Terms & Conditions

March 2019

shophumm.com.au

hummm Terms and Conditions – April 2019

The terms of the *hummm credit contract* are set out in these Terms and Conditions and your Credit Schedules (there is a separate Credit Schedule for each purchase) (together, the **Contract**).

One of the great features of hummm is that you should not pay any more for a Good or Service at a Merchant when using hummm than you would pay if you were not using hummm.

If a Merchant indicates that you will have to pay more or tries to charge you more (for example by charging a higher price of the good or service, not applying a discount or rebate or by charging or bundling additional fees or charges), we want to know about it. So please tell us by contacting us at (08) 8232 2828.

*We are also a member of the Australian Financial Complaints Authority (**AFCA**), which is an independent dispute resolution scheme. You can make a complaint to AFCA by calling 1800 931 678 or by visiting their website at www.afca.org.au - see clause 11 below for more information on making a complaint.*

The meaning of some key words is explained at the end of these Terms and Conditions.

1. How to establish your hummm RCA

- 1.1 If you don't already have an RCA with us, by submitting a completed Credit Schedule to an Eligible Merchant or by making an application to join hummm using the hummm Portal, you:

- (a) offer to enter this Contract electronically;
and
- (b) consent to providing your acceptance electronically for the purposes of this Contract, the Direct Debit Service Agreement, the Identity Verification and the Privacy Consent.

1.2 If we accept your offer, we will open an RCA in your name and these Terms and Conditions will apply. We may accept your offer by opening an RCA in your name or by sending you a purchase confirmation.

2. How you can use your RCA

- 2.1 You can use your RCA to purchase Goods or Services from Eligible Merchants.
- 2.2 You can have a Big Things Limit or a Little Things Limit or both. You can ask us to increase them, but only up to the Maximum Big Things Limit and the Maximum Little Things Limit. We do not have to agree to an increase.
- 2.3 Subject to these terms, you may drawdown under your RCA to purchase from Eligible Merchants:
 - (a) Big Things up to the amount you have Available to Spend on Big Things; and
 - (b) Little Things up to the amount you have Available to Spend on Little Things.
- 2.4 To make a purchase using your RCA, you must request that we provide an Amount of Credit on the terms specified in a Credit Schedule. That request can be made by submitting a Credit Schedule in relation to a proposed purchase to us via the humm Portal or an Eligible Merchant.
- 2.5 If we confirm your request, you may complete the purchase using the Amount of Credit for that purchase under your RCA.
- 2.6 If you request that we provide an Amount of Credit that is more than your Maximum Purchase Amount,

we will treat your request as a request to increase your relevant Credit Limit. Subject to these terms, if the limit increase request is approved by us your relevant Credit Limit will increase by that amount.

- 2.7 You must pay any minimum deposit we require you to pay to the Eligible Merchant for a purchase in order to drawdown under your RCA for that purchase. You will be notified of any minimum required deposit at the time of any proposed purchase.
- 2.8 You cannot use your RCA to purchase a Big Thing if it will result in you having more than three Outstanding Purchase Amounts relating to purchase of Big Things.

3. When you can't use your RCA for a purchase

- 3.1 You cannot drawdown under your RCA if:
- (a) the RCA has been closed or use of the RCA has been suspended or cancelled;
 - (b) you are in Default;
 - (c) you do not provide any documents we reasonably require from time to time, including identification documents;
 - (d) the Amount of Credit or required deposit is not within the Merchant's limit as set by us from time to time;
 - (e) we are not reasonably satisfied that the Merchant is entitled to that amount under your contract with the Merchant;
 - (f) the terms upon which the Amount of Credit is to be repaid as set out in the Credit Schedule would not result in the Amount of Credit being repaid in full within the selected term or are otherwise incorrect or incomplete;
 - (g) you have not provided a completed Credit Schedule (including a direct debit authority if we require it);

- (h) we suspect that you or another person may have acted fraudulently in connection with your RCA; or
- (i) it will cause you to exceed the amount you have Available to Spend on Big Things or the amount you have Available to Spend on Little Things.

4. The amount you have Available to Spend

- 4.1 When you purchase a Big Thing with your RCA, the amount you have Available to Spend on Big Things is reduced by the Purchase Amount on the Start Date for that purchase, but increases as you make the repayments on any such purchase as described below in clause 4.2.
- 4.2 When you make a repayment on a purchase it is applied first to paying certain fees and other amounts (see clause 6). When repayments are made on a Purchase Amount for a Big Thing:
 - (a) your Big Things Limit reduces by the amount you repay and increases by the amount by which the amount you have Available to Spend on Big Things increases, as set out in sub-clause (b) below; and
 - (b) the amount you have Available to Spend on Big Things increases by an amount which corresponds as follows:

Percentage of Purchase Amount repaid	Percent of dollars repaid to Purchase Amount available to make another purchase (i.e. added to the amount you have Available to Spend on Big Things)
1% to 25%	10%
26% to 50%	50%
51% to 75%	75%
76% to 100%	100%

Example: *If you make an initial purchase of a Big Thing with a Purchase Amount of \$1,000, your Big Things Limit would be \$1,000 and, after the purchase, the amount you have Available to Spend on Big Things would be \$0. If you repay \$200 of that purchase (after fees and other amounts payable under clause 7), i.e. 20% of the Purchase Amount, the amount you have Available to Spend on Big Things would increase to \$20 (being 10% of the \$200 repaid) and your new Big Things Limit would be \$820 (being \$1,000 less \$200 plus \$20). If you then repay another \$100 so that you have repaid \$300 of the purchase (after fees and other amounts payable under clause 7), i.e. 30% of the Purchase Amount, the amount you have Available to Spend on Big Things would increase by another \$130 (so that the new amount you Available to Spend on Big Things would be \$150, i.e. 50% of the \$300 repaid in relation to that purchase) and your new Big Things Limit would be \$850 (being \$820 less \$100 plus \$130).*

- 4.3 At any time you may request that we increase your Little Things Limit up to the Maximum Little Things Limit. We may approve or decline that request at our discretion.
- 4.4 When you purchase a Little Thing with your RCA, your Little Things Balance Owing increases by the Purchase Amount and the amount you have Available to Spend on Little Things is reduced by the Purchase Amount on the Start Date for that purchase.
- 4.5 When repayments are made on a Purchase Amount for a Little Thing, your Little Things Balance Owing decreases by the amount of the repayment after applying any fees and other amount in accordance with clause 7 and the amount you have Available to Spend on Little Things increases by the same amount.

5. Reducing or cancelling your Credit Limit

- 5.1 If you ask us to, we will reduce or cancel your Credit Limit, subject to any minimum limits that apply at the time.
- 5.2 We may, acting reasonably, reduce all or any of your Credit Limit or Available Limit to any amount we choose if:
- (a) you are in Default;
 - (b) we reasonably form the opinion that there may be a material adverse effect for you or us if we do not (including if we have concerns, on reasonable grounds, that you may not be able to meet your obligations under this Contract if you drew down further);
 - (c) we decide to no longer offer this product or we put an alternative offer to you; or
 - (d) it is necessary due to a change in law or a code binding us or in interpretation of such a law or code.

If you are in Default, we do not need to give you notice of this. Otherwise, we will give you one month's notice.

6. Repayments

6.1 Once we provide you with a Purchase Amount, you owe us that amount. You must pay to us, in relation to each Purchase Amount:

- (a) the repayments in the amount and at the frequency or on the dates specified in the Credit Schedule for the relevant purchase from the Start Date; and
- (b) any additional fees not included in the Amount of Credit.

However, your final required repayment in relation to a Purchase Amount cannot exceed the unpaid amount of that Purchase Amount and any applicable fees.

If an amount is due on a day that is not a Business Day or a day that does not exist (e.g. 30 February) you must pay us that amount on the next Business Day.

6.2 Each purchase under the RCA will have a separate Purchase Amount and repayments that are payable. The repayment amount stated in the Credit Schedule excludes any government duties applicable to the repayment and does not include any fees or charges payable under this Contract other than the Establishment Fee or Repeat Purchase Fee (if applicable).

6.3 We will notify you of the Start Date for each Purchase Amount. The Start Date for a Purchase Amount will typically be the date you submit a Credit Schedule to us.

6.4 You must make the repayments by direct debit from the bank account or credit card shown in the Credit Schedule or by any other manner approved by us. If you have more than one Purchase Amount

outstanding, we will initiate separate direct debits for the repayment amounts that relate to each Purchase Amount. You must ensure that there are sufficient funds in that account to allow any repayment to be honoured.

- 6.5 You can make repayments or pay fees and charges ahead of time, if you like. For some repayments, you may be given an option in the humm Portal to reschedule the due date for that payment to a later date up to the day before the following repayment is due. However, you can only have one outstanding rescheduled payment at any one time. If you select a new due date for a repayment where that option is available, the payment will be due on the new date selected.
- 6.6 We ordinarily apply a payment received in the following order in repayment of any unpaid amounts to the extent that the relevant items have been charged to your RCA at the time the repayment is processed:
- (a) enforcement expenses;
 - (b) government taxes, duties or charges;
 - (c) fees payable under this Contract relating to the relevant purchase;
 - (d) any outstanding Purchase Amounts relating to the relevant purchase;
 - (e) any other part of the Balance Owing.
- 6.7 If you make a payment to us, and you have made more than one purchase on your RCA, you may nominate the purchase which it relates to. If you do not nominate a purchase, or if you are in Default, we may, acting reasonably, determine which purchase it relates to at our discretion.
- 6.8 If you are in Default, we may make reasonable changes to the amount, method of calculation, number, frequency or time for payment of repayments or period over which repayments are to

be paid without your consent in order to remedy any arrears in payment.

- 6.9 All repayments, fees and charges, once paid, are not refundable unless we have received payment in error or you are entitled to a refund under the Australian Consumer Law or any other law.
- 6.10 In the event you sell the goods or property to which the goods purchased with your RCA have been installed or attached to, you are still required to continue to make repayments to us and to pay any related fees and charges until the Total Amount Owing is paid in full, even in the event you are no longer in possession of those goods.

7. Fees and Charges

- 7.1 Subject to clause 7.3, you must pay us:
- (a) an Establishment Fee or Repeat Purchase Fee for each purchase of a Big Thing. The fee will be set out in the Credit Schedule for a purchase. The Amount of Credit for a purchase will include the Establishment Fee or Repeat Purchase Fee together with the amount to be paid to the merchant. The fee is repaid as part of the repayments relating to the purchase;
 - (b) a Monthly Fee of \$8.00. This fee is due and payable each month on the first Business Day of each month if the Balance Owing (excluding all amounts in relation to any Short Term Little Thing Purchase) has been greater than zero on any day since the first Business Day of the previous month. This is only charged once each month, regardless of the number of Outstanding Purchase Amounts.
 - (c) a Late Payment Fee of \$6.00 each time a repayment is not paid by the due date for payment;

- (d) a Collection Fee of \$30.00 each time we take steps to collect an overdue payment;
- (e) all additional government stamp and other duties and charges payable on receipts or withdrawals under this Contract; and
- (f) any reasonable Costs we reasonably incur in enforcing this Contract after a Default, which includes enforcement expenses reasonably incurred by the use of our staff and facilities.

7.2 Notwithstanding any other clause in the Contract, the total amount payable under this Contract for Establishment Fees, Repeat Purchase Fees and Monthly Fees and any other amount payable under this Contract which is a charge for the provision of credit under this Contract, is subject to annual caps. Those caps are:

- (a) for the period of twelve (12) months after you enter into the Contract - \$200; and
- (b) for any subsequent period of twelve (12) months - \$125.

However, the cap is \$0 if you have had a previous continuing credit contract with us (or our Associate) in the previous 12 months. These caps will automatically reduce to reflect any lower prescribed maximum charge under section 6(5) of the National Consumer Credit Code or any equivalent statutory provision for contracts of this type.

7.3 You authorise us to debit any of these amounts to your RCA. We may do so on or after the date we pay them or the date they become payable by you or us. If they are not already due, they are due when debited to the RCA.

8. Closing your RCA

8.1 You may cancel your RCA by written notice to us.
You may do this at any time as long as there is no

Balance Owing outstanding. Your RCA remains open until you or we cancel it.

- 8.2 We may cancel your RCA if no purchases are made using it for 24 months after the Purchase Amount for all outstanding purchases is repaid. See also clause 9 which enables us to suspend your RCA in some circumstances.
- 8.3 While your RCA remains open, it is only active while there is a Balance Owing. If at any time after you make the initial purchase the Balance Owing is zero, your RCA becomes inactive until you choose to activate it again by making an additional purchase.

9. Suspending your RCA

- 9.1 We may suspend your RCA if:
- (a) you are in Default; and
 - (b) we reasonably suspect that there may be a material adverse impact on you or us if we do not suspend your RCA;
 - (c) we reasonably suspect that you or someone else has acted fraudulently in connection with this Contract or your RCA;
 - (d) there is any dispute regarding a transaction under your RCA and we reasonably consider we should suspend to prevent a material adverse impact to you or us; or
 - (e) we otherwise reasonably consider it to be necessary to protect your or our interests.
- 9.2 We do not need to give you prior notice of a suspension but will promptly inform you afterwards.

10. Default

- 10.1 You are in Default if:
- (a) you do not pay on time all amounts due under this Contract within 2 Business Days of their due date;
 - (b) you or another person on your behalf gives us or has given us materially incorrect or

misleading information in connection with this Contract, or we conclude on the basis of evidence available to us that it is more likely than not that you have acted fraudulently in connection with this Contract; or

- (c) you become Insolvent or are declared bankrupt or steps are taken to make you bankrupt or Insolvent.

- 10.2 If you are in Default, we may give you a notice stating that you are in Default. If you don't correct the Default within any period given in the notice, then, at the end of that period and without further notice to you, the Total Amount Owing becomes immediately due for payment (to the extent it is not already due for payment). We may then sue you for that amount and we may cancel your RCA. If we give you notice by sending a document to your last address notified to us this will be considered notice to you even if those notices are returned to us.
- 10.3 Enforcement expenses may become payable under this Contract in the event of a breach of this Contract and are payable in accordance with clause 7.

11. What you do if you dispute a transaction or want to make a complaint

- 11.1 If you want to dispute a transaction or make a complaint about your RCA or anything else in relation to this Contract, you should tell us as soon as possible and provide us with sufficient information or documents for us to be able to investigate the matter.
- 11.2 We will investigate the matter, and if we are unable to settle it immediately to your and our satisfaction, we will advise you in writing of the procedures for further investigation and resolution and may request further relevant details from you.

- 11.3 Within 21 days of receipt from you of the details of the disputed transaction or your complaint, we will:
- (a) complete our investigation and advise you in writing of the outcome of our investigation: or
 - (b) advise you in writing that we require further time to complete our investigation.

In the case of a complaint, we will complete our investigation within 45 days of receiving your complaint, unless there are exceptional circumstances in which case we will let you know the reasons for the delay and about your others rights to complain to the Australian Financial Complaints Authority (**AFCA**). AFCA's contact details are:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free Call: 1800 931 678
Website: www.afca.org.au

AFCA offers an independent dispute resolution process to customers. If you have been through our internal complaints process without a response or you are nor satisfied with the outcome, you can take the matter to AFCA.

We will also provide you with monthly updates on the progress of the investigation and its likely resolution date, except where we are waiting for a response from you and you have been advised that we require such a response.

- 11.4 If we find that an error was made, we will make any appropriate adjustments to your RCA and notify you in writing of the amount of any adjustment.

12. What you can do if you are in financial difficulty

If you are having trouble, or think you may in the future have trouble, meeting your obligations under this Contract, please contact us on (08) 8232 2828 so we can work with you to try to help you.

13. General matters

- 13.1 We may exercise a right or remedy under this Contract (in addition to other rights and remedies provided by law independently of it or by any other Contract) or give or refuse our consent in any way we consider appropriate including by imposing reasonable conditions.
- 13.2 If we do not exercise a right or remedy fully or at a given time, we can still exercise it later.
- 13.3 We are not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy other than caused by our negligence.
- 13.4 We may assign or transfer our rights under this Contract. Any person to whom our rights are transferred will have the same rights that we do under the Contract. This will not affect our obligations to you under this Contract. You agree that we may disclose any information or documents we consider desirable to help us exercise this right including personal creditworthiness information to persons involved in providing funds by way of securitisation. Your rights are personal to you and may not be assigned without our written consent.
- 13.5 Notices, certificates, consents, approvals and other communications provided by you in connection with this Contract must be in writing (writing includes communication via the humm Portal).
- 13.6 Communications from us may be signed by any of our authorised employees, if required.
- 13.7 Subject to clause 14.1, communications for you or us may be given by any means permitted by law.
- 13.8 If you are in Default, we may make any reasonable change to any provision of this Contract (other than the Amount of Credit or fees or charges set out in the Credit Schedule) in addition to those specifically mentioned. We may also make any reasonable

change to any provision of this Contract to comply with any law or regulation, or if we give you 6 months' written notice before the change takes effect. However, we cannot make any change to clause 7.2 for any reason.

- 13.9 Subject to any statutory right of set-off which we cannot exclude by agreement (such as under consumer protection legislation), you must pay all amounts due under this Contract in full without setting off amounts you believe we owe you and without counter-claiming amounts from us.
- 13.10 It is your sole responsibility to arrange subsequent utilities for any Goods installed or applied to a property where the Goods require these additional services in order for it to operate fully. For example, for solar panels it is up to you to arrange for connectivity to the grid and your property via your electricity provider. Such utilities do not form part of this Contract.
- 13.11 This Contract is governed by the laws of South Australia.
- Your email address and mobile phone number***
- 13.12 We may use, and you consent to us using, your email address as part of our secure log in or authorisation process, or to advise you of changes to your RCA which may alter our delivery of, or your ability to use your RCA. You need to keep your email address current and you can use the humm Portal to update your email address or contact us on 1800 088 151.
- 13.13 Because we use, and you consent to us using, electronic communication we will use your mobile phone number to send you SMS Codes and other information you need to know. So we can communicate with you, you must keep your mobile phone number provided to us up to date. You may update your mobile phone number using the humm Portal or by contacting us on 1800 088 151. If you do

not provide us with your current mobile phone number you will not be able to transact on your RCA, and you may not be notified of important information relevant to the use of your RCA.

- 13.14 You agree that you will notify us of any change to your contact details as previously advised to us within 5 Business Days of the change taking effect.

Transactions and Merchant records

- 13.15 You agree that Merchant records and documents of any transaction with you are evidence of the transaction and of the amount shown and that we may rely on those records and documents to make decisions about your RCA and how we deal with you.

What you acknowledge by entering into this Contract and submitting a Credit Schedule

- 13.16 You acknowledge at the date of this Contract and each time you submit a Credit Schedule that:
- (a) you are a permanent resident of Australia;
 - (b) you are permanently employed working at least 25 hours per week or receiving an aged or veterans pension;
 - (c) you are not an undischarged bankrupt or have reason to believe you are or may become Insolvent; and
 - (d) if Goods, Installation or Services are to be fitted or fixed in place so that they become a part of a property or dwelling then you are the owner of the domestic property or dwelling.

What happens upon the return or cancellation of goods or services?

- 13.17 You agree that:
- (a) subject to clause 13.17(b), the return or cancellation of any Goods, Installation or Services from the Merchant or us will not be accepted in lieu of repayments to us unless we otherwise agree;

- (b) we will often be a linked credit provider of a Merchant, which means you may have rights against us in relation to Goods, Installation or Services which are the subject of a purchase under the Australian Consumer Law or other consumer laws. If this is the case, we may be liable with the Merchant for any amounts the Merchant owes you in respect of the Goods, Installation or Services. If there is a problem with the Goods, Installation or Services, you should talk to the Merchant first to try and resolve it. However, if you are unable to resolve it with the Merchant, you should contact us and we will consider all of the circumstances (including any liability we have in the matter) and consider what assistance we can provide you;
- (c) subject to the rights described in clause 13.17(b), and any other applicable law, we are not responsible or liable:
- (i) if a supplier or other person refuses to offer or accept an application to use a humm RCA, no matter what the reason; or
 - (ii) for any defect or deficiency whatsoever in respect of any Goods, Installation or Services (for example, with respect to the quality of any Goods, Installation or Services or their fitness for any purpose).

Your authority to operate the back account

- 13.18 You agree that you are the authorised signatory of the bank or credit card account to be used for the repayments.

Who we can take instructions from in relation to your RCA

13.19 Subject to clause 13.20, we can only take instructions in relation to this Contract from you. Should you wish to nominate a third party to act on your behalf, we must receive this request from you in writing (which includes via the humm Portal).

What happens if you are more than one person?

13.20 Where you are more than one person, you acknowledge and agree that:

- (a) any one such person individually can operate the RCA and bind all such persons. We can take and act on instructions from any one such person in relation to this Contract (including instructions to suspend or cancel your RCA) however to lift a suspension we will require the consent of all such persons;
- (b) each such person is individually and jointly liable for all of your obligations under this Contract; and
- (c) information available in the humm Portal will be accessible by each such person.

THE HUMM PORTAL AND HOW WE COMMUNICATE WITH YOU

The humm Portal is how we communicate with you and how you access your RCA.

14. How you can access and use the humm Portal

14.1 You agree to receive statements, notices and any documents that we are required to give you in relation to the RCA and your Contract by electronic communication through the humm Portal. You need to know that we will not usually send you paper documents. You should regularly check for communications from us in the humm Portal as this will be our main method of communication with you

(although we may on occasion also contact you by your email address or mobile phone number). Even though we operate online we still might write to you if we cannot use the humm Portal to communicate with you, or if we think you are not receiving our electronic communications. You can withdraw your consent to electronic communications using the humm Portal, but if you do that we may close your RCA (when you have paid the Total Amount Owing).

- 14.2 You are responsible for any charges by your telecommunications provider for connecting to the humm Portal on your mobile phone or tablet device, including call costs and data costs associated with browsing the internet.

Access to your RCA using the humm Portal

- 14.3 Access to your RCA using the humm Portal requires a password, PIN or SMS Code (together referred to as **Password**) and sometimes more than one of these might need to be used. The humm Portal is intended to give you 24-hour access to your RCA but this may not always be possible and we are not obliged to give you continuous access.

- 14.4 We may adjust debits and credits to your RCA to accurately reflect your legal obligations and ours and we will show you any adjustments in your humm Portal. If an adjustment is required we may make consequential adjustments.

Password access to your RCA using the humm Portal

- 14.5 You have to keep your Password secret. This is important because anyone who obtains your Password will be able to access the humm Portal and our website and obtain information about you, your RCA and give us details and instructions. You must not provide your Password to anyone else to enable them to access your RCA.
- 14.6 If you have lost, forgotten, or misplaced your Password, or believe someone else knows it, for

example by hacking your mobile phone, you must cancel and re-set your Password.

- 14.7 You must protect your Password and ensure that it does not become known to any other person. You must use up to date antivirus, anti-malware and firewall software on your computers and mobile devices. You must not give your Password to anyone else. You must not record your Password without protecting the security of the Password, for example by disguising the password within another record, hiding the record somewhere safe or by keeping it locked away or in a password protected device. You must not choose a password that represents your date of birth or name.
- 14.8 You are liable for any losses that occur before you notify us of a breach of Password security if you contributed to that loss by fraud or by breaching clauses 14.5, 14.6 or 14.7. However, you are not liable for losses that exceed the total amount of credit available to you under this Contract (being the sum of your Big Things Limit and your Little Things Limit) at the relevant time. You are also not liable for losses caused by fraud or negligence of us, a merchant, employees or agents of us or a Merchant, losses caused by transactions that occur before we have sent you the relevant Password, or losses caused by transactions that occur after you notify us of a breach of Password security.

PRIVACY

15. Privacy (including consents)

- 15.1 The clauses below set out:
- (a) consents that you gives us in relation to your personal information by applying for credit from us; and

- (b) important information about our collection, use, disclosure and management of your personal information.

15.2 Our “**Privacy Policy**” document, available at shopumm.com.au (**select ‘Privacy Policy’**) provides more details about how we manage your personal information, including your credit information and credit eligibility information.

Collection, use, and disclosure of Your personal information

15.3 We ordinarily collect personal information about you for the following purposes, and, to the extent not already authorised by law, you agree to us using and disclosing that information for these purposes:

- (a) assessing and processing existing or future application(s) for consumer credit, managing your account or other products, responding to your questions, performing our obligations in relation to credit provided to you;
- (b) either us, the Merchant or any other service provider appointed by us contacting you about your Contract or regarding repeat purchase promotions, campaigns or for any other special offer/s or promotions;
- (c) protecting us and our assets (including against fraud) and selling our assets (including by assigning any debts); and
- (d) complying with laws. Australian laws that may require us to collect your personal information include: *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (for example, for identity verification), the *National Consumer Credit Protection Act 2009* (Cth), the *Financial Sector (Collection of Data) Act 2001* (Cth) and the *Corporations*

Act 2001 (Cth), as well as other legislation (for example, requiring us to maintain client and transaction records, and to make reports and provide other information to regulators such as ASIC) and the *Taxation Administration Act*, the *Income Tax Assessment Act* and other taxation laws (for example, to comply with information requests issued by the Commissioner of Taxation).

- 15.4 We may collect your personal information from third parties where it is unreasonable or impracticable to collect it directly from you. These third parties include the Merchant, other credit providers, any of your employers, former employers, referees, banks, landlords, accountants, lawyers and financial advisers, service providers to us (including introducers, private investigators, professional advisers), professional organisations, internet sources, public and subscriber only databases and government authorities.
- 15.5 If you do not provide your personal information to us, we may not be able to approve your application and/or we may not be able to deal with future requests or queries from you in connection with your contract.
- 15.6 You agree that we can disclose your personal information (including, where permitted to do so under the Privacy Act, your credit information and credit eligibility information) for the purposes described above to any of our related bodies corporate, our assignees or potential assignees, Merchants, our service providers, other credit providers, your assignees or proposed assignees, debt collection agencies, our banks and financial advisers, our lawyers, accountants and other professional advisers, any suppliers or contractors to us who may need to have access to your personal

information for the purpose of providing services to us or you, any person specifically authorised by you in writing and any person as permitted or required by law.

We may disclose your personal information to overseas recipients

15.7 Some of the organisations to whom we may disclose your personal information (including your credit information or credit eligibility information) will be located overseas. The countries in which overseas recipients are likely to be located currently include the Philippines and Ireland (for an updated list of countries from time to time please see our Privacy Policy available on our website).

15.8 You acknowledge that by consenting to us disclosing your personal information to overseas recipients, Australian Privacy Principle (“**APP**”) 8.1 will not apply to the disclosure (which means that we will not be obliged under the Privacy Act to take reasonable steps to ensure that an overseas recipient does not breach the APPs and we may not be liable under the Privacy Act if the recipient does not act consistently with the APPs). By applying for this product you consent to such disclosures.

Marketing products and services to you

You agree to us using and disclosing your personal information (including your telephone number, regardless of whether it is listed on the Do Not Call Register and your email or other electronic addresses) to provide you with information about our other products and services and the products and services offered by our Merchant partners, our related companies or suppliers. This includes, without limitation, communicating with you via emails, text messages or other electronic messages (without an unsubscribe facility). This agreement operates indefinitely. However, you can tell us that you no longer wish us to use or disclose your

personal information for these purposes by contacting us on (08) 8232 2828.

Accessing and correcting your personal information

- 15.9 You have rights to request access to and correction of personal information that we hold about you (including credit information and credit eligibility information). Our Privacy Policy contains details about how you can make such requests as well as details about how you can make a complaint if you think there has been a breach of the Privacy Act and how we will deal with such a complaint.

DIRECT DEBIT SERVICE AGREEMENT

This is your Direct Debit Service Agreement with Certegy Ezi-Pay Pty Ltd (User ID No.125202). It explains what your obligations are when undertaking a direct debit arrangement with us. It also details what our obligations are to you as your direct debit provider. This forms part of the Contract and should be read together with any Direct Debit Request authorisation in a Credit Schedule you submit to us.

16. Direct Debit Service Agreement

Debiting your account

- 16.1 By providing bank account details to make the Direct Debit Request (**DDR**) in a Credit Schedule or in the humm Portal or by accepting the DDR during your online application or by providing us with a valid instruction, you authorise us to debit funds from the account stated in the Credit Schedule or in the humm Portal including any fees or charges specified in clause 7 and other amounts due under this Contract. You should refer to the DDR and these Terms and Conditions for the terms of the agreement between you and us.
- 16.2 We will only arrange for funds to be debited from your account stated in a Credit Schedule or the humm Portal as authorised in the DDR or as amended by notice from you (including by providing updated details in a subsequent Credit Schedule or in the humm Portal).
- 16.3 If any Repayment or other amount falls due on a day that is not a Business Day, we may direct your financial institution to debit the account stated in a Credit Schedule or the humm Portal on the following Business Day. If you are unsure about which day your account has or will be debited you should ask your financial institution.
- 16.4 You must keep your DDR in effect until your RCA is closed by you or a new DDR has been established.

Amendments by us

- 16.5 If you are in Default, we may vary any details of the DDR or this clause 16 (other than the account number) to enable us to recover funds which are due and payable by you to us under this Contract.

Amendments by you

- 16.6 Subject to clauses 16.1 to 16.4, you may change, stop or defer a debit payment, or terminate the DDR by arranging it through your financial institution,

which is required to act promptly on your instructions.

Your obligations

- 16.7 It is your responsibility to ensure that there are sufficient clear funds available in the account stated in the Credit Schedule or the humm Portal to allow a debit payment to be made in accordance with the DDR.
- 16.8 If there are insufficient funds in an account stated in a Credit Schedule or the humm Portal to meet a debit payment:
- (a) you may be charged a fee and/or interest by your financial institution;
 - (b) you may also incur fees or charges imposed or incurred by us; and
 - (c) you must arrange for the debit payment to be made by another method or arrange for sufficient funds to be in the account stated in the relevant Credit Schedule or in the humm Portal by an agreed time so that we can process the debit payment.
- 16.9 You should check the statement for the account stated in the Credit Schedule or the humm Portal to verify that amounts debited to the account are correct.

Errors or Queries

- 16.10 If you believe that there has been an error in debiting your account you should notify us directly on (08) 8232 2828 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up directly with your financial institution.
- 16.11 If we conclude as a result of our investigations that the account stated in a Credit Schedule or the humm Portal has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including any interest and penalties charged by your bank) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- 16.12 If we conclude that the account stated in a Credit Schedule or in the humm Portal has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

Accounts

- 16.13 You should check:

- (a) with your financial institution whether direct debiting is available from an account stated in a Credit Schedule or in the humm Portal as direct debiting is not available on all accounts offered by financial institutions;
- (b) your account details which you have provided to us are correct by checking them against a recent account statement; and
- (c) with your financial institution before completing the DDR if you have any queries about how to complete the DDR.

Notice

- 16.14 If you wish to notify us in writing about anything relating to this Direct Debit Request Service Agreement, you should contact us through the humm Portal, or write to Certegy Ezi-Pay Pty Ltd, Level 6, 97 Pirie Street Adelaide SA 5000.
- 16.15 We will notify you by sending a notice in the ordinary post to the address you have given us in the DDR.
- 16.16 Any notice will be deemed to have been received on the third Business Day after posting.

MEANING OF WORDS AND INTERPRETATION

In these Terms and Conditions:

Amount of Credit is the amount of credit requested by you in relation to a purchase, as specified in the Credit Schedule.

Associate has the meaning given in the *National Consumer Credit Protection Regulations 2010* (Cth).

Available Limit means the amount Available to Spend on Big Things or Available to Spend on Little Things, as applicable.

Available to Spend on Big Things means the Big Things Limit less sum of the Big Things Balance Owing and any amount for a Big Things purchase that has not yet happened but which we have preapproved. This is the amount you have "available to spend" on Big Things as specified in the humm Portal.

Available to Spend on Little Things means the Little Things Limit less the Little Things Balance Owing. This is the amount you have "available to spend" on Little Things as specified in the humm Portal.

Balance Owing means, at any time, the difference between all amounts credited and all amounts debited to your RCA at that

time. When this amount is to be calculated at the end of a day, it includes all debits and credits assigned to that day.

Big Thing means any Goods, Installation or Services identified in a Credit Schedule that we indicate is a "Big Thing" in relation to a purchase.

Big Things Balance Owing means such part of the *Balance Owing* as relates to purchases of *Big Things* or as otherwise specified in the humm Portal.

Big Things Limit means the amount specified as your "Big Things Limit" in the humm Portal.

Business Day means a day other than a Saturday or Sunday or a public holiday listed throughout Australia.

Contract means the contract formed between you and us comprising each Credit Schedule and these Terms and Conditions.

Costs includes charges and expenses and costs in connection with legal and other advisers.

Credit Limit means the Big Things Limit or the Little Things Limit, as applicable.

Credit Schedule means, in relation to a purchase using your RCA of a:

- (a) Big Thing, either the document titled Credit Schedule that you submit to an Eligible Merchant or the plan submitted to request an amount of credit using the humm Portal in relation to that purchase; or
- (b) Little Thing, the plan submitted to request an amount of credit using the humm Portal in relation to that purchase,

including information about the Purchase Amount and repayment term and frequency in relation to that purchase.

DDR has the meaning given in clause 16.1.

Default has the meaning given in clause 10.1.

Direct Debit Service Agreement means the Agreement set out in clause 16.

Eligible Merchant means any person that we have an arrangement with that accepts the humm RCA for the purchase of Big Things (in the case of a proposed purchase of a Big Thing) or Little Things (in the case of a proposed purchase of a Little Things) or either of them for the purpose of establishing a RCA.

Goods, Installation or Services, whether used together or separately, means the items and services purchased, which

are or are proposed to be (as the context requires) wholly or partly funded under this Contract.

hummm Portal means the online interface provided to you by Us at **shophummm.com.au** or in the hum App available in the Apple App Store or the Google Play Store.

Identity Verification means the third-party identity verification that you consent to us undertaking to confirm your identity using a document verification service.

Insolvent means being an insolvent under administration or insolvent or having a controller appointed (such as defined in the *Corporations Act 2001* (Cth)) such as being bankrupt, in receivership, in receivership and management, in liquidation, under administration, wound up, subject to any arrangement, assignment or composition, protected from creditors under any statute, dissolved (other than to carry out a reconstruction while solvent) or otherwise unable to pay debts when they fall due.

Little Things means any Goods, Installation or Services identified in a Credit Schedule that we indicate is a "Little Thing" in relation to a purchase.

Little Things Balance Owing means such part of the Balance Owing as relates to purchases of Little Things or as otherwise specified in the hummm Portal.

Little Things Limit means the amount specified as your "Little Things Limit" in the hummm Portal.

Maximum Big Things Limit means an amount approved by us up to \$30,000 or such other amount that we determine from time to time.

Maximum Little Things Limit means an amount approved by us up to \$2,000 or such other amount that we determine from time to time.

Maximum Purchase Amount means the amount you have Available to Spend on Big Things for a Big Thing purchase or the amount you Available to Spend on Little Things for a Little Thing purchase.

Merchant/s means the person from which you purchased, or propose to purchase, Goods, Installation or Services under this Contract.

Outstanding Purchase Amount means any Purchase Amount which has not been repaid in full.

Password means password, PIN and SMS Code together and any of them individually.

Person includes an individual, a firm, a body corporate, an unincorporated association or an authority.

Privacy Consent means the consent you provide to Us to our Privacy Policy.

Privacy Policy means our privacy policy available at www.shophumm.com.au

Purchase Amount means the Amount of Credit provided by us under your RCA in relation to a purchase.

Revolving Credit Account or 'RCA' means an account we establish in your name for recording all transactions in connection with this Contract.

Short Term Little Thing Purchase means the purchase of a Little Thing with your RCA for which the related Credit Schedule indicates that the term in which the *Purchase Amount* is to be repaid in full is 2.5 months.

Start Date has the meaning given in clause 6.3.

Terms and Conditions means this document.

Total Amount Owing means the Balance Owing on your RCA, plus all other amounts which you must pay under this Contract but which have not been debited to your RCA.

'We' means Certegy Ezi-Pay Pty Ltd ABN 28 129 228 986 and its successors and assigns and **'Our'** and **'Us'** have a corresponding meaning.

'You' means the person or persons named in the first Credit Schedule you submit to us and **'your'** has a corresponding meaning. If there is more than one person named, each of you is liable for all obligations under this Contract individually and jointly. It includes your successors and assigns.

In these Terms and Conditions:

- (a) a reference to a document includes any variation or replacement of it;
- (b) a reference to a law includes any common law, principles of equity, and laws made by parliament (and laws made by parliament include regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of them);
- (c) a reference to any thing includes the whole and each part of it;
- (d) the word 'include' in any form is not a word of limitation; and
- (e) where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.



Level 6, 97 Pirie Street
Adelaide, SA 5000

Telephone: (08) 8232 2828

Certegy Ezi-Pay Pty Ltd
ABN 28 129 228 986

shophummm.com.au

Download the
hummm app today.



NEW SOLAR MERCHANT

Director/ s [REDACTED] ABN [REDACTED]

	Yes	No	
No GO List		<input checked="" type="checkbox"/>	No Evidence
ASIC Search completed	<input checked="" type="checkbox"/>		Yes - Active from [REDACTED]
Veda Search completed (comprehensive)	<input checked="" type="checkbox"/>		No Adverse Veda
Solar Review Link		<input checked="" type="checkbox"/>	No Link found - existing merchant : [REDACTED]
Website	<input checked="" type="checkbox"/>		Active
Media Searches completed	<input checked="" type="checkbox"/>		No adverse forums present
Adverse Findings		<input checked="" type="checkbox"/>	No Adverse findings
Cooling Off & T & C's	<input checked="" type="checkbox"/>		T & C's Provided - Confirmed (Solicited only)
Review			APPROVED

Additional Comments / Recommendations

FINAL OUTCOME: APPROVED

Review by: [REDACTED]

Date: 17/03/2020

17/05/20
1:20pm

New Solar Merchant Request - BD			
MERCHANT NAME		ABN	
	YES	NO	Additional Comments
Request from Website Enq	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Inbound Call Request	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ABN Active >12mths	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Current Business Name Active >12mths	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
EziPay data search - Name, Phone Number and email address (Consumer Fuzzy) ABN Search (Account level)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Current ABN Search	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Current Merchant.
Current Veda Search (Comprehensive)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Sales Agreement & T & C's	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Confirm with merchant, Solicited or unsolicited sales (eg Door - door/Telemarketing/Purchasing Leads)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	If Solicited Sales only, NO Unsolicited requirements for T&Cs
Additional Comments / Information			
Comments		Action required	
[REDACTED]			
Please ensure searches are completed within 24 hours of submission to I&C			

Reviewed By
Date

[REDACTED]

New Sales Customer Profile

Originator: [REDACTED] Date: [REDACTED]
 Inbound Blitz Referral PREV Merchant

Contact Name: [REDACTED] Position: [REDACTED]

MERCHANT DETAILS

Company Name: [REDACTED]
 Trading Name: [REDACTED]

ABN, ACN or ARBN: [REDACTED]

Head Office Address: [REDACTED]

Suburb: [REDACTED]

State: Qld Post code: [REDACTED]

Number of Stores: [REDACTED] (Please attach list of locations)

Store Address: As Above

State:

Postcode:

Business Ph. #: [REDACTED]

Primary contact Mobile#: [REDACTED]

Email Address: [REDACTED]

INDUSTRY: Solar - Energy - ~~General~~ SIC Code: E 425

KEY INFORMATION

Commercial Premises: [REDACTED]

If above is NO why?

Number of Stores? [REDACTED]

Company Owned: [REDACTED]

Part of a Larger Group? [REDACTED]

Years Trading? [REDACTED]

How Many Sales Staff Employed? [REDACTED]

How Many Sales Per Week? [REDACTED]

Do They have Traditional Finance? [REDACTED]

Value of Average Sales? [REDACTED]

Products Sold: [REDACTED]

If SOLAR:
 List all products & approx.

Do they engage in Unsolicited Sales: Yes
 Buy Down / Other Group benefits

Aussie-Wide: Not Available in Industry

ADVERTISING the business does: Web -

ADDITIONAL COMMENTS / INFORMATION

Appointment Details:

internal Sale:

Reason:

Sales Manager: [REDACTED]
 Appointment Time: [REDACTED]
 Day: [REDACTED]
 Date: [REDACTED]

Possible Split Deal: Sates:

Appointment Confirmed: Date: [REDACTED]
 Confirmed with: [REDACTED] By: [REDACTED]

Rate Request Book Rates

No.	Full Term	Max Limit	Min Deposit	Rate
1.	12 months	\$3,000	0%	9.15%
2.	18 months	\$4,500	0%	11.29%
3.	24 months	\$8,000	0%	15.87%
4.	30 months	\$10,000	0%	18.12%
5.	36 months	\$12,500	0%	19.39%
6.	40 months	\$15,000	0%	20.98%
7.	50 months	\$20,000	0%	22.87%

No.	Full Term	Max Limit	Min Deposit	Rate
1.	12 months	\$3,000	10%	8.84%
2.	18 months	\$4,500	10%	10.91%
3.	24 months	\$8,000	10%	15.33%
4.	30 months	\$10,000	10%	17.51%
5.	36 months	\$12,500	10%	18.73%
6.	40 months	\$15,000	10%	20.27%
7.	50 months	\$20,000	10%	21.85%

No.	Full Term	Max Limit	Min Deposit	Rate
1.	12 months	\$3,000	20%	8.23%
2.	18 months	\$4,500	20%	10.31%
3.	24 months	\$8,000	20%	13.81%
4.	30 months	\$10,000	20%	15.82%
5.	36 months	\$12,500	20%	18.19%
6.	40 months	\$15,000	20%	19.21%
7.	50 months	\$20,000	20%	20.47%

Rates/Service Additional Comments:

Merchant Service Monthly Fee: [REDACTED]

Merchant Joining Fee: [REDACTED]

Customer Establishment Fee: [REDACTED]

SECURITY & APPROVAL

SOLAR

Website: Trade Refs

Company Search: Full VEDA

VEDA Check: Name Search

Loss Report: Solar Review

Has the Business/Individual used Ezi-Pay previously/currently? [REDACTED]

Current/Previous Merch #: [REDACTED]

Relationship & Position: [REDACTED]

1. Approval to Proceed
 Signed: [REDACTED]

Dated: [REDACTED]
 Comment: [REDACTED]

Additional Kits:

Customer Satisfaction Slip:

Website: [REDACTED]

Additional Comments/Information:

Same ABN - [REDACTED] current merchant [REDACTED]
 AC Store. [REDACTED]

[REDACTED]

Signed By - [REDACTED]

2. MA Rates Check Yes No

Approval to Proceed Signed: [REDACTED]

Dated: [REDACTED]



ABN Lookup

Current details for [REDACTED]

ABN details

Entity name: [REDACTED]
 ABN status: [REDACTED]
 Entity type: [REDACTED]
 Goods & Services Tax (GST): [REDACTED]
 Main business location: [REDACTED]

Business name(s)

Business name

[REDACTED]

From

[REDACTED]

ASIC registration - ACN or ARBN

[REDACTED]

Deductible gift recipient status

[REDACTED]

ABN last updated: [REDACTED]

Record extracted: [REDACTED]

Disclaimer

The Registrar makes every reasonable effort to maintain current and accurate information on this site. The Commissioner of Taxation advises that if you use ABN Lookup for information about another entity for taxation purposes and that information turns out to be incorrect, in certain circumstances you will be protected from liability. For more information see [disclaimer](#).

[REDACTED]

3/17/2020

Company File (Current)

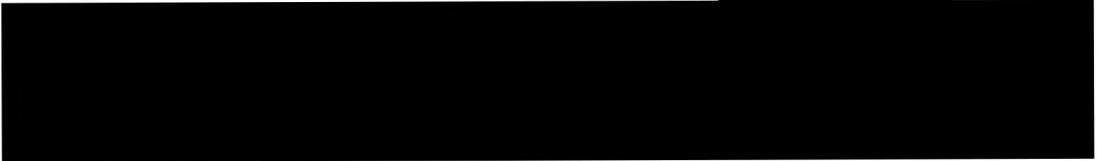
- Working With
- Products
- Organisations
- Individuals
- Know Your Customer
- Company Docs/Charges
- Visualisation
- Bulk Search
- Alerts
- Data Maintenance
- Property
- Investigative Reports
- Procurement & Ratings
- International Reports
- ABR Services
- Auto
- Collector Insight
- PPSR
- eTrace
- Debtor IQ
- IDMatrix Portal
- IDMatrix Web Access
- Marketing Portal
- Insolvency
- Defaults



Company File (Current) for [Redacted]

Request ID: [Redacted]
Charge back no: [Redacted]
Subject: [Redacted]

Report Created: [Redacted]
ASIC Extract Date: [Redacted]
File Number: [Redacted]



- [Summary](#)
- [Identity](#)
- [Org Structure](#)
- [ASIC documents](#)

Summary

Status:
✓ ABR: [Redacted]
✓ ASIC: [Redacted]
✓ ABN: [Redacted]

Adverse information: ✓ [Redacted]

Identity

ABR Summary

Legal Name: [Redacted]
ABN: [Redacted]
ABN Status: [Redacted]
Entity type: [Redacted]
Location: [Redacted]
Business Names: [Redacted]

▼ ASIC organisation details

Name: [Redacted]
Name start date: [Redacted]
ABN: [Redacted]
ACN : [Redacted]
Registration date: [Redacted]
Next review date: [Redacted]
Status: [Redacted]
Company Type: [Redacted]
Class: [Redacted]
Subclass: [Redacted]
Registered in: [Redacted]
Disclosing Entity: [Redacted]

Document Number:

▼ Registered Office

Current Address: [Redacted]

▼ Principal Place of Business

3/17/2020

Company File (Current)

Current Address:



▼ Contact Address for ASIC use only

Current Address:



Section 146A of the Corporations Act 2001 states: 'A contact address is the address to which communications and notices are sent from ASIC to the company'.

This address is recorded for ASIC use only.

Org Structure
Org Structure

▼ Director(2)

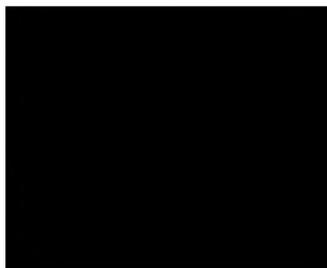
	Name	Appointed	Ceased	DOB	File Number	Do
Current	[Redacted]	01-Apr-2016		[Redacted]		OE
	[Redacted]	01-Apr-2016		[Redacted]		OE

▼ Secretary(1)

	Name	Appointed	Ceased	DOB	File Number	Do
Current	[Redacted]	01-Apr-2016		[Redacted]		OE

▼ Share structure

Class:
 Class Code:
 Shares issued:
 Paid on shares issued:
 Unpaid on shares issued:
 ASIC document:

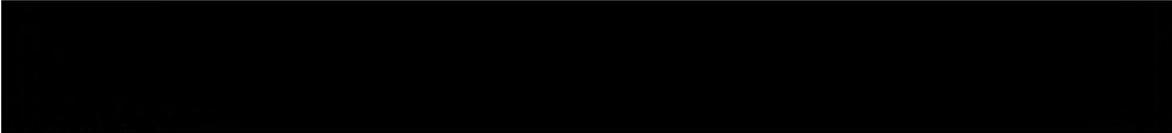


▼ Members (2)

Name	Class	Shares	Beneficially Held	Paid	ASIC Doc
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

3/17/2020

Company File (Current)



ASIC documents

▼ Document(s)

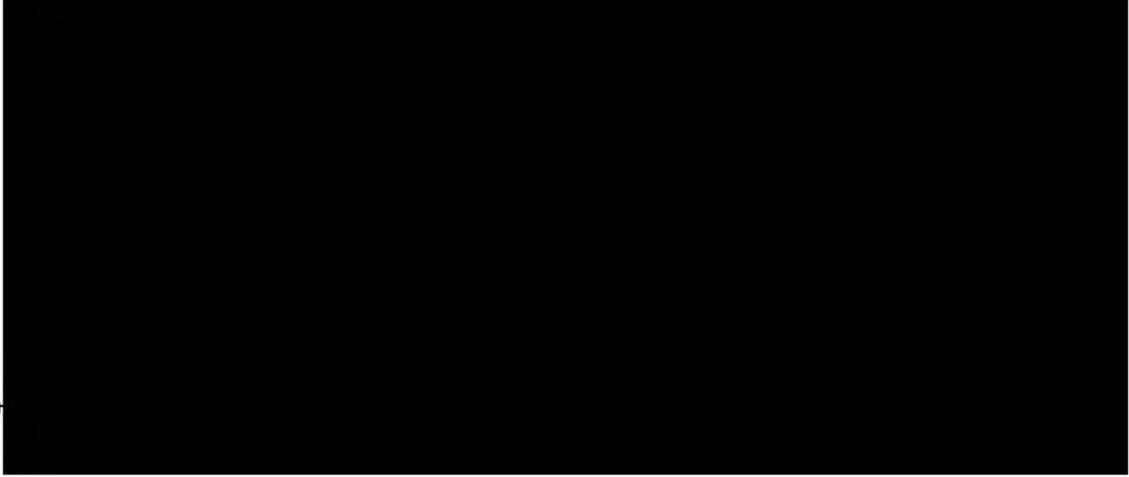
|

Previously ordered doc

ASIC Doc No	Form	Description	Pages	Received	Processed	Effect
		Change to Company Details				

|

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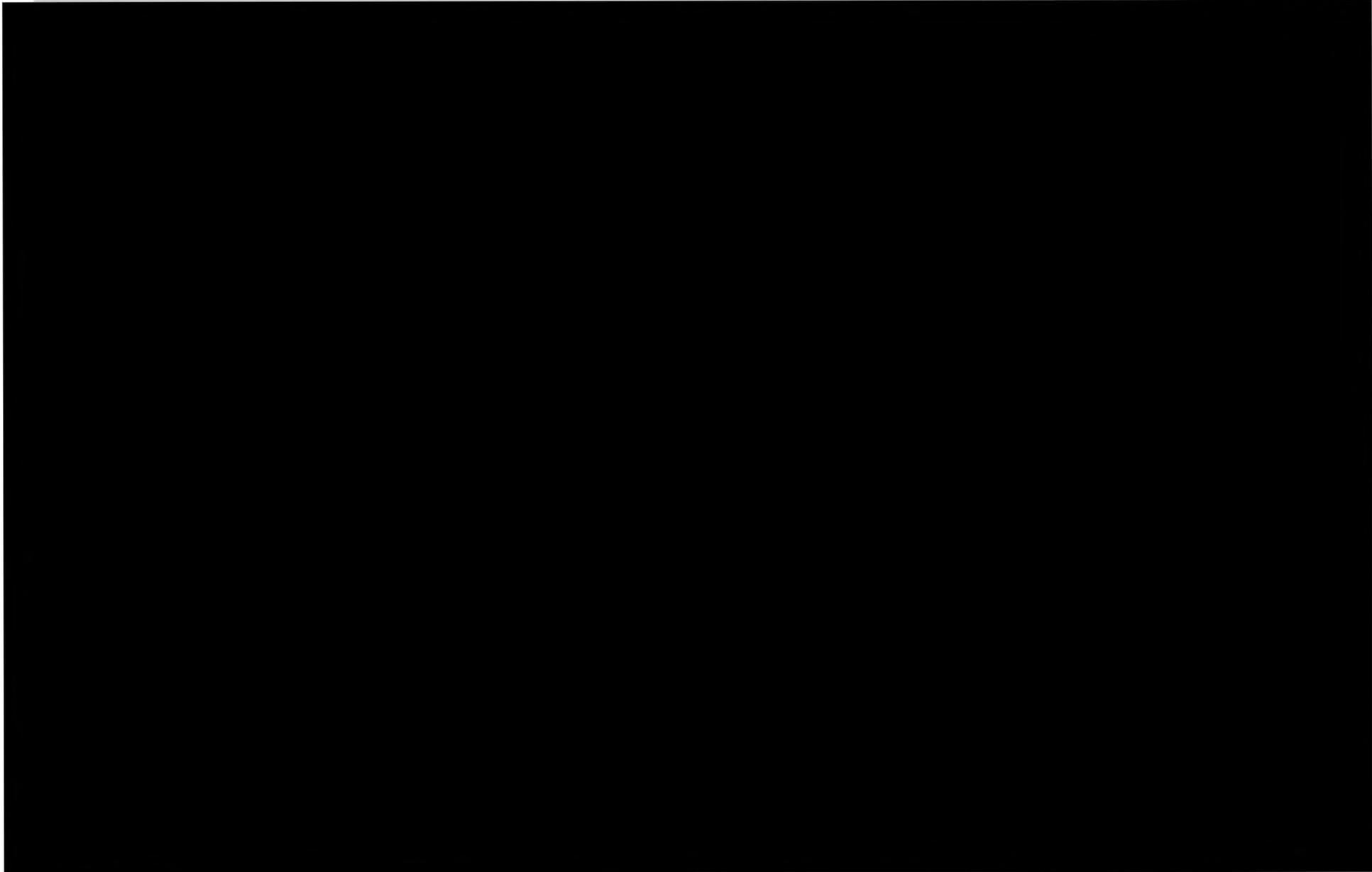
We take privacy very seriously. [Learn more about our Privacy Policy](#)

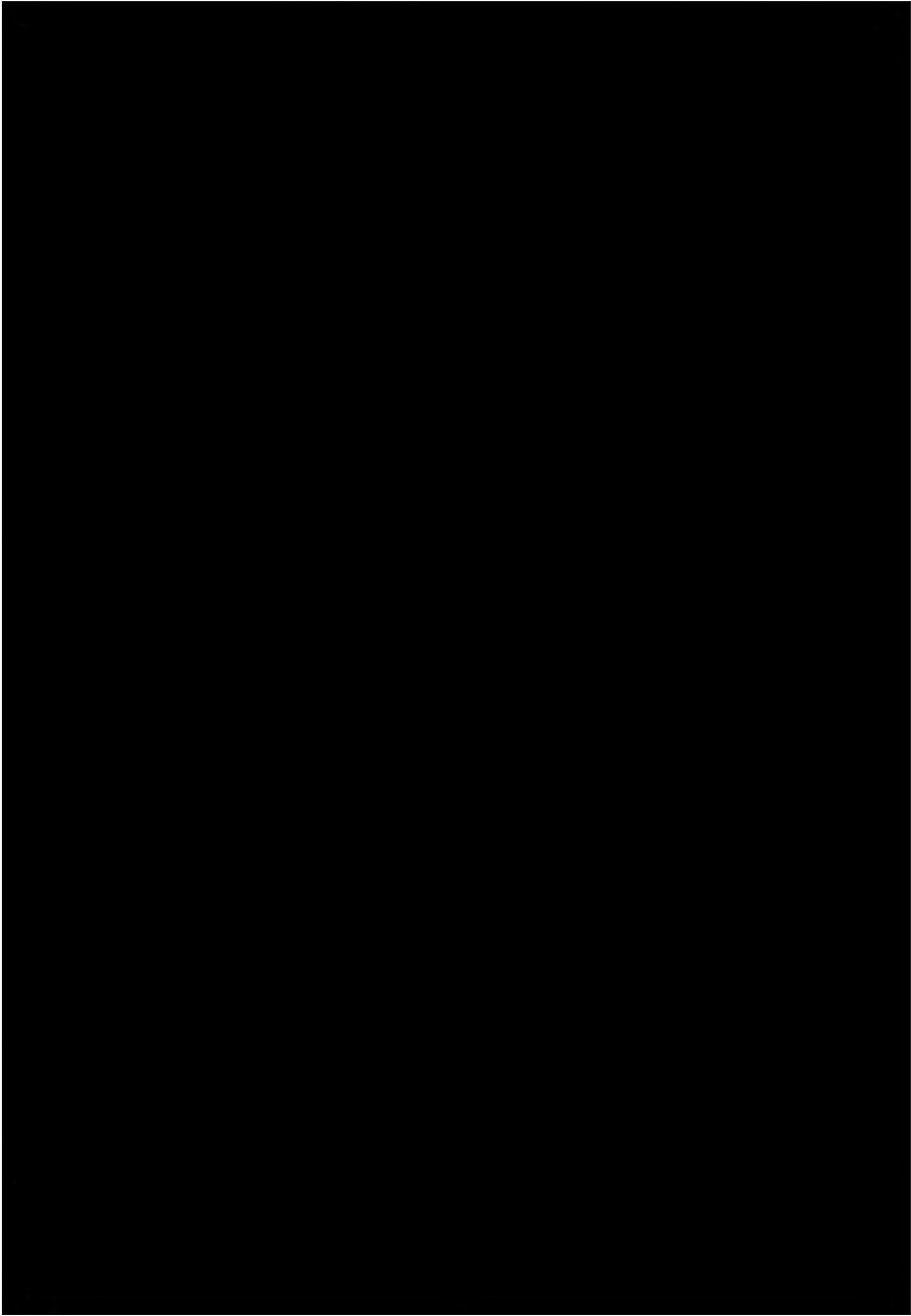
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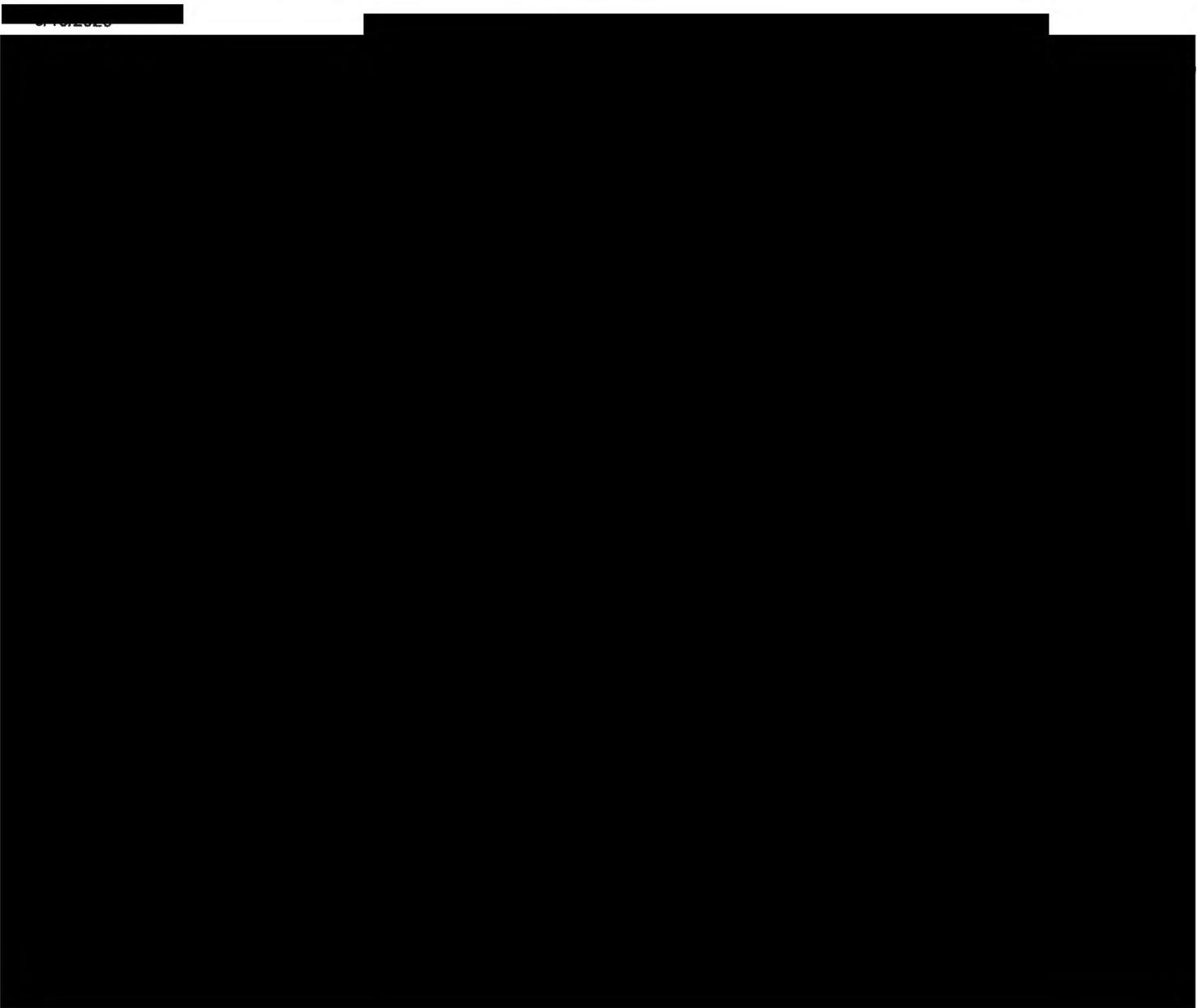
Pricing for New Customers

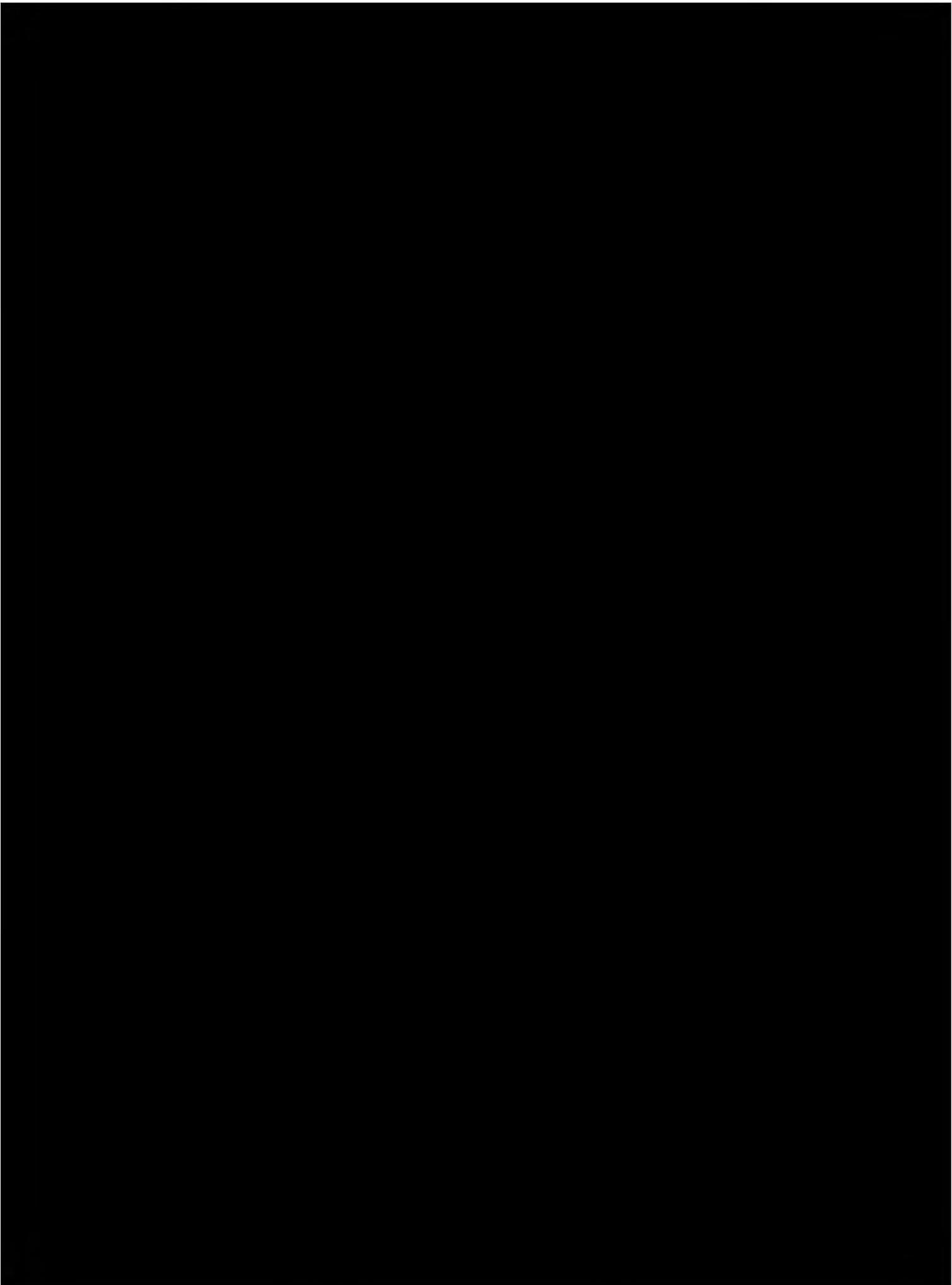


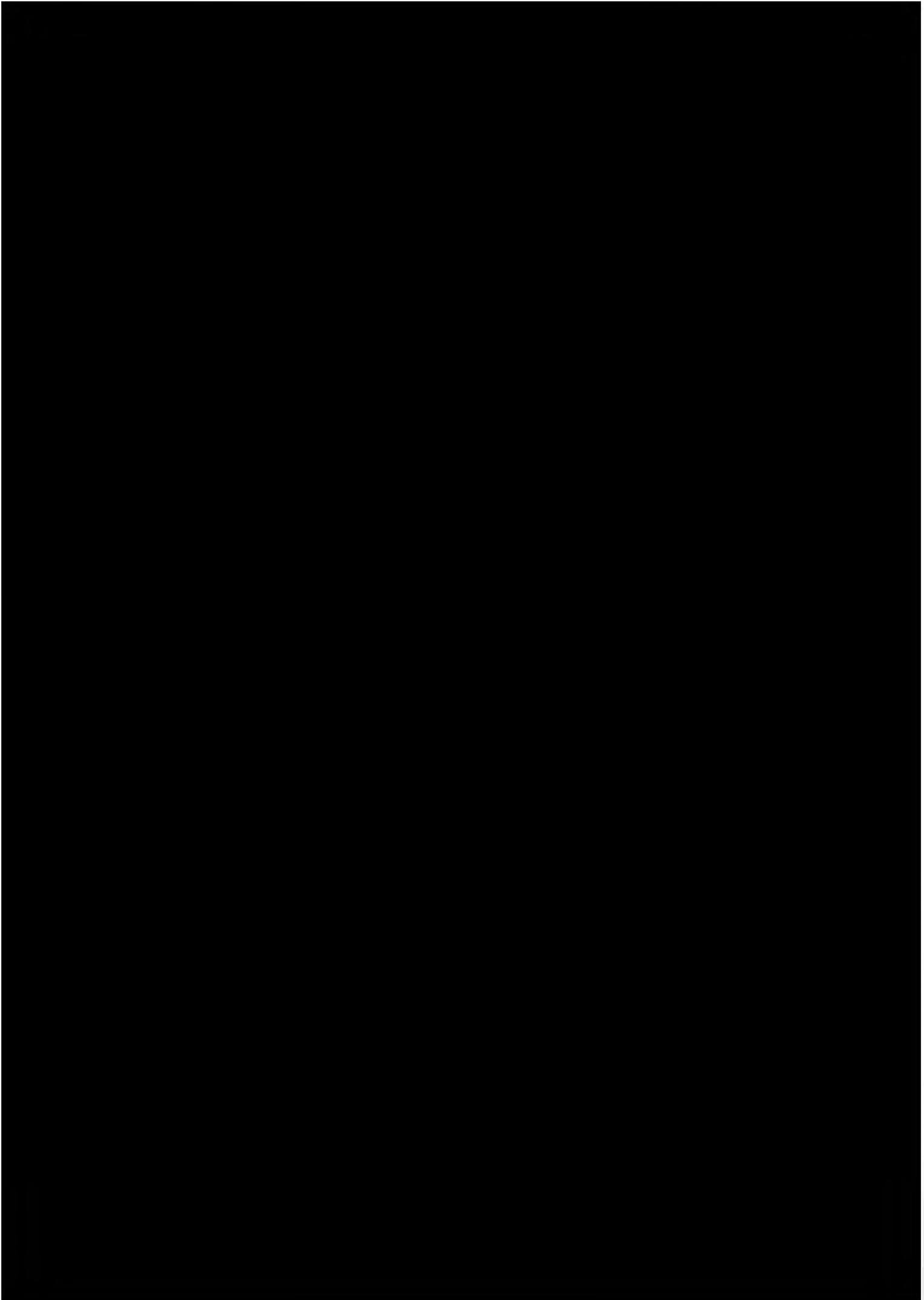
Hummm Pricebook

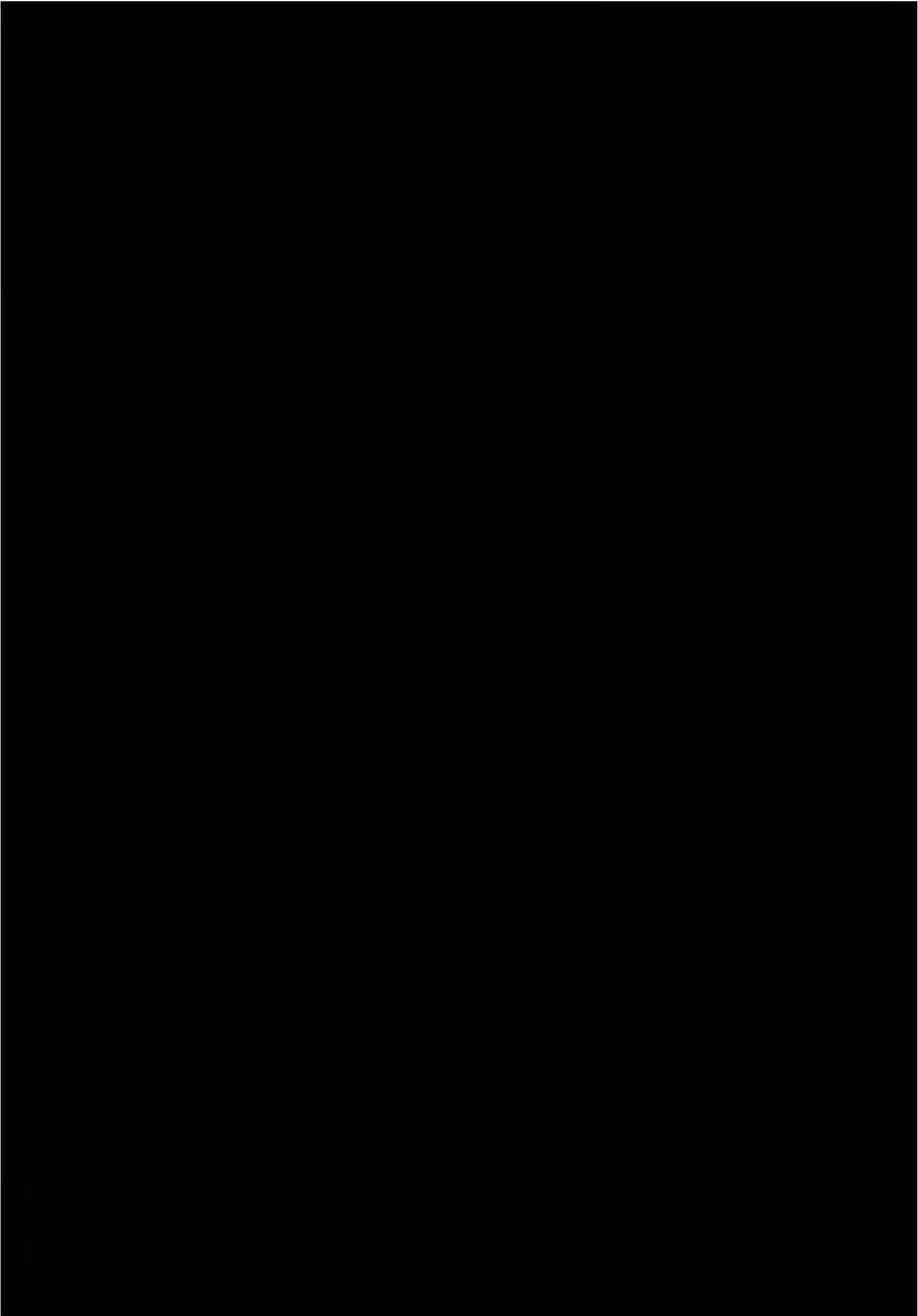


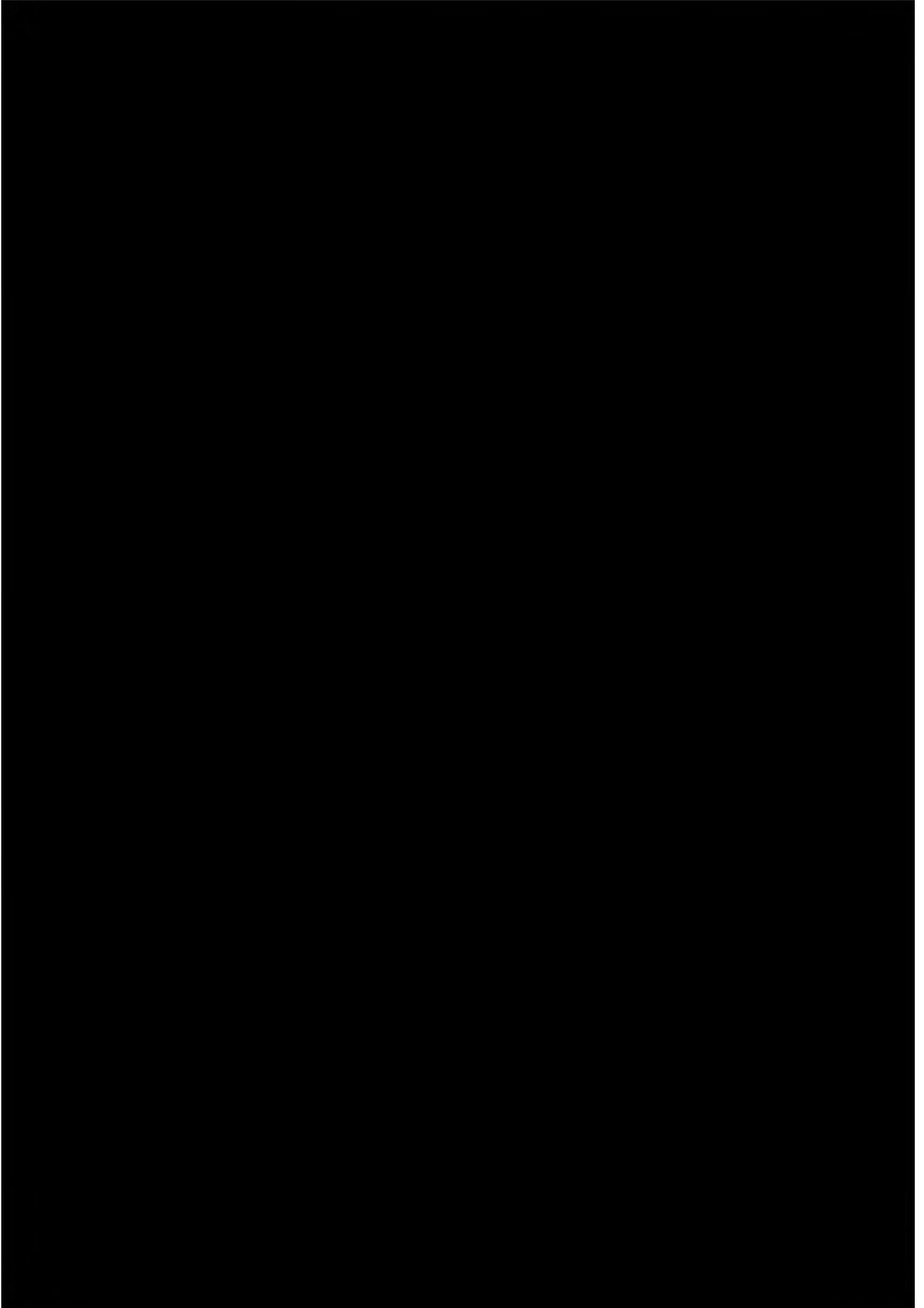


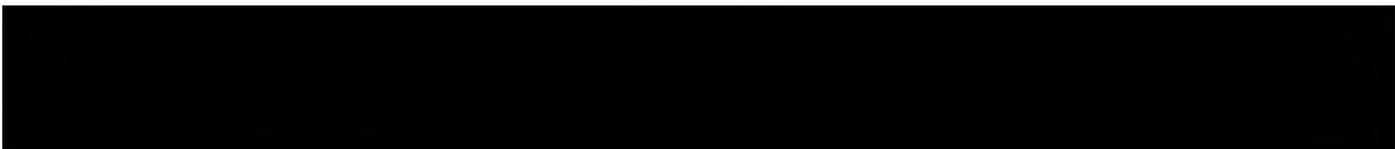
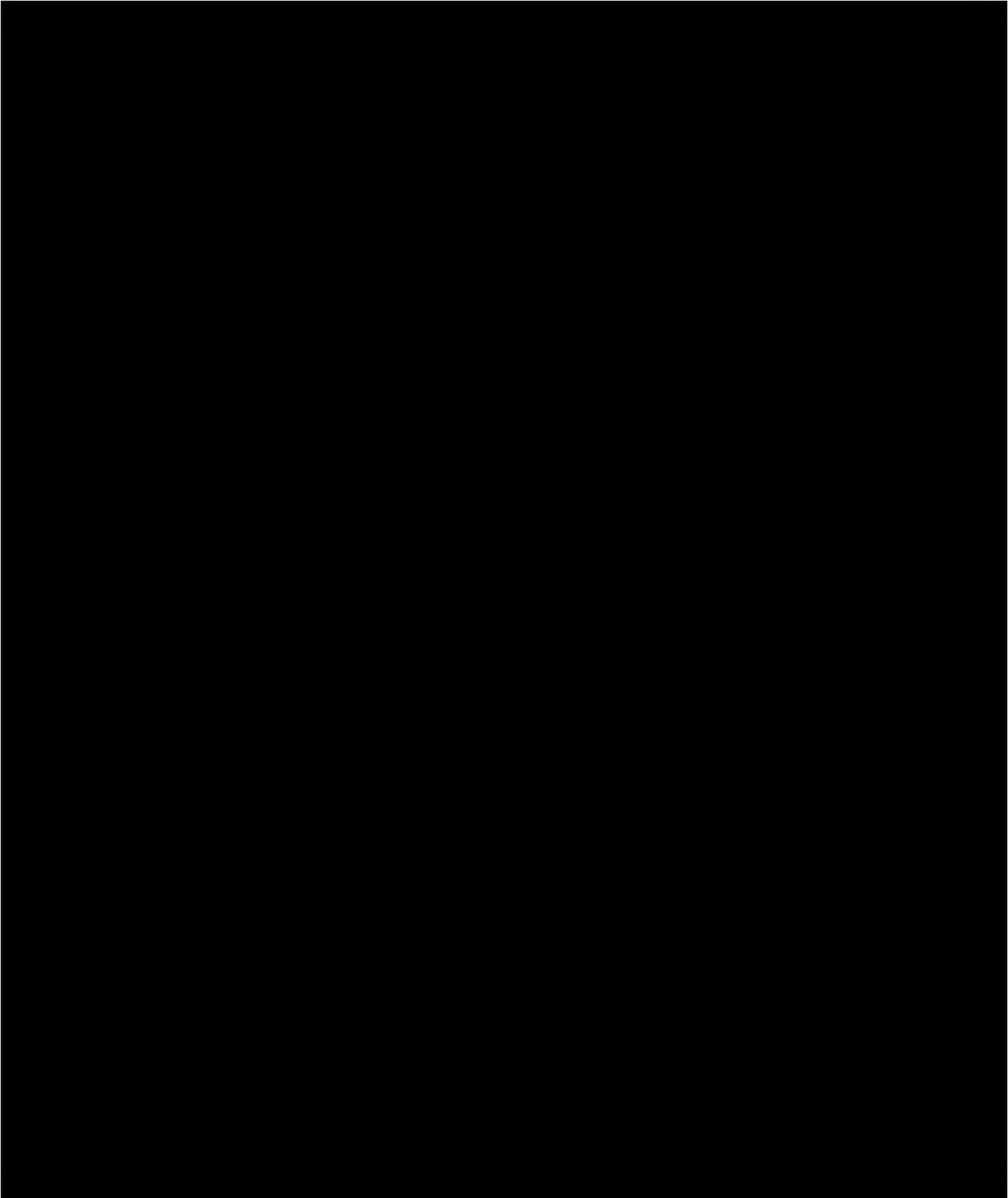


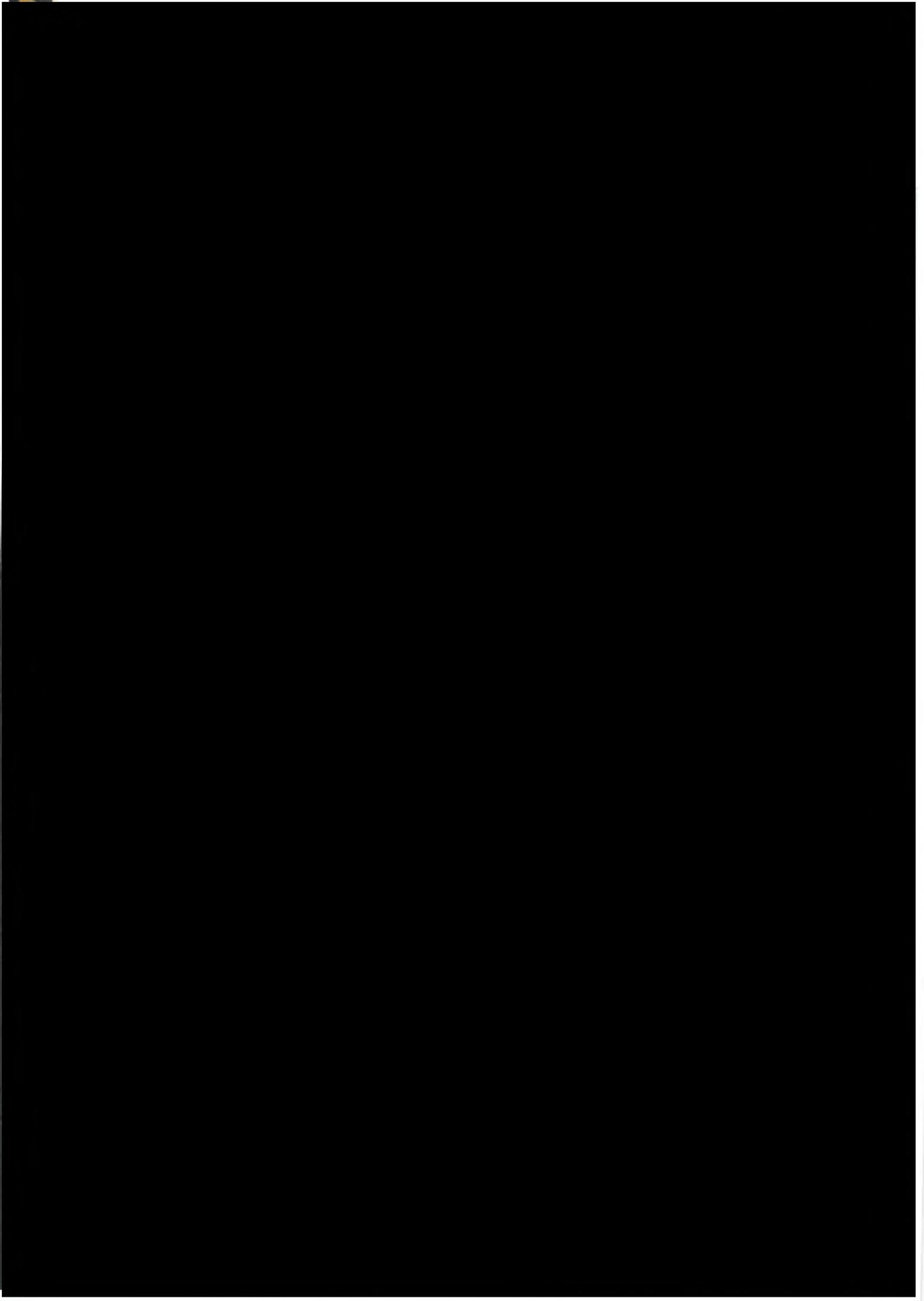


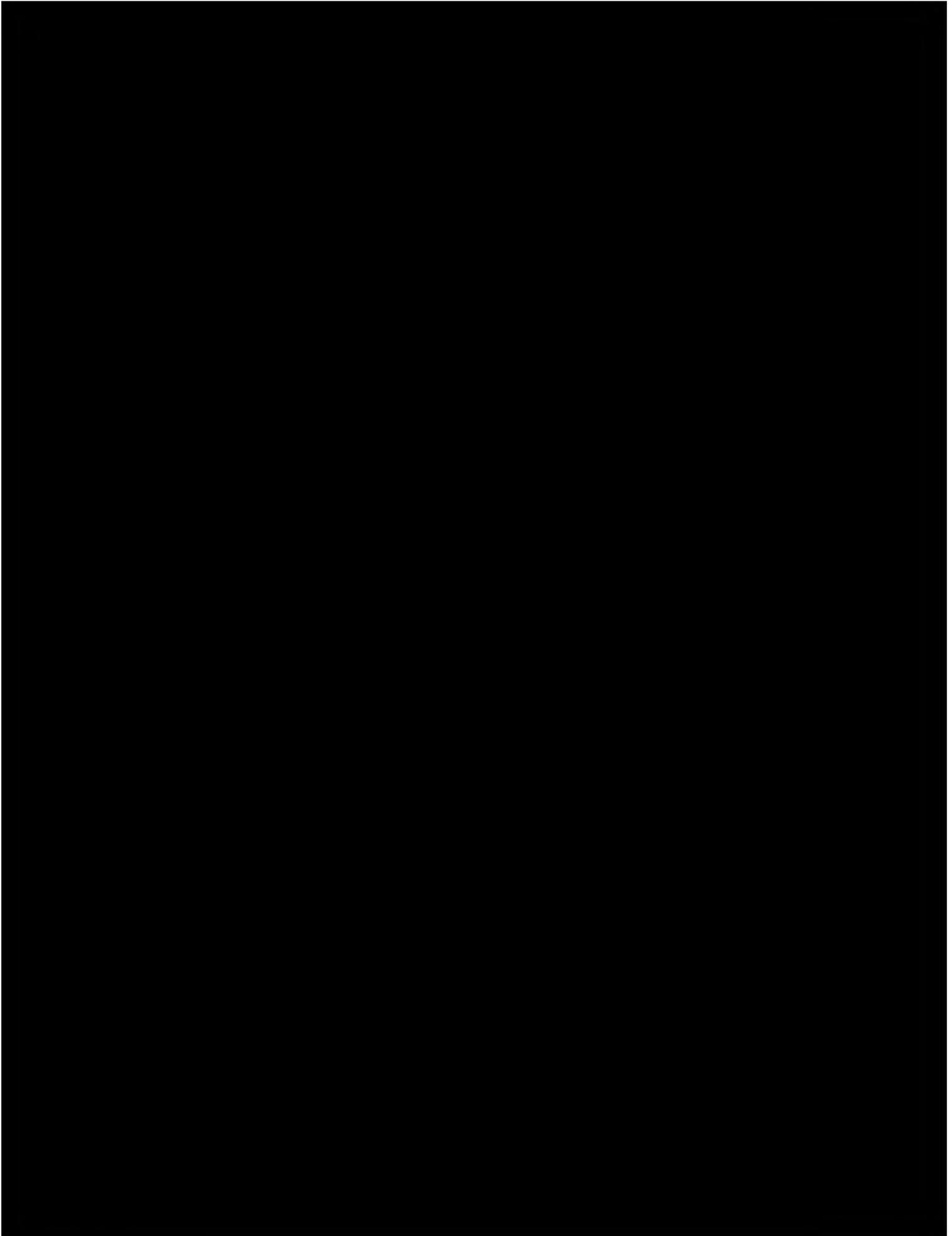


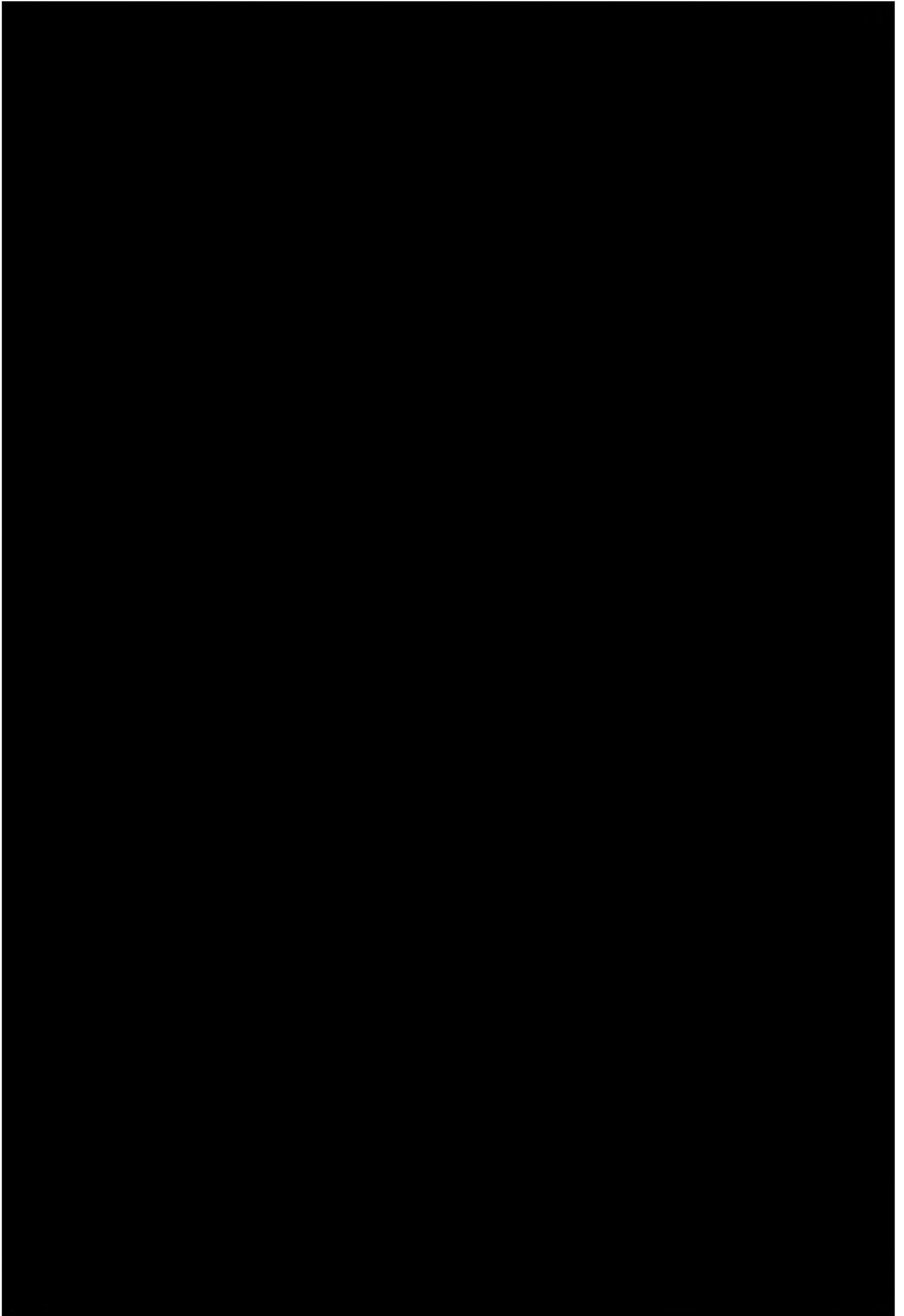


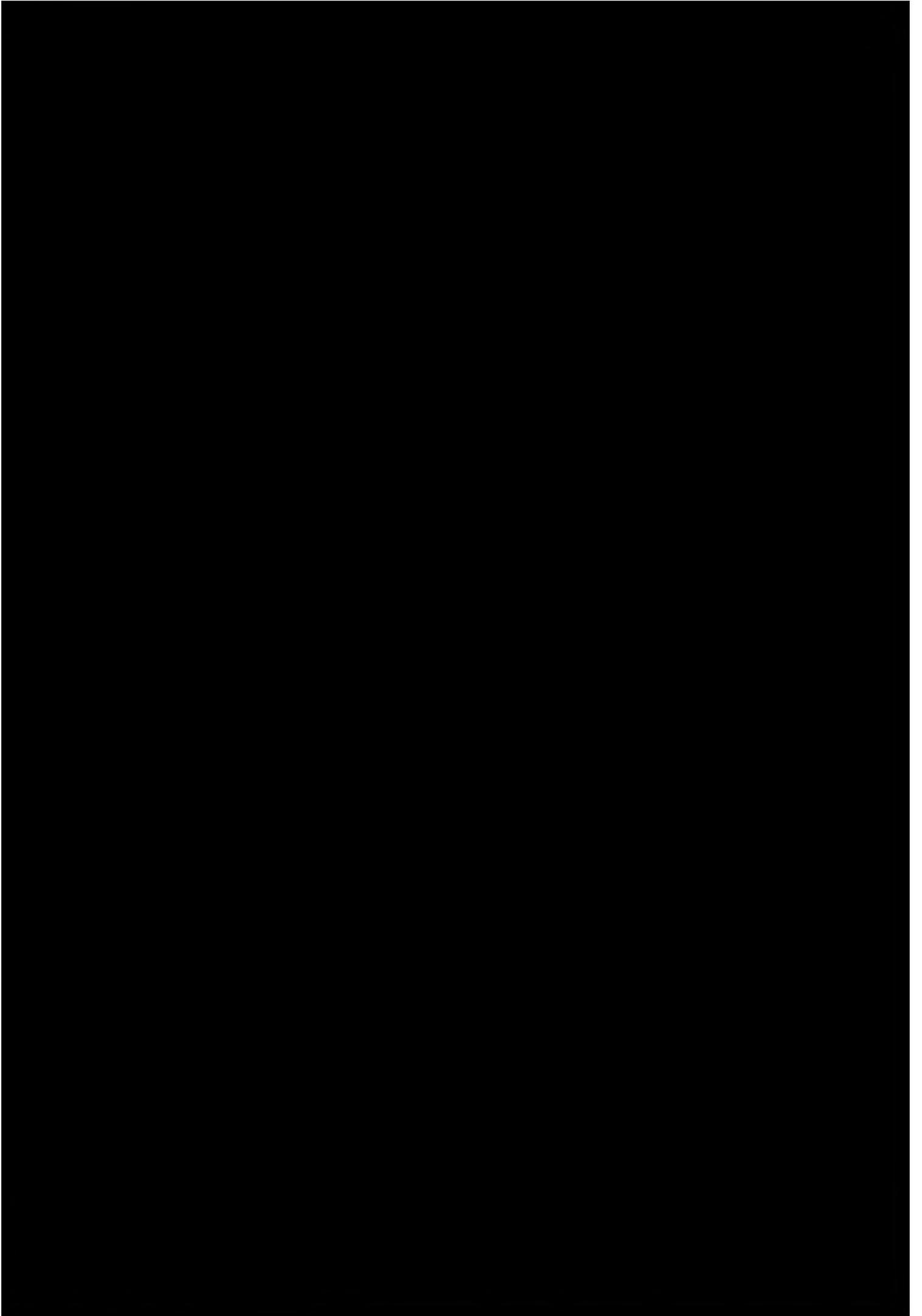


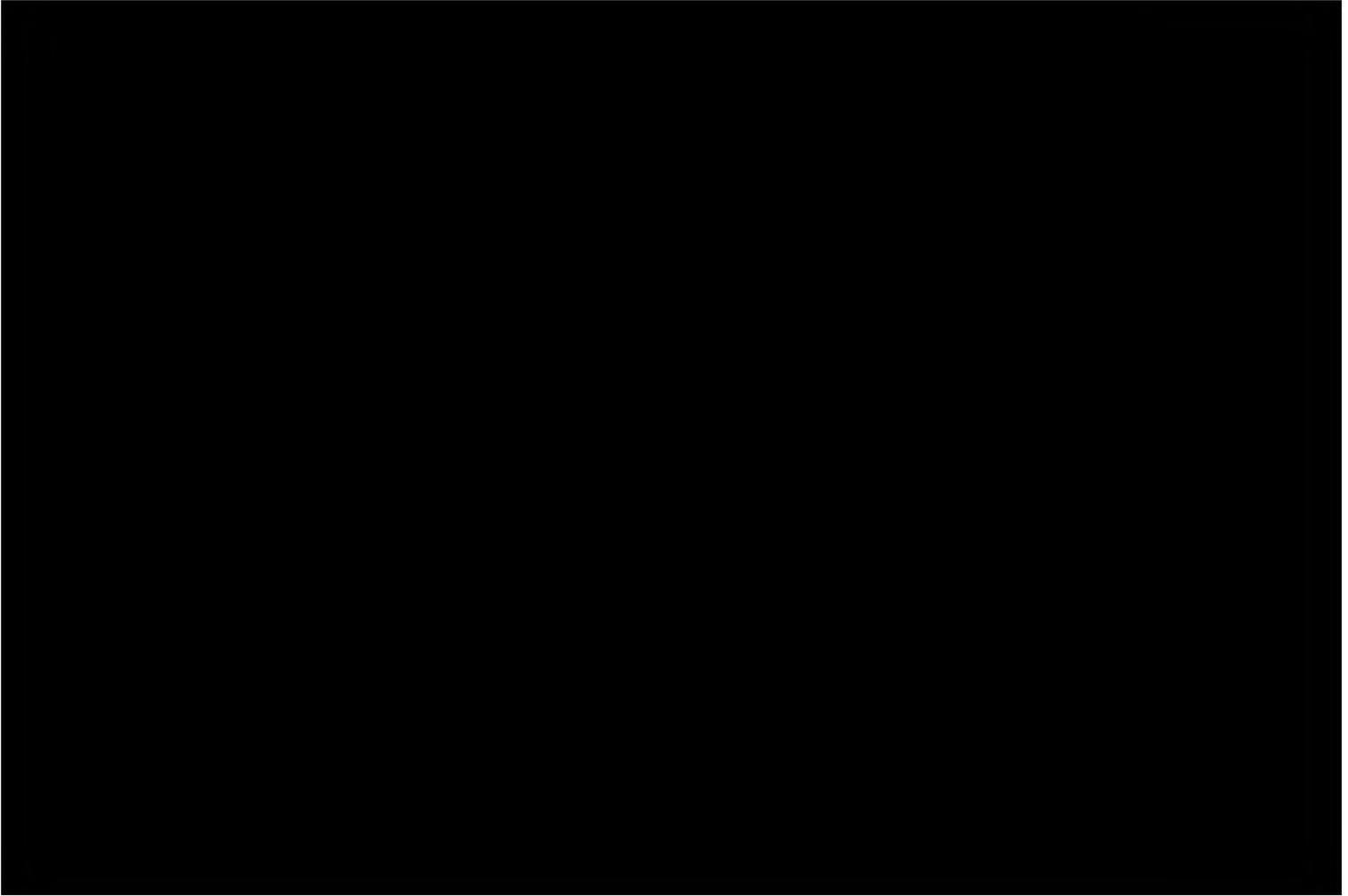












Solar Finance Products - Competitor Landscape

Competitor	Product	Footprint	Regulated	Rate	Term	Features	Eligibility
Brighte	BNPL	200 retailers \$70M/ annum	No	0% interest	Yes	<ul style="list-style-type: none"> No credit check under \$15K, low account fees of \$1/week. Up to \$30k Instant Approval 	<ul style="list-style-type: none"> Employed 25 hours/ week Australian Citizen Aged Pensioner Internal CC for over \$15K
Brighte	Green Loan	50 retailers \$10M p/a	Yes	7.99%	2 – 7 years	<ul style="list-style-type: none"> Online management \$2000 – \$30,000 	Unknown
Rate setter	Green Loan (peer to peer)	150 retailers \$30M p/a	Yes	4 – 8%	3 – 7 years	<ul style="list-style-type: none"> No exit fees, no early repayment penalties easy online loan management 1-minute Rate Estimate 5-minute application Australia-based customer service team 	<ul style="list-style-type: none"> You are aged 21 or over You are an Australian citizen or permanent resident, or a New Zealand citizen You have a regular source of income You have a good credit history
Zip	Personal Loan – specific to Energy efficiency	Circa 20 retailers Sub \$250K p/a	Yes	3 months interest free period as minimum then defaults to 19.9% - each retailer will have a different offer negotiated	3 – 50 months	<ul style="list-style-type: none"> Minimum \$40 payment 	<ul style="list-style-type: none"> Be at least 18 years old Be an Australian citizen or Permanent Resident Be employed in some capacity Be a homeowner Earn more than \$300 per week Have a good credit history Have your own valid and verifiable email address and mobile number
Payright	Personal Loan	Circa 20 retailers Sub \$250K	No	Fixed	Up to 36 months	\$59.90 est. fee (dependant on sale price). \$2.95 per payment, \$3.50 MAK fee.	<ul style="list-style-type: none"> Credit check undertaken

Competitor	Product	Footprint	Regulated	Rate	Term	Features	Eligibility
HSBC	Credit Card		Yes	interest free period then defaults to card rate – 19.9%	Up to 60 months interest free period only at merchant partners	Minimum 3% or \$30 payment throughout interest free period	<ul style="list-style-type: none"> • Full credit application required; or • Existing HCBS Cards holder
Community First Credit union	Solar Loan		Yes	5 years 6.12% 10 years 8.10%	5 or 10 years	<ul style="list-style-type: none"> • No monthly account keeping fees • Use your money your way by making extra repayments without penalty and redraw your money as you need it • Pay your loan our early without penalty • Borrow from \$1,000 to \$50,000 with loan terms from 1 to 10 years 	<ul style="list-style-type: none"> • over 18 years of age • Have a regular income • not bankrupt • Australian citizen or permanent resident • Have not had defaults on any Loans, Credit cards, Interest free finance or Store cards in the last 5 years • Have been in your current job longer than 6 months
Bendigo bank	Green loan		Yes	11.79%	1 – 7 years	<ul style="list-style-type: none"> • Minimum loan of \$2000 for terms between 1 and 7 years. • Choose between weekly, fortnightly and monthly repayments with free online redraw facility. • Unlimited additional repayments – redraw at any time. • No fixed break costs with an early repayment fee of only \$20. • Low application (\$250) and 	<ul style="list-style-type: none"> • Standard lending criteria

Competitor	Product	Footprint	Regulated	Rate	Term	Features	Eligibility
						ongoing fees (\$5).	
Endeavour Mutual Bank	Green Loan		Yes	6.10%	5 years up to \$30,000	<ul style="list-style-type: none"> • Low variable rate • No establishment fee • No early payout fee • No monthly account keeping fee • Available for the purchase of selected Green products only 	<ul style="list-style-type: none"> • Standard lending criteria
WAW	Green Loan		Yes	6.14% Variable 7.95% Fixed	36 months \$10,000	<ul style="list-style-type: none"> • Application Fee \$150.00 • Increase Fee \$150.00 • VISA \$75.00 • application fee \$400.00 • guarantee fee \$100.00 • Half yearly service fee \$50.00 • Other Fees 	<ul style="list-style-type: none"> • Lending criteria applies
Southern Cross Credit Union	Green Loan		Yes	7.29%	5 years up to \$50,000	<ul style="list-style-type: none"> • Secured Loans from \$10,000 - \$50,000 • Fast approvals • No monthly fees • No early payout fees • Pre-approvals are available • Schedule payments to suit your pay cycle - weekly, fortnightly or monthly 	<ul style="list-style-type: none"> • Green vehicles only



- Home
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- Quotes
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- Order Stationery
- POS Device Tokens
- Training Mode
- Contact Us
- Sign Out

Training Mode

New Application

Purchase Amount

Enter your Purchase Amount

Barcode or VIP or Pre-Approval Number

Enter your VIP or Barcode

NEXT >

- Home
- Dashboard
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- Order Stationery
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Training Mode

Customer Details

Email Address Please enter Email Address	Mobile Number Please enter Mobile Number
Date of Birth DD MM YYYY	
VIP or Pre-Approval Number (optional) Please enter VIP or Pre-Approval Number	
Identity Type Please select an Identity Type	

NEXT >

- Home
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Name	Enter the following details exactly as shown on the customer's identification.			
	Title	First Name	Middle Name	Last Name
	Select Title	Enter First Name	Enter Middle Name	Enter Last Name
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Address	Address			
	Start typing customer address to search			
Contact	Home Phone		Mobile	
	Enter Home Phone		Enter Mobile	
	Email			
	Enter Email			
Employment	Employment Type			
	Employment type			
Payment	Payment Type			
	Please select a Payment Type			
Consent	I acknowledge that I have obtained consent from the applicant for hummm to verify details provided, including via third parties, to authenticate their identity.			
	<input type="radio"/> Yes, I have obtained my customer's consent			
	<input type="radio"/> No, my customer does not consent			



- 🏠 Home
- ☰ Dashboard
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- 📦 Order Stationery
- 📄 POS Device Tokens
- 👤 Training Mode
- ✉ Contact Us
- 🚪 Sign Out

Training Mode

Staff Details	Staff First Name	Staff Last Name
	<input type="text" value="Enter your First Name"/>	<input type="text" value="Enter your Last Name"/>
Purchase Details	Product Description	
	<input type="text" value="Enter the Product Description"/>	
	Purchase Amount	
	<input type="text" value="\$ Enter the Purchase Amount"/>	
	<p>Please enter an Amount</p>	
	Deposit	
	<input type="text" value="\$ Minimum deposit \$0.00"/>	

NEXT >



Congratulations, you're almost there!

Training Mode



Complete the following steps to finalise the Customer Agreement.

-  You've completed all the customer and purchase details
-  Your customer hasn't opened the Agreement link yet
-  Provide your customer with their unlock code so they can finalise their Agreement and take the goods today!
Unlock code: **7358**
-  Approved! Your customer can find a copy of their Credit Schedule in their messages or inbox

Need more help?

 [View Credit Schedule](#)

 [Resend Customer](#)

 [Refresh Application](#)

 [Save And Close](#)

Can't complete the above process?

Alternatively, would you like to print the Agreement to manually finalise the Application?

 [Print Agreement](#)

Prod 4 V1.0 29/03/2019

PURCHASE NUMBER: 23567411

Credit Schedule



1 Application Fast-Check

- 18+ yrs old & permanent Australian resident & holds an Australian Driver's License
- Currently employed Full Time Yes No
- Hours worked per week _____
- or Aged or Veterans Pensioner

2 Fees and Charges

Establishment Fee \$30.00 - \$90.00
Repeat Purchase Fee \$22.00
Monthly Fee \$8.00
The monthly fee will be charged while you have an active purchase. If your account becomes inactive (because you don't have a current purchase) you will not pay this fee. You will only pay this fee once a month even if you have multiple purchases under your account.
Late Payment Fee - payable when a repayment is not made on the due date \$6.00
Collection Fee - payable when we take steps to collect an overdue payment \$30.00
The Merchant may pay us and we may pay the Merchant amounts in connection with your account.

3 Purchase Details

Merchant Number

Verification Number

Sales Person First Name

Sales Person Last Name

\$ _____
Total Purchase (GST Inc)

\$ _____
Deposit (No trade in's or credits)
(Must be paid with same Credit Card)

Select term in Months only

A \$ _____
Amount of credit for this purchase

B _____
Number of repayments

C \$ _____
Repayment amount

D Fortnightly

E \$ _____
Total amount of repayments

F \$ _____
Establishment Fee or Repeat Purchase Fee

G \$ _____
Total fees and charges payable
excluding Monthly Fee
(To the extent currently ascertainable)

One of the great features of humm is that you should not pay any more for a good or service at a merchant when using humm than you would pay if you were not using humm.

If a merchant indicates that you will have to pay more or tries to charge you more (for example by charging a higher price of the good or service, not applying a discount or rebate or by charging or bundling additional fees or charges), we want to know about it. So please tell us by contacting us at (08) 8232 2828.

4 Personal Details

Mr Mrs Ms

First Name Middle Name Last Name

_____/_____/_____
Date of Birth

DL State ID Number (Licence/Pension/Veterans No.) ID Expiry (Must be current) RTA Card Number (NSW Only)

Email

Residential Address

Suburb State Postcode

Home Number Mobile Number

Employer or Trading Name Employer Phone (Landline only - No 1800/1300 Number)

ABN (if self-employed ABN required) Last Pay Date

5a Direct Debit Request and Bank Account Details

You request Certegy Ezi-Pay Pty Ltd (ID No. 125202) debit or charge the account at the financial institution below any amount payable by you under the Contract.

Financial Institution Name Name on Account (If joint bank account two signatures required)

BSB Number Account Number

5b Credit Card Details (No ATM, Pre-Paid or EFTPOS Cards)

Tick Card Type

VISA MASTERCARD AMEX

Name on card (must be applicant)

Credit Card Number

_____/_____
Expiry Date

(Please do not include a full Credit Card Number on this Credit Schedule)

Customer Acknowledgement

By signing this document: (1) if you don't already have a Revolving Credit Account (RCA) with us, you offer to enter into a contract with Certegy Ezi-Pay Pty Ltd in accordance with the humm Terms and Conditions - March 2019 (T&Cs). Otherwise, if your RCA with us is subject to different terms and conditions, you offer to vary your existing contract with us to replace the existing Terms and Conditions with the T&Cs and all related credit schedules (2) you request to make an advance under your new or existing RCA (3) you state that all information you have given is true (4) you confirm that you understand the T&Cs and this Credit Schedule (5) you agree to electronic communications with us. This Credit Schedule is subject to and should be read in conjunction with the T&Cs.

I understand and agree to Certegy Ezi-Pay Pty Ltd disclosing my name, residential address and date of birth to a third party (including a Credit Reporting Agency) to verify my identity as required by AML/CTF Act.

Signature (A) _____ (B) if Joint Bank Account _____

Print Name _____ Date ____/____/____

Certegy Ezi-Pay is a member of the Australian Financial Complaints Authority (AFCA), which is an independent dispute resolution scheme. You can make a complaint to AFCA by calling 1800 931 678 or by visiting their website at www.afca.org.au

Certegy Ezi-Pay Pty Ltd ABN 28 129 228 986

13259

