

## **INFORMATION MEMORANDUM**

Dated 13 February 2025

AMAL Trustees Pty Limited  
ABN 98 609 737 064 as trustee of the  
Australian Annuity Funding Trust 2024-1

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### **Trust Manager**

AMAL Management Services Pty Ltd  
ABN 46 609 790 749

### **Seller and Servicer**

Australian Annuity Funding Pty Ltd  
ABN 79 673 364 040

This Information Memorandum is dated 13 February 2025

## ***Purpose***

This Information Memorandum ("**Information Memorandum**") has been prepared solely in connection with the Australian Annuity Funding Trust 2024-1. This Information Memorandum relates solely to issues of Class A Notes and Class B Notes (together, the "**Offered Notes**") and further issues of Class A Notes and Class B Notes by the Issuer. This Information Memorandum does not relate to, and is not relevant for, any other purpose than to assist the recipient to decide whether to proceed with a further investigation of the Offered Notes. This Information Memorandum also contains information relating to the Class C Notes (together with the Class A Notes and the Class B Notes, the "**Notes**"). The Class C Notes are not being offered for issue, nor are applications for the issue of the Class C 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. You should not invest in the Offered Notes unless you are able to bear the economic risk of such investment for an indefinite period of time.

This Information Memorandum contains only a summary of the terms and conditions of certain Transaction Documents and the Trust. 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 AMAL Management Services Pty Ltd (ABN 46 609 790 749) (the "**Trust Manager**"), a copy of the Transaction Documents for the Trust may be inspected by potential investors or Noteholders in respect of the Notes at the office of the Trust Manager on a confidential basis, by prior arrangement during normal business hours.

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

The Offered Notes will be the obligations solely of AMAL Trustees Pty Limited in its capacity as trustee of the Australian Annuity Funding Trust 2024-1 (the "**Trust**") and do not represent obligations of or interests in, and are not guaranteed by, AMAL Trustees Pty Limited in its personal capacity or as trustee of any other trust, series or any affiliate of AMAL Trustees Pty Limited.

The Offered Notes do not represent deposits with, or any other liability, of the Trust Manager, the Security Trustee, the Seller, the Servicer or any of their Related Entities or affiliates. None of the Trust Manager, the Security Trustee, the Seller, the Servicer or any of their Related Entities or affiliates guarantees or is otherwise responsible for the payment of interest or the repayment of principal due on the Offered Notes, the performance of the Offered Notes or the Trust Assets or any particular rate of capital or income return on the Offered Notes, or the performance of any obligations in respect of the Offered Notes by any other party.

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

## ***Responsibility for information contained in the Information Memorandum***

None of the Issuer, the Seller, the Trust Manager, the Security Trustee, the Standby Servicer or the Initial Subscriber have authorised or caused the issue of this Information Memorandum (and expressly disclaim any responsibility for any information contained in this Information Memorandum) and none of them has separately verified the information

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

Any financial product advice in this document is provided by ZNI Consulting Pty Ltd ABN 34 601 382 361 (trading as Freshwater Capital Partners) under an authorised representative arrangement with Mantis Funds Services Pty Ltd ABN 97 649 083 689 (AFSL number 531027).

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Issuer, the Trust Manager, the Initial Subscriber, the Seller, the Servicer, the Standby Servicer or the Security Trustee or their respective Related Entities or any person affiliated with any of them (each a "**Relevant Person**") as to the accuracy or completeness of any information contained in this Information Memorandum (except, in each case, as expressly stated in this Information Memorandum) or any other information supplied in connection with the Offered Notes or their distribution.

The Relevant Persons have no other obligation to any person in connection with the transactions contemplated by this Information Memorandum other than their respective contractual obligations under the Transaction Documents to which they are respectively a party. 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 the information in this Information Memorandum 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) and such person has been afforded an opportunity to request and to review, and has received and reviewed, all additional information considered by it to be necessary to verify the accuracy of or to supplement the information in this Information Memorandum.

Without limiting the foregoing, the Initial Subscriber, the Seller and the Servicer do not accept any responsibility to or liability for and do not owe any duty to any person who purchases or intends to purchase the Offered Notes in respect of the preparation, due execution and validity of the Transaction Documents or the enforceability of any of the obligations set out in the Transaction Documents.

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

This Information Memorandum has been prepared by the Seller based on information available to it and the facts and circumstances existing as at 13 February 2025 ("**Preparation Date**"). The Seller has no obligation to update this Information Memorandum after the Preparation Date having regard to information which becomes available, or facts and circumstances which come to exist, after the Preparation Date.

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

No Relevant Person undertakes to review the financial condition or affairs of the Trust during the life of the Offered Notes or to advise any investor or potential investor in the

Offered Notes of any changes in, or matters arising or coming to their attention which may affect, anything referred to in this Information Memorandum.

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

This Information Memorandum has no regard to the specific investment objectives, financial situation, or particular needs of any specific recipient. Structured transactions are complex and may involve a high risk of loss. Prior to acquiring the Offered Notes recipients should consult with their own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that they deem necessary, and make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment) based upon their own judgement and upon advice from such advisers as they deem necessary and not upon any view expressed by any Relevant Person. The Relevant Persons, their related bodies corporate (as defined in the Corporations Act) and their directors and employees are not acting as advisers to recipients and do not assume any duty of care in this respect. No reliance may be placed on any Relevant Person for financial, legal, taxation, accounting or investment advice or recommendations.

No person undertakes to review the financial condition or affairs of the Issuer or the Trust at any time or to keep a recipient of this Information Memorandum or Noteholder informed of changes in, or matters arising or coming to their attention which may affect, anything referred to in this Information Memorandum.

Any offer of the Offered Notes in connection with this Information Memorandum is personal to the relevant offeree and does not constitute an offer to any other person. Neither the issue of this Information Memorandum nor its delivery to any person constitutes an offer or invitation to any person or to the public generally to subscribe for or otherwise acquire any of the Offered Notes.

## **Disclosure**

Each Relevant Person acting in any capacity discloses with respect to itself that, in addition to the arrangements and interests it will or may have with respect to the Trust Manager, the Seller, the Servicer, AMAL Trustees Pty Limited in its capacity as trustee of the Trust, AMAL Security Services Pty Limited in its capacity as trustee of the Security Trust and AMAL Asset Management Limited as Standby Servicer (together, the "**Transaction Parties**"), as described in this Information Memorandum (the "**Transaction Document Interests**"), it, its Related Entities, directors, officers and employees (each, a "**Relevant Entity**"):

- (a) may from time to time, be a Noteholder or have pecuniary or other interests with respect to the Offered Notes and they may also have interests relating to other arrangements with respect to a Noteholder or an Offered Note (including interests in the application of the proceeds of the Offered Notes and/or the Receivables to be Reallocated to the Trust with the proceeds of the Notes); and
- (b) may receive or pay fees, brokerage, commissions or other benefits, and act as principal with respect to any dealing with respect to any Offered Notes (including, without limitation, any investment in classes of Notes on their initial issue and any subsequent acquisition of any Notes),

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

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

- (a) each 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, securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, 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 of the Transaction Parties, both on the Relevant Entity's own account and/or for the account of other persons (the "**Other Transaction Interests**"); and
- (b) each Relevant Entity may even purchase the Offered Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Offered Notes at the same time as the offer and sale of the Offered Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any offering, sale or resale of the Offered Notes to which this Information Memorandum relates; and
- (c) each Relevant Entity may indirectly receive proceeds of the Offered Notes in repayment of debt financing arrangements involving a Relevant Entity. For example, this could occur if the proceeds of the Offered Notes form the purchase price used to acquire the Trust Assets that are currently financed under existing debt financing arrangements involving a Relevant Entity and that purchase price is in turn used to repay any of the debt financing owing to that Relevant Entity; 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) a Relevant Entity may have or come into possession of information not contained in this Information Memorandum regarding any of the Transaction Parties that may

be relevant to any decision by a potential investor to acquire the Offered Notes and which may or may not be publicly available to potential investors ("**Relevant Information**"); and

- (f) 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 or that any information in this Information Memorandum or otherwise is accurate or up to date; and
- (g) 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. 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 Transaction Parties and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

This is not a comprehensive or definitive list of all actual or potential conflicts of interest.

Neither the Issuer nor any Relevant Entity is responsible, or liable to any person, for any potential or actual conflicts of interest arising in the course of a Relevant Entity's business, including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests, and is not required to monitor or ensure that no such conflict exists.

### ***No financial product advice***

Neither this Information Memorandum nor any other information supplied in connection with the Offered Notes is intended to provide, or should be reasonably regarded as intending to provide, the basis of any credit or other evaluation or decision in relation to the Offered Notes. It should not be considered as a recommendation or statement of opinion, or report of either of those things, 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 or make any other decision in relation to any of the Offered Notes. Neither this Information Memorandum nor any such other information supplied is therefore financial product advice for the purposes of the Corporations Act. Each investor contemplating purchasing any of the Offered Notes should make its own independent investigation of the Issuer, the Trust, the Trust Assets and the Offered Notes and each investor should seek its own tax, accounting and legal advice as to the consequence of investing in any of the Offered Notes. No Relevant Person accepts any responsibility for, or makes any representation as to the tax consequences of investing in the Offered Notes. The Relevant Persons are not acting as advisers to recipients and do not assume any duty of care in this respect.

The information in this Information Memorandum and any other information supplied in connection with the Offered Notes is general information only, and does not take into account any person's objectives, financial situation or needs (including those of any investor contemplating purchasing any of the Offered Notes). A potential investor should read this document carefully, and assess whether the information is appropriate for it and its circumstances before making an investment decision. Each investor contemplating purchasing any of the Offered Notes should seek its own investment, tax, accounting and legal advice which takes into account the investor's circumstances.

The Initial Subscriber does not owe any fiduciary or other duties to any recipient of this Information Memorandum in connection with the Offered Notes and/or any related

transactions. No reliance may be placed on the Initial Subscriber for financial, legal, taxation, accounting or investment advice or recommendations.

### ***Trust Assets segregation and limited recourse***

The Offered Notes issued by the Issuer are limited recourse instruments and are issued only in its capacity as trustee in respect of the Trust as it relates to the Trust Assets.

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

Except to the extent expressly prescribed by the Transaction Documents in respect of the Trust, the Trust Assets are not available in any circumstances to meet any obligations of the Issuer in respect of any other trust and if, upon enforcement of the General Security Deed for the Trust, sufficient funds are not realised to discharge in full the obligations of Issuer in respect of the Trust Assets, 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 trust.

### ***No disclosure under Corporations Act***

This Information Memorandum is not a "Prospectus" or an "Offer Information Statement" for the purposes of Part 6D.2 of the Corporations Act or a "Product Disclosure Statement" or a "Prospectus" for the purposes of Chapter 7 of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission ("**ASIC**"). Nor will any disclosure document (as defined in the Corporations Act) be lodged with ASIC in respect of the Offered Notes. This Information Memorandum has not been prepared specifically for investors in Australia and is not required to, and does not, contain all of the information which would be required in a disclosure document. Accordingly, a person may not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Offered Notes, or distribute this Information Memorandum where such offer, issue or distribution is received by a person in the Commonwealth of Australia, its territories or possessions ("**Australia**"), except if:

- (a) either:
  - (i) the amount payable by the transferee in relation to the relevant Offered Notes is A\$500,000 or more (or its equivalent in an alternate currency, and in either case, disregarding moneys lent by the offeror or its associates); or
  - (ii) the offer is to a professional investor for the purposes of section 708 of the Corporations Act; or
  - (iii) 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 (including, without limitation the financial services licensing requirements of the Corporations Act);
- (c) the offer or invitation complies with all applicable laws, regulations and directives; and
- (d) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

## ***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 Entities 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 Entity 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, the Initial Subscriber and the Trust Manager to inform themselves about and to observe any such restrictions. In particular, see Section 13 ("Subscription and Sale").

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. Terms used in this paragraph have the meanings given to them by Regulation S under 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(5) 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(2)(A) 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.

Because of the restrictions on transfer described above and elsewhere in this Information Memorandum, prospective investors are advised to consult legal counsel prior to making any resale, pledge or transfer any of the Offered Notes.

## ***Offshore Associates***

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



An offshore associate of the Issuer means an associate (as defined in section 128F of the Australian Tax Act) of the Issuer that is either a non-resident of Australia that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside of Australia.

### ***EU Securitisation Regulation and UK Securitisation Framework***

European Union ("EU") legislation comprising Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 as amended by Regulation (EU) No 2021/557 (as amended) and any related regulatory technical standards, implementing technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time (together, the EU Securitisation Regulation) imposes certain restrictions and obligations with regard to securitisations (as such term is defined for purposes of the **"EU Securitisation Regulation"**). The EU Securitisation Regulation is in force throughout the EU in respect of securitisations the securities of which were issued (or the securitisation positions of which were created) on or after 1 January 2019 (or in the case of amending EU Regulation (EU) No 2021/557 to securities issued on or after 9 April 2021).

Since 1 November 2024, a new securitisation regulatory framework has applied in the United Kingdom under the Securitisation Regulations 2024 (SI 2024/102) (the **"SR 2024"**), the Securitisation Part of the rulebook of published policy of the PRA (the **"PRA Securitisation Rules"**) and the securitisation sourcebook of the handbook of rules and guidance adopted by the FCA (**"SECN"** and, together with the PRA Securitisation Rules, the SR 2024 and the relevant provision of the FSMA, the **"UK Securitisation Framework"**). The UK Securitisation Framework largely mirrors the EU Securitisation Regulation (with some adjustments) and includes SECN 4 (the **"FCA Due Diligence Rules"**), Article 5 of Chapter 2 of the PRA Securitisation Rules (the **"PRA Due Diligence Rules"**) and regulations 32B, 32C and 32D of the SR 2024 (the **"OPS Due Diligence Rules"** and, together with the FCA Due Diligence Rules and the PRA Due Diligence Rules, the **"UK Due Diligence Rules"**); SECN 5 (the **"FCA Risk Retention Rules"**), Article 6 of Chapter 2 and Chapter 4 of the PRA Securitisation Rules (the **"PRA Risk Retention Rules"**); and SECN 6, SECN 11 (including its Annexes) and SECN 12 (including its Annexes) (the **"FCA Transparency Rules"**) and Article 7 of Chapter 2 and Chapters 5 (including its Annexes) and 6 (including its Annexes) of the PRA Securitisation Rules (the **"PRA Transparency Rules"**). The EU Securitisation Regulation and the UK Securitisation Framework impose certain requirements (the **"EU Transaction Requirements"** and the **"UK Transaction Requirements"**) respectively and together, as relevant, the **"Transaction Requirements"** with respect to originators, original lenders, sponsors and securitisation special purpose entities (**"SSPEs"**) (as each such term is defined for purposes of the EU Securitisation Regulation and the UK Securitisation Framework, as relevant).

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

- (a) a requirement under Article 6 of the EU Securitisation Regulation and SECN 5.2.1R and Article 6(3) of Chapter 2 of the PRA Risk Retention Rules 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 **"Retention Requirement"**);
- (b) a requirement under Article 7 of the EU Securitisation Regulation and SECN 6.2.1R and Article 7(1) of Chapter 2 of the PRA Securitisation Rules that the originator, sponsor and SSPE of a securitisation make available to holders of a securitisation position, EU and UK competent authorities respectively and (upon request) potential investors certain prescribed information (the **"Transparency Requirements"**); and

- (c) a requirement under Article 9 of the EU Securitisation Regulation and SECN 8.2.1R and Article 9(1) of the PRA Securitisation Rules 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-securitized 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 "**Credit-Granting Requirements**").

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

In addition, investors should be aware that Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Framework places certain conditions (respectively, the "**EU Investor Requirements**" and the "**UK Investor Requirements**") on investments in securitisations by "institutional investors" (as such term is defined for purposes of the EU Securitisation Regulation and the UK Securitisation Framework) (respectively, an "**EU Institutional Investor**" and a "**UK Institutional Investor**").

EU Institutional Investors include (subject to certain conditions and exceptions): (a) a credit institution or an investment firm as defined in and for purposes of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as amended, known as the Capital Requirements Regulation (the "**CRR**"), (b) an insurance undertaking or a reinsurance undertaking as defined in Directive 2009/138/EC, as amended, (c) an alternative investment fund manager as defined in Directive 2011/61/EU that manages and/or markets alternative investment funds in the EU, (d) an undertaking for collective investment in transferable securities ("**UCITS**") management company, as defined in Directive 2009/65/EC, as amended, or an internally managed UCITS, which is an investment company that is authorised in accordance with that Directive and has not designated such a management company for its management, and (e) an institution for occupational retirement provision ("**IORP**") falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorised entity appointed by an IORP as provided in that Directive. Pursuant to Article 14 of the CRR, the EU Investor Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of institutions regulated under the CRR.

UK Institutional Investors include certain insurance or reinsurance undertakings, the trustees or managers of an occupational pension scheme (as set out in the Pension Schemes Act 1993), a fund manager of an occupational pension scheme appointed under section 34(2) of the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment, is authorised for the purposes of section 31 of FSMA, certain AIFMs (as defined in regulation 4(1) of the Alternative Investment Fund Managers Regulations 2013 (2013/1797)), a small registered UK AIFM as defined in Regulation 2(1) of the Alternative Investment Fund Managers Regulations 2013, certain management companies as defined in section 237(2) of the FSMA, UCITS as defined by section 236A of FSMA which is an authorised open ended investment company as defined in section 237(3) of FSMA, CRR firms as defined by Article 4(1)(2A) of the CRR and FCA investment firms as defined by Article 4(1)(2AB) of the CRR.

The EU Investor Requirements and the UK Investor Requirements apply to investments by EU Institutional Investors and UK Institutional Investors, respectively, regardless of whether any other party to the relevant securitisation is subject to any Transaction Requirements under the EU Securitisation Regulation and/or UK Securitisation Framework. The EU Investor Requirements and the UK Investor Requirements provide that, prior to investing in (or otherwise holding an exposure to) a securitisation, an EU Institutional Investor or UK Institutional Investor, as relevant, other than the originator, sponsor or

original lender must, among other things: (a) verify that the originator or the original lender of the underlying exposures of the securitisation is in compliance with the Credit-Granting Requirements, or, where the originator or original lender is established in a third country (that is, not within the United Kingdom for the purposes of the UK Securitisation Framework, and not within the EU or the EEA for the purposes of the EU Securitisation Regulation), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (b) verify that the originator, the original lender or the sponsor in respect of the relevant securitisation is in compliance with the Retention Requirement, or, if established in a third country, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitisation Regulation and SECN 5.2.1R and Article 6(3) of Chapter 2 of the PRA Risk Retention Rules (as relevant), and discloses the risk retention to institutional investors, (c) verify that the originator, sponsor or SSPE has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation and SECN 6.2.1R and Article 7(1) of Chapter 2 of the PRA Securitisation Rules (as relevant) (which sets out the Transparency Requirements for originators, sponsors and SSPEs) in accordance with the frequency and modalities provided for in Article 7 of the EU Securitisation Regulation and SECN 6.2.1R and Article 7(1) of Chapter 2 of the PRA Securitisation Rules (as relevant), and (d) carry out a due-diligence assessment in accordance with the EU Securitisation Regulation and the UK Securitisation Framework which enables the EU Institutional Investor and UK Institutional Investor, respectively, to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

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

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

It remains unclear, in certain respects, what is required for EU Institutional Investors and UK Institutional Investors to demonstrate compliance with the EU Investor Requirements and UK Investor Requirements, respectively.

None of the Initial Subscriber, the Trust Manager, the Seller, the Servicer, the Security Trustee, the Standby Servicer, nor any other party to the Transaction Documents undertakes to retain, either on an ongoing basis or for any period, any net economic interest in this securitisation transaction for the purposes of the EU Securitisation Regulation or the UK Securitisation Framework or take any other action to satisfy the

Transaction Requirements or which may be required by investors for the purposes of their compliance with the EU Securitisation Regulation or the UK Securitisation Framework.

No party to the securitisation transaction described in this Information Memorandum is required, or intends, to take any action with regard to such transaction in a manner prescribed or contemplated by the EU Securitisation Regulation or the UK Securitisation Framework, or to take any action for purposes of, or in connection with, satisfaction of the Transaction Requirements or compliance by any EU Institutional Investor with any applicable EU Investor Requirement, or any UK Institutional Investor with any applicable UK Investor Requirement.

Any failure to comply with the EU Securitisation Regulation or the UK Securitisation Framework may, amongst other things, have a negative impact on the value and liquidity of the Offered Notes, and otherwise affect the secondary market for the Offered Notes.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the EU Securitisation Regulation or the UK Securitisation Framework (and any implementing rules in relation to a relevant jurisdiction); (ii) as to the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors and (iii) as to their compliance with any applicable EU Investor Requirements and UK Investor Requirements. None of the Trust Manager, the Seller, the Servicer, the Security Trustee, the Standby Servicer, the Initial Subscriber nor any other party to the Transaction Documents (i) makes any representation that the performance of the Transaction Documents, 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 EU Institutional Investor's and UK Institutional Investor's compliance with any EU Investor Requirement and UK Investor Requirement, respectively, (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 EU Securitisation Regulation, the UK Securitisation Framework 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 EU Institutional Investor or UK Institutional Investor to enable compliance by such person with the requirements of any EU Investor Requirement, UK Investor Requirement 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 EU Securitisation Regulation, the UK Securitisation Framework or other regulatory or accounting changes.

None of the Trust Manager, the Seller, the Servicer, the Issuer, the Security Trustee, the Standby Servicer or the Initial Subscriber has any responsibility to maintain or enforce compliance with the UK Transaction Requirements or the EU Transaction Requirements.

### ***U.S. risk retention rules***

The risk retention rules set out in Section 15G of the Exchange Act as added by section 941 of the Dodd-Frank Act ("**U.S. Risk Retention Rules**") came into effect on 24 December 2016 and generally require the "securitizer" of a "securitization transaction" to retain at least 5% of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, 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. This transaction will not involve risk retention by the Trust Manager, the Seller or the Servicer for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. 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) of all classes of securities issued in the securitisation 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); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

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.

It is not intended for the Offered Notes to be issued to any U.S. Person for the purposes of the U.S. Risk Retention Rules. It is not intended for this transaction to comply with the U.S. Risk Retention Rules. None of the Seller or the Servicer nor any other party to the Transaction Documents undertakes to retain, either initially or on an ongoing basis, an economic interest in this transaction in accordance with the requirements of the U.S. Risk Retention Rules or take any other action which may be required by investors for the purposes of the U.S. Risk Retention Rules, nor does any such person make any representation as to the compliance with, or application or non-application of, the U.S. Risk Retention Rules.

The Offered Notes may not be purchased by U.S. persons unless such limitation is waived by the Trust Manager (on behalf of the Issuer). 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 Trust Manager (on behalf of the Issuer) as described in the preceding paragraph. Each holder of an Offered Note or a beneficial interest therein acquired in the initial syndication 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 Trust Manager, the Seller, the Servicer, the Issuer, the Security Trustee, the Standby Servicer, or the Initial Subscriber that it (1) either (a) is not a Risk Retention U.S. Person or (b) has received a waiver with respect to the U.S. Risk Retention rules from the Trust Manager (on behalf of the Issuer), (2) is acquiring such Note for its own account and not with a view to distribution of such Note, and (3) is not acquiring such 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 Note through a non-Risk Retention U.S. Person, rather than through 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 exemption provided for in the U.S. Risk Retention Rules described above). Neither the Trust Manager nor the Issuer is obliged to provide any waiver in respect of the U.S. Risk Retention rules.

No party to this transaction shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules, and no such party accepts any liability or responsibility whatsoever for any such determination, it being understood by each such party that the characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in the U.S. Risk Retention Rules shall be made on the basis of certain representations that are deemed to be made by each prospective investor.

There can be no assurance that the exemption provided for in section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. In particular, 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 of the Transaction to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Offered Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the risk retention requirements of 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 Issuer and/or the holders of the Offered Notes. Unless the exemption provided for in the U.S. Risk Retention Rules regarding non-U.S. transactions 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.

None of the Trust Manager, the Seller, the Servicer, the Issuer, the Security Trustee, the Standby Servicer or the Initial Subscriber has any responsibility to maintain or enforce compliance with the U.S. Risk Retention Rules.

Prospective investors should make their own independent investigation and seek their own independent advice as to the scope and applicability of the US risk retention rules.

### ***Japanese Due Diligence and Risk Retention Rules***

On 30 April 2015 the Financial Services Agency of Japan ("**JFSA**") amended its comprehensive supervisory guidelines for banks, insurance companies and financial instruments business operators (securities companies), respectively, when investing in securitisation products to require them to (i) confirm that an originator of such products will continue to retain part of the risks associated with the securitisation products and (ii), in cases where the originator will not continue to so retain, to make an in-depth analysis as to the status of the originator's involvement in the underlying assets and the quality of such assets.

Based upon the Basel III Document (Revisions to the securitisation framework), on 15 March 2019, JFSA published another set of new Japanese due diligence and risk retention rules (the "**Japanese Due Diligence and Risk Retention Rules**") as part of the regulatory capital regulation of certain categories of Japanese financial institutions including banks and other depository institutions, bank holding companies, ultimate parent companies of large securities companies designated by JFSA and certain other financial institutions regulated in Japan seeking to invest in securitisation transactions (collectively, the "**Japanese Affected Investors**"). The Japanese Due Diligence and Risk Retention Rules became applicable to the Japanese Affected Investors on 31 March 2019. Under the new Japanese Due Diligence and Risk Retention Rules, in order for a Japanese Affected Investor to apply a lower capital charge against a securitisation exposure, it has to:

- (a) establish an appropriate risk assessment system to be applied to the relevant securitisation exposure and the underlying assets of such securitisation exposure; and
- (b) either:
  - (i) confirm that the originator of the securitisation transaction in respect of the securitisation exposure retains not less than 5% interest in an appropriate form (the "**Originator Retention Requirement**"); or
  - (ii) determine that the underlying assets of the securitisation transaction in respect of the securitisation exposure are appropriately originated,

considering the originator's involvement with the underlying assets, the nature of the underlying assets or any other relevant circumstances (the **"Appropriate Origination Requirement"**).

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

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

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

None of the Trust Manager, the Seller, the Servicer, the Initial Subscriber nor any other party to the Transaction Documents undertakes to retain any net economic interest in the securitisation transaction for the purposes of the Japanese Due Diligence and Risk Retention Rules or to provide any further information or take any other steps that may be required by any Japanese Affected Investor to enable compliance by such person with the requirements of the Japanese Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements. Any failure to satisfy the Japanese Due Diligence and Retention Rules may, amongst other things, have a negative impact on the value and liquidity of the Offered Notes, and otherwise affect the secondary market for the Offered Notes.

Prospective Japanese Affected Investors should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the new Japanese 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 new Japanese Due Diligence and Risk Retention Rules in respect of the transactions contemplated by this Information Memorandum. Neither the Trust Manager, the Seller, the Servicer, the Initial Subscriber nor any other party to the Transaction Documents (i) makes any representation that the information described in this Information Memorandum is sufficient for the purposes of any Japanese Affected Investor's compliance with the Japan Due Diligence and Retention Rules, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the Japan Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any Japanese Affected Investor to enable compliance by such person with the requirements of the Japan Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements.

There can be no assurance that the regulatory capital treatment of the Offered Notes for any investor will not be affected by any future implementation of, and changes to, the Japan Due Diligence and Retention Rules or other regulatory or accounting changes. None of the Servicer, the Issuer, the Trust Manager, the Seller, the Standby Servicer, the

Security Trustee, the Initial Subscriber or any other party to the Transaction Documents has any responsibility to maintain or enforce compliance with the Japan Due Diligence and Retention Rules.

None of the Trust Manager, the Seller, the Servicer, the Issuer, the Security Trustee, the Standby Servicer or the Initial Subscriber has any responsibility to maintain or enforce compliance with the Japanese Due Diligence and Risk Retention Rules.

### ***European Economic Area Selling Restrictions***

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

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended); and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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

None of the Trust Manager or the Initial Subscriber has authorised, nor do they authorise, the making of any offer of Offered Notes to any retail investor in the EEA.

### **United Kingdom Selling Restriction**

The Offered Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this paragraph:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or



- (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Consequently, no key information document required by the EU PRIIPS Regulation as it forms part of domestic law in the United Kingdom by virtue of EUWA (the "**UK PRIIPS Regulation**") for offering or selling the Offered Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Offered Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

None of the Trust Manager or the Initial Subscriber has authorised, nor do they authorise, the making of any offer of Offered Notes to any retail investor in the United Kingdom.

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## 1 SUMMARY – PRINCIPAL TERMS OF THE INITIAL NOTES TO BE ISSUED

This table provides a summary of certain principal terms of the initial Notes to be issued in respect of the Trust as at the date of this Information Memorandum. This summary is qualified by the more detailed information contained elsewhere in this Information Memorandum. Further issues of Class A Notes and Class B Notes may be made subsequent to the issue of the Notes listed below. Such further issues of Class A Notes and Class B Notes will have different invested amounts, issue prices and interest provisions, amongst other things.

	<i><b>Class A Notes</b></i>	<i><b>Class B Notes</b></i>	<i><b>Class C Notes</b></i>
Aggregate Initial Invested Amount	A\$7,000,000	A\$2,000,000	A\$1,000,000
Initial Invested Amount per Note	A\$1,000	A\$1,000	A\$1,000
Issue price	100%	100%	100%
Interest Frequency	Quarterly	Quarterly	Quarterly
Payment Dates	13 February, 13 May, 13 August and 13 November of each year, provided that the first Payment Date occurs in 13 May 2025, subject to the Business Day Convention	13 February, 13 May, 13 August and 13 November of each year, provided that the first Payment Date occurs in 13 May 2025, subject to the Business Day Convention	13 February, 13 May, 13 August and 13 November of each year, provided that the first Payment Date occurs in 13 May 2025, subject to the Business Day Convention
Interest Rate	9.50% per annum	11.50% per annum	As determined by the Servicer and notified to the Trust Manager and the Issuer in writing
Day count	Actual/365	Actual/365	Actual/365
Business Day Convention	Following Business Day	Following Business Day	Following Business Day
Maturity Date	The Payment Date occurring on the third anniversary of the first Issue Date	The Payment Date occurring on the third anniversary of the first Issue Date	The Payment Date occurring on the third anniversary of the first Issue Date
Selling Restrictions	Section 13 ("Subscription and Sale")	Section 13 ("Subscription and Sale")	Section 13 ("Subscription and Sale")
Governing Law	NSW	NSW	NSW
Form of notes	Registered	Registered	Registered
Clearance	Austraclear	Austraclear	Austraclear
ISIN	AU3CB0318319	AU3CB0318327	AU3CB0318335
Common code	300220690	300220711	300220720

## 2 GENERAL

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

### 2.1 Summary – Transaction Parties

Trust	Australian Annuity Funding Trust 2024-1
Issuer	AMAL Trustees Pty Limited in its capacity as trustee of the Trust ( <b>AMAL</b> )
Trust Manager	AMAL Management Services Pty Ltd ( <b>AMAL Management</b> )
Seller	Australian Annuity Funding Pty Ltd ( <b>AAF</b> )
Servicer	AAF
Standby Servicer	AMAL Asset Management Limited ( <b>AMAL Asset Management</b> )
Security Trustee	AMAL Security Services Pty Limited in its capacity as trustee of the Australian Annuity Funding Trust 2024-1 – Security Trust ( <b>AMAL ST</b> )
Initial Subscriber	Fixed Income Solutions Pty Ltd

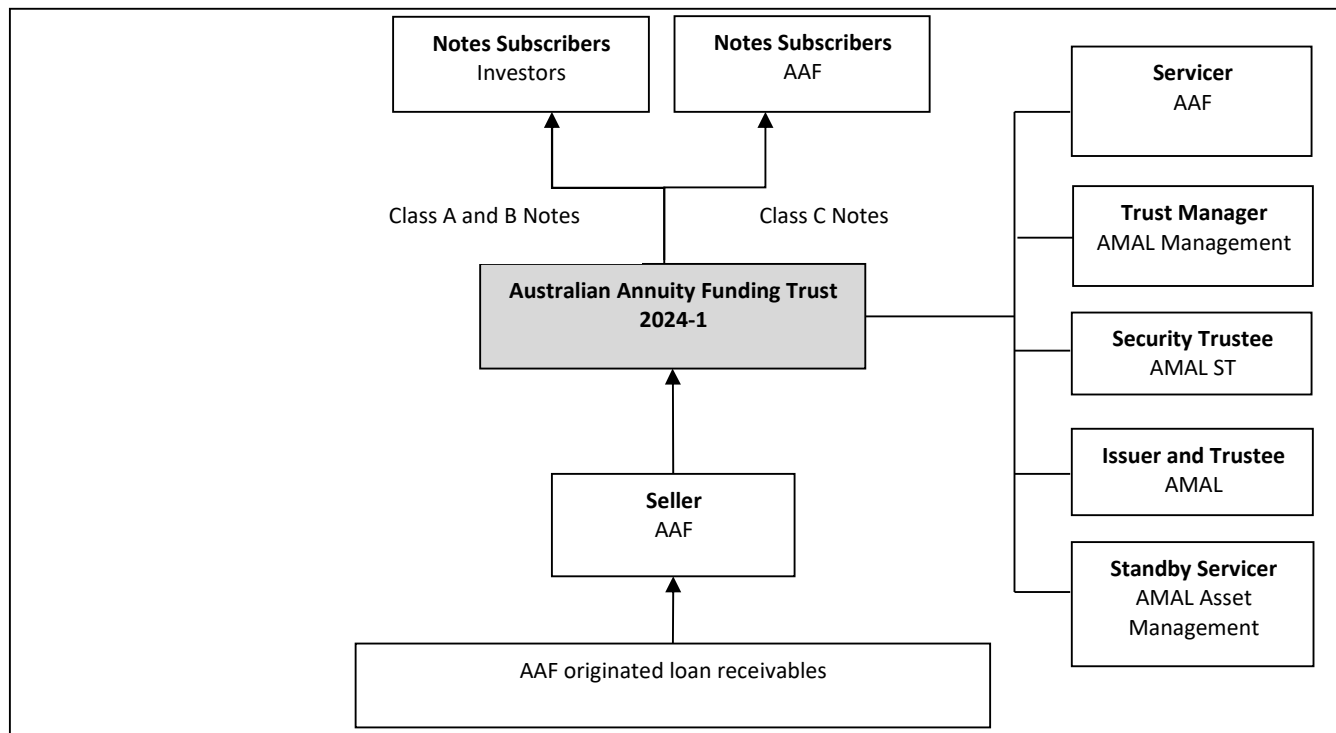
### 2.2 Summary – Transaction Initial Offered Notes

Closing Date	13 February 2025
Payment Dates	13 February, 13 May, 13 August and 13 November of each year, provided that the first Payment Date occurs in 13 May 2025, subject to the Business Day Convention
Determination Date	The date which is 2 Business Days prior to a Payment Date.
Call Option Date	The Call Option Date means any Payment Date which occurs on or after the date that is 6 months after the first Issue Date.
Eligibility Criteria	See Section 5.4 (“Eligibility Criteria”).

## 2.3 General Information on the Notes

Type	The Notes are multi-class, asset backed, secured, limited recourse, amortising, fixed 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 in respect of the Trust.
Classes	The Notes will be divided into 3 classes: Class A Notes, Class B Notes and Class C Notes.
Replenishment Subordination	/ The Seller will ensure that it or a Related Entity subscribes for sufficient Class C Notes to ensure that at all times the aggregate Stated Amount of the Class C Notes will not be less than 10.0% of the aggregate Stated Amount of all of the Class A Notes, Class B Notes and Class C Notes.
Additional Notes	The Issuer may issue further Notes after the Closing Date by issuing a supplement to this Information Memorandum with the details of the further Notes to be issued.
Call Option	<p>The Trust Manager may, on request of the Seller, 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 an amount equal to their Redemption Amount on that Call Option Date.</p> <p>The Issuer, at the direction of the Trust Manager, must give at least 10 Business Days' notice to the Registrar and the Noteholders of its intention to exercise its 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 from a payment in respect of a Note (other than FATCA Withholding Tax), then the Trust Manager may (at its option) direct the Issuer to redeem all (but not some only) of the Notes by paying to the Noteholders the Invested Amount of the Notes plus accrued but unpaid interest.</p> <p>The Issuer must give at least 5 Business Days' notice to the Registrar and the Noteholders of its intention to redeem the Notes.</p>
Form of Notes	The Notes will be in uncertificated registered form and inscribed on a register maintained by the Issuer in Australia.
Interest withholding tax	It is intended that the Offered Notes will be offered in a manner which satisfies the public offer test exemption from interest withholding tax contained in section 128F of the Income Tax Assessment Act of 1936 (Cth). See Section 12 ("Australian Taxation") for further information.
Listing	It is not intended that any Notes will be listed on the Australian Securities Exchange.

## 2.4 Structure Diagram



### 3 RISK FACTORS

The purchase and holding of the Offered Notes is not free from risk. This Section 3 ("Risk Factors") describes some of the risks associated with the Offered Notes. It is only a summary of some particular risks. There can be no assurance that the structural protection available to Noteholders will be sufficient to ensure that a payment or distribution of a payment is made on a timely or full basis. Prospective investors should read the Transaction Documents and make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Offered Notes.

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

##### **The Offered Notes will only be paid from the Trust Assets**

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

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

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

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

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

**Limited Enhancements**

**Credit**

The amount of credit enhancement provided through the subordination of:

- the Class B Notes and the Class C Notes to the Class A Notes; and
- the Class C Notes to the Class B Notes,

is limited and could be depleted prior to the payment in full of the Offered Notes. If the aggregate Stated Amount of any subordinated Class of Notes is reduced to zero, Noteholders may not receive the full amount of interest and principal on their Offered Notes.

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

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

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

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

Whilst the Issuer is obliged to repay the Offered Notes by the Maturity Date, principal collections on the Trust Receivables will be applied (subject to the making of Principal Draws) towards repayment of the Invested Amount of the Offered Notes on each Payment Date in accordance with Section 10 ("Cashflow Allocation Methodology"). However, no assurance can be given as to the rate at which principal collections on the Trust Receivables will be received by the Issuer, or the extent to which, when received, they may be required to be applied as Principal Draws. Accordingly, the actual date by which Offered Notes are repaid cannot be precisely determined and there is no guarantee that the actual rate of principal payments on the Offered Notes will conform to any particular model.

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

- hardship arrangements, delinquencies and default rate of Obligors under the Trust Receivables;
- the business performance or insolvency of Obligors; and
- the degree of seasoning of the Trust Receivables.

The Noteholders may receive repayments of principal on the Offered Notes earlier or later than would



otherwise have been the case or may not receive repayments of principal at all.

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

- the receipt by the Issuer of enforcement proceeds due to an Obligor having defaulted on its Trust Receivable;
- repurchase by the Seller of a Trust Receivable as a result of a breach of certain representations as described in Section 5.6 ("Remedy for misrepresentations");
- repurchase by the Seller of a Trust Receivable where the relevant Obligor has requested further funding under the Trust Receivable;
- the sale of a Trust Receivable by the Issuer in the circumstances described in Section 5.7 ("Sale of Trust Receivables by the Issuer");
- the Issuer redeeming the Notes where a law requires the Issuer to withhold or deduct an amount in respect of Taxes;
- the exercise of the Call Option on a Call Option Date; and
- the receipt of proceeds of enforcement of the General Security Deed prior to the Maturity Date of the Offered Notes.

In addition, Total Available Principal may be used to fund shortfalls in Income Collections resulting from payment delinquencies (in the form of Principal Draws). The utilisation of Total Available Principal for such purposes will slow the rate at which principal will be passed through to Noteholders.

**There is no assurance that redemption of the Offered Notes will occur on the Call Option Date**

There is no assurance that the Trust Assets will be sufficient to redeem the Offered Notes on a Call Option Date or that the Seller will request the Trust Manager to direct the Issuer to redeem the Offered Notes on a Call Option Date. Further, there is no guarantee that the Trust Receivables will be able to be sold in order to raise sufficient funds to redeem the Offered Notes on that Call Option Date.

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

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

**You will not receive physical notes representing your Offered Notes, which**

A Noteholder of Offered Notes' interest in the Offered Notes may be held, directly, or indirectly, through the Austraclear System. Consequently:

**can cause delays in receiving distributions and hamper your ability to pledge or resell your Offered Notes**

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

**There may be conflicts of interest among various Classes of Notes; not all Noteholders will have equal voting rights**

Among Noteholders of Offered Notes, there may be conflicts of interest due to different priorities and terms. Investors in the Offered 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 Offered 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.

In certain circumstances, and as permitted by the Transaction Documents, the Transaction Documents may be amended without Noteholder consent.

**Replenishment**

The Seller is required to replenish any losses incurred on the Trust Receivables to a level that provides 10.0% subordination to the Class A Notes and Class B Notes by subscribing for further Class C Notes to ensure the relevant subordination test is met. There is risk that this obligation will not be met. However, if the Seller fails to replenish the required amount within the required time frame, an Amortisation Event would occur, providing a strong incentive to do so. In addition, if the portfolio of Trust Receivables comprising the Trust Assets does go into run off, the excess spread from the existing Trust Receivables at the time would provide further subordination.

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

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

Except in respect of certain limited information, the Seller takes responsibility for certain parts of 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 Trust Assets.

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

The appointment of each of the Trust Manager and the Servicer may be terminated in respect of the Trust 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 Trust.

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

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

To minimise the risks of finding a suitable substitute Servicer, the Standby Servicer has, in the event of retirement or termination of the appointment of the Servicer, agreed to act as the Servicer in respect of the Trust subject to and in accordance with the Standby Servicing Deed.

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

The Servicer may initiate certain changes to the Trust Receivables. The Servicer may from time to time offer additional features and/or products with respect to the Trust Receivables which are not described in this Information Memorandum.

As a result of such changes, the concentration of Trust Receivables with specific characteristics is likely to change over time, which may affect the timing and amount of payments the Noteholders receive.

If the Servicer elects to change certain features of the Trust Receivables this could result in different rates of principal repayment on the Offered Notes than initially anticipated and Obligors may elect to refinance their loan with another lender to obtain more favourable features.

**The Servicer will commingle collections on Trust Receivables with its assets**

Before the Servicer remits Collections to the Collection Account, the Collections will be commingled with the assets of the Servicer. If the Servicer becomes insolvent, the Issuer may only be able to claim those Collections as an unsecured creditor of the insolvent company. This could lead to a failure to receive the Collections on the Trust Receivables, delays in receiving the Collections or losses on the Offered Notes. The Servicer is required to transfer Collections to the Trust Collection Account within 2 Business Days of receipt in cleared funds and prior to transferring such Collections the Servicer has undertaken to hold the Collections on trust for the Issuer.

**Breach of Representation or Warranty**

The Seller will make certain representations and warranties to the Issuer in relation to the Trust Receivables to be assigned to the Issuer. Neither the Issuer nor the Trust Manager has investigated or made any enquiries regarding the accuracy of those representations and warranties. There is no guarantee that the Seller will have the financial capability to meet a claim for any damages with respect to any breach of such representations and warranties if required to do so.

## ***Risk factors relating to the Trust Receivables***

### **The Trust Assets are limited**

The Trust Assets consist primarily of the Trust Receivables.

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

Accordingly:

- a failure by Obligors to make payments on the Trust Receivables when due; and/or
- 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 Offered Notes could be lower than expected and Noteholders could suffer losses.

### **Delinquency and Default rates**

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

### **Because interest accrues on the Receivables on a simple interest basis, interest received from Obligors may be reduced if Obligors pay instalments before scheduled due dates**

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

### **Risks of equitable assignment**

Legal title in the Trust Receivables is held by the Seller and the Issuer will only hold an equitable interest in such Trust Receivables. If the Issuer declares that a Title Perfection Event has occurred, under the Master Sale Deed the Seller must take all steps reasonably requested by the Issuer to protect or perfect the Issuer's interest in, and title to the Trust Receivables, including giving notice of the Issuer's interest in and title to the Trust 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 Trust Receivables.

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

- until an Obligor has notice of the Issuer's interest in the Trust Receivables, such person is not bound to make payment to anyone other than the Seller as lender of record, and can obtain a valid discharge from the lender of record;
- rights of set-off or counterclaim may accrue in favour of the Obligor against its obligations under the Trust Receivables which may result in the Issuer receiving less money than expected from the Trust Receivables;
- the Issuer's interest in those Trust 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
- the Seller as lender of record may need to be a party to certain legal proceedings against any Obligor in relation to the enforcement of those Trust Receivables.

### ***Risk factors relating to security***

#### **Enforcement of General Security Deed**

If an Event of Default occurs while any Offered Notes are outstanding, the Security Trustee may (or, if directed to do so by an Extraordinary Resolution of the Voting Secured Creditors, the Security Trustee must) declare all amounts outstanding under the Offered Notes immediately due and payable and enforce the General Security Deed in accordance with the terms of the General Security Deed and the Master Security Trust Deed. That enforcement may include the sale of the Trust Assets.

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

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

#### **Personal Property Security regime**

The personal property securities regime commenced operation throughout Australia on 30 January 2012 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. 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:

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

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

The security granted by the Issuer under the General Security Deed is a security interest under the PPSA. The Trust Manager intends to effect registrations of this security interest by way of a registration on the Personal Property Securities Register. The Transaction Documents may also contain other security interests.

The Seller 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 Secured Creditors that it will give 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 alters the 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 General Security Deed, the Issuer has agreed not to create or allow another interest in any of the Trust Assets (other than where the Security Trustee consents (at the direction of an Extraordinary Resolution of the Voting Secured Creditors) or where it is permitted to do so under any Transaction Document).

However, under Australian law:

- dealings by the Issuer with the Trust Assets in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Trust Assets free of the security interest created under the General Security Deed or another security interest over such Trust Assets has priority over that security interest; and
- contractual prohibitions upon dealing with the Trust Assets (such as those contained in the General Security Deed) will not of themselves prevent a third party from obtaining priority or taking such Trust Assets free of the security interest created under the General Security Deed (although the Security Trustee would be entitled to exercise remedies against the Issuer in respect of any such breach by the Issuer).

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

On 22 September 2023, the Australian Government released its response to the 2015 statutory review of the PPSA (known as the Whittaker Review). The response proposes comprehensive reforms to the PPSA and PPS Regulations which were aimed at simplifying and clarifying various aspects of the PPSA. Submissions in response to the government's proposed reforms closed on 17 November 2023. At this stage, there can be no certainty as to whether any or all of the proposed reforms will ultimately be adopted, or the timing or impact of any such changes.

**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, for these purposes, only the Voting Secured Creditors are entitled to vote at a meeting of Secured Creditors or to otherwise direct or give instructions or approvals to the Security Trustee in accordance with the Transaction Documents.

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 the Security Trustee elects to take such enforcement action because 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.

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

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

#### **Australian Taxation**

A summary of certain material Australian tax issues is set out in Section 12 ("General Information - Taxation").

#### **Australian Anti-Money Laundering and Counter-Terrorism Financing Regime**

The Anti-Money Laundering and Counter-Terrorism Financing Act ("**AML/CTF Act**") imposes obligations on reporting entities that are intended to assist reporting entities to identify, mitigate and manage the risk that the services they provide will be used to facilitate money laundering or terrorism financing.

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

- opening or providing an account with certain account providers (eg ADIs, banks or building societies) or allowing any transaction in relation to such an account;
- making a loan in the course of carrying on a loans business or allowing a transaction to occur in respect of that loan;
- in the capacity of an agent of a person, acquiring or disposing of securities in certain circumstances;
- issuing or selling a security or derivative in certain circumstances; and
- exchanging one currency for another where the exchange is provided in the course of carrying on a currency exchange business.

A reporting entity must comply with the obligations contained in the AML/CTF Act. These obligations will include (among other things), enrolling with AUSTRAC, maintaining an adequate AML/CTF Program, undertaking customer identification procedures before a designated service is provided and conducting ongoing due diligence and monitoring in relation to those customers, and reporting international funds transfer instructions if the reporting entity is the sender or recipient of an international funds transfer. 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.



Australia also implements sanctions laws under the Autonomous Sanctions Act 2011 (Cth) and Charter of the United Nations Act 1945 (Cth) that prohibit a person from entering into certain transactions (eg making a loan or making payments) to persons and entities that have been listed on the Australian sanctions listed maintained by the Department of Foreign Affairs and Trade, or that are controlled, owned or acting at the direction of someone on this list. Australian sanctions laws also prohibit transactions that relate to certain industries within sanctioned jurisdictions and the provision of certain services to sanctioned jurisdictions.

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 Noteholders of Offered Notes.

**EU Securitisation  
Regulation and UK  
Securitisation  
Framework**

Please refer to the section entitled "EU Securitisation Regulation and UK Securitisation Framework" on page ix of this Information Memorandum for information on the implications of the EU Securitisation Regulation and UK Securitisation Framework for certain investors in the Offered Notes.

**Japanese Due Diligence  
and Risk Retention  
Rules**

Please refer to the section entitled "Japanese Due Diligence and Risk Retention Rules" on page xiv of this Information Memorandum for information on the implications of the Japanese Due Diligence and Risk Retention Rules for certain investors in the Offered Notes.

**U.S. Risk Retention  
Rules**

Please refer to the section entitled "U.S. risk retention rules" on page xii of this Information Memorandum for information on the implications of the U.S. Risk Retention Rules for certain investors in the Offered Notes.

**U.S. Foreign Account  
Tax Compliance Act  
(FATCA) and OECD  
Common Reporting  
Standard**

**FATCA**

The Foreign Account Tax Compliance Act, enacted as part of the Hiring Incentives to Restore Employment Act of 2010 together with regulations promulgated thereunder ("**FATCA**") establishes a due diligence, reporting and withholding regime.

Under FATCA, a 30% withholding tax may be imposed (i) on certain payments of U.S. source income in respect of U.S. obligations and (ii) on "foreign passthru payments" (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements ("**FATCA withholding**"). However, FATCA withholding is not expected to apply in respect of foreign passthru payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register.

Among other requirements, a "foreign financial institution" as defined under the U.S. Internal Revenue Code of 1986 (an "**FFI**"), which might

include the Trust and the Issuer, will be required to comply with the rules relating to and/or the terms of an applicable intergovernmental agreement implementing FATCA with respect to a specific jurisdiction.

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

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must comply with specific procedures. In general, these procedures seek to identify account holders of a Reporting Australian Financial Institution (e.g. the Noteholders, if the Issuer is a Reporting Australian Financial Institution) and provide the Australian Taxation Office (**ATO**) with information on financial accounts (for example, the Offered Notes) held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service.

Accordingly, Noteholders and other payees may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Offered Notes are made in order for the Issuer and such other financial institutions to comply with their FATCA obligations.

Therefore, if the Issuer or a Noteholder fails to comply with relevant requirements or to provide relevant information when required, this may in certain circumstances result in FATCA withholding being imposed on payments to or from the Issuer.

To the extent amounts paid to or from the Trust to Noteholders are subject to FATCA withholding, there will be no "gross up" (ie an additional amount) payable by way of compensation to any Noteholders of Offered Notes for the withheld or deducted amount. Each Noteholder of Offered Notes should consult an appropriate tax advisor to obtain a more detailed explanation of FATCA and how FATCA might apply having regard to its particular circumstances.

### **Common Reporting Standard**

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") requires certain financial institutions (which may include the Trust and the Issuer) to report information regarding relevant accounts (which may include the Offered Notes) to their local tax authority by following related due

diligence procedures. Australia has enacted legislation ("**Australian CRS Legislation**") which amended, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

Non-compliance with the Australian CRS Legislation could result in regulatory penalties.

The Issuer (at the direction of the Trust Manager) may determine that the Trust should or must comply with certain obligations as a result of the Australian CRS Legislation. As such, Noteholders will be required to provide any information or tax documentation that the Issuer (at the direction of the Trust Manager) determines necessary to comply with CRS or the Australian CRS 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 Trust Manager) determines necessary to satisfy such obligations.

A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

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

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

No assurance can be given that any regulatory reforms will not have a significant adverse impact on the regulation of the Trust, the Trust Manager or the Seller.

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

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

**Turbulence in the financial markets and economy may adversely affect the performance**

Market and economic conditions during the past several years have caused significant disruption in the credit markets, given disruptions caused by the COVID-19 pandemic and the Russia-Ukraine war which escalated in February 2022 and the armed

**and market value of the  
Offered Notes**

conflicts involving Israel which escalated in October 2023. 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, inflation and sanctions have contributed to volatility in domestic and international markets and may negatively affect the Australian small business lending markets.

Economic conditions may also be negatively impacted by climate change and major shock events, such as natural disasters, epidemics and pandemics, war and terrorism, political and social unrest, and sovereign debt restructuring and defaults.

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 a number of types 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 Offered Notes.

**Ipsso 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**"):

- an application for a scheme of arrangement for the purpose of avoiding being wound up in insolvency;
- the appointment of a managing controller (that is, a receiver or other controller with management functions or powers);
- the appointment of a restructuring practitioner in respect of a company which has liabilities of less than \$1 million (from 1 January 2021); or
- the appointment of an administrator.

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

In summary:

- **Appointment Trigger:** Any right which triggers for the reason of the appointment of administrators, receivers, restructuring practitioner (where applicable) or the proposal of or an arrangement or

compromise to creditors to avoid being wound up in insolvency will not be enforceable;

- Financial Position Protection: Any rights which arise for the reason of adverse changes in the financial position of a company which is in administration, has receivers, restructuring practitioner (where applicable) appointed or is proposing or subject to a scheme to avoid being wound up in insolvency will not be enforceable. That is, the company has protection as a result of adverse changes in its financial position during the Applicable Procedure. Once the Applicable Procedure has ended, the financial position protection also ends (except in limited exceptions where the company is wound up or the Court extends the stay, in which case the financial position protection continues).
- Anti-Avoidance: The Corporations Act (as amended by the TLA Act) contains very broad anti-avoidance provisions. For example:
  - The Corporations Act (as amended by the TLA Act) deems that any contractual provision which is “in substance contrary to” the stay will also be unenforceable.
  - Any self-executing provision which is expressed to automatically trigger rights otherwise subject to the stay is unenforceable.

The length of the stay depends on the Applicable Procedure and the type of stay concerned. Generally, the stay would end once the Applicable Procedure has ended, unless extended by the court. The stay may also end later in certain circumstances specified under the relevant provisions for each Applicable Procedure.

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 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 obtained 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 Offered Notes remains uncertain.

#### 4 TRUST RECEIVABLES INDICATIVE POOL DATA

The information in the following table in this Section 4 ("Trust Receivables Pool Data") sets forth in summary format details relating to the indicative pool of Trust Receivables ("**Indicative Trust Receivable Pool**") produced on the basis of the information available as at 31 December 2024. The Indicative Trust Receivable Pool is comprised of 5 loans totalling \$8.5 million. The top three borrowers each comprise 29.41% of the initial Trust. All amounts have been rounded to the nearest Australian dollar. The sum in any column may not equal the total indicated due to rounding.

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

*Figure 1: Largest Borrower Exposures*

<b>Customer (Names Withheld)</b>	<b>Type</b>	<b>Size</b>	<b>% of \$Trust</b>
Client 1	Mortgage trail book	\$2,500,000	29.41%
Client 2	Mortgage trail book	\$2,500,000	29.41%
Client 3	Mortgage trail book	\$2,500,000	29.41%
Client 4	Mortgage trail book	\$500,000	5.88%
Client 5	Mortgage trail book	\$500,000	5.88%
<b>TOTAL</b>		<b>\$8,500,000</b>	

## **5 TRUST ASSETS**

### **5.1 Establishment of Trust**

The Master Trust Deed establishes the framework under which “trusts” may be created pursuant to the AAF securitisation programme.

The assets of a trust may be allocated to another trust in accordance with the terms of the Master Trust Deed.

The liabilities of a trust will be secured against the assets of that trust under the relevant security deed for that trust. The assets of a trust are not available to meet the liabilities of any other trust.

The trust created by the Notice of Creation of Trust is known as the Australian Annuity Funding Trust 2024-1 (“**Trust**”).

### **5.2 Trust Assets**

The Trust Assets will include:

- (a) the Trust Receivables to be acquired by the Issuer in respect of the Trust on each Settlement Date;
- (b) the Collection Account;
- (c) any Authorised Investments acquired by the Issuer in respect of the Trust; and
- (d) the Issuer’s rights under the Transaction Documents in respect of the Trust.

### **5.3 Acquisition of Trust Receivables by Issuer**

The Trust Receivables which will comprise Trust Assets will be transferred to the Trust on each Settlement Date, from the Seller in accordance with the Master Sale Deed.

### **5.4 Eligibility Criteria**

The Seller represents and warrants to the Issuer as at each Settlement Date that each Trust Receivable referred to in a Sale Notice satisfies the Eligibility Criteria on the relevant Settlement Date.

A Receivable is an “**Eligible Receivable**” if it satisfies the following criteria as at the relevant Settlement Date (collectively, the **Eligibility Criteria**):

- (a) the Receivable is due from a qualifying Obligor;
- (b) the Receivable is repayable only in Australian dollars;
- (c) the term of the Receivable does not exceed three years;
- (d) a tripartite agreement exists in relation to the Receivable between the Obligor, the Seller and the aggregator (Type 1: Trail Book Loans), the dealer group (Type 2: Financial Planner Loans), or the property agent trustee (Type 3: Rent Roll Loans) (**Tripartite Agreement**);



- (e) if the Receivable is an interest-only loan, the interest-only term of the Receivable does not exceed two years;
- (f) the Outstanding Amount of the Receivable is either not more than the lower of:
  - (i) at any time when the aggregate Invested Amount of the Notes is:
    - (A) less than \$10,000,000, \$2,500,000; or
    - (B) \$10,000,000 or greater, the amount that is 25% of the then the aggregate Invested Amount of the Notes; and
  - (ii) 1.5 times the size of the Obligor's commission book in any one year;
- (g) the "average expected life" of an Obligor's commission book is greater than 5 years;
- (h) the expected sales price of the Obligor's commission book is a minimum of twice the value of the commission book in any one year;
- (i) the Receivable is secured by a general security agreement over the assets of the relevant Obligor, guarantees from the directors of each Obligor, a charge over the specific receivable pool and a Tripartite Agreement with each Obligor;
- (j) the Equifax Score of an Obligor and its directors in aggregate is an average of at least 500 at the time of settlement of the underlying loan contract;
- (k) the Obligor covenants to maintain a maximum debt service ratio in relation to the Receivable of at least 60% of its confirmed ongoing income;
- (l) the Receivable is not in arrears by more than 30 days;
- (m) the Obligor has waived all rights of set-off under the terms of the Receivable;
- (n) the Receivable was originated in its ordinary course of business and in compliance with all the applicable laws, regulations and any credit acts;
- (o) the Receivable was originated in accordance with and it satisfies all material requirements of the Origination Guidelines and the Servicing Procedures;
- (p) the Receivable is freely capable of being dealt with by the Seller as contemplated by this document and the Master Sale Deed;
- (q) the relevant Obligor has been subject to income verification;
- (r) the Receivable is subject to a fixed rate of interest;
- (s) each Related Security in respect of the Receivable has been stamped with all applicable duty;
- (t) each Related Security has been registered with a first ranking AIIPAAP security on the PPSR (as applicable) in accordance with the Origination Guidelines and Servicing Procedures; and
- (u) the Receivable is not a regulated consumer receivable.

## 5.5 Seller representations and warranties regarding the Trust Receivables

The Seller represents and warrants on the Settlement Date in respect of each Receivable referred to in a Sale Notice:

- (a) **(compliance with laws)** at the time the Receivable Terms were entered into and at all times after that until immediately prior to the assignment of that Receivable to the Issuer, that Receivable and related Receivable Terms complied in all material respects with applicable laws;
- (b) **(Eligible Receivables)** each Receivable is an Eligible Receivable;
- (c) **(no misrepresentation)** there is no fraud, dishonesty, material misrepresentation or negligence on the part of the Seller in connection with the selection and offer to the Issuer of each Receivable;
- (d) **(assignability)** all consents required in relation to the assignment of the Receivable Rights to the Issuer in accordance with this document have been obtained and the Receivable Rights are assignable;
- (e) **(enforceable)** the assignment of the Receivable Rights to the Issuer under this document is valid and binding on it and is enforceable against the creditors of it;
- (f) **(no breach)** the transfer of the Receivable and Receivable Rights will not constitute a breach of the Seller's obligations or a default under any Security Interest granted by the Seller;
- (g) **(ordinary course of business)** the Receivable and Receivable Terms were originated in accordance with the Origination Guidelines;
- (h) **(valid obligation)** each Receivable is a valid and binding obligation of the Obligor, enforceable in accordance with its terms against the Obligor except to the extent that it is affected by applicable equitable principles and laws relating to insolvency and creditors' rights generally;
- (i) **(servicing)** each Receivable has been serviced at all times prior to the relevant Settlement Date, as the case may be, materially in compliance with all applicable laws; and
- (j) **(other documents)** other than the Receivable Terms and documents entered into in accordance with the Origination Guidelines or the Servicing Procedures, there are no documents entered into by the Seller and the Obligor in relation to the Receivable which would qualify or vary the terms of the Receivable in any material respect.

## 5.6 Remedy for misrepresentations

Each of the Seller and the Servicer must notify the Issuer and the Trust Manager within 5 Business Days of becoming aware that any representation and warranty given under Section 5.4 ("Eligibility Criteria") or Section 5.5 ("Seller representations and warranties regarding the Trust Receivables") has been breached in respect of any Trust Receivable then the Seller must promptly (but by no later than 10 Business Days after such notice) repurchase that Trust Receivable by payment to the Issuer of an amount of not less than the

Outstanding Amount of that Trust Receivable plus accrued but unpaid interest in respect of that Trust Receivable.

## **5.7 Sale of Trust Receivables by the Issuer**

The Issuer may only dispose of Trust Receivables:

- (a) at the direction of the Trust Manager where the Seller has elected to exercise the call option described in Section 5.8 ("Call Option");
- (b) in connection with any repurchase of an Ineligible Receivable by the Seller in accordance with the Master Sale Deed; or
- (c) in connection with a repurchase of a Trust Receivable by the Seller where the relevant Obligor has requested a Further Advance under the Trust Receivable (in whole or in part).

In each case, the disposal of a Trust Receivable must be made at a price equal to the Outstanding Amount (plus accrued but unpaid interest) of that Trust Receivable.

## **5.8 Call Option**

At least 10 Business Days before any Call Option Date, the Seller may request in writing that the Trust Manager direct the Issuer, and upon such request, the Trust Manager must direct the Issuer to make, and upon such direction, the Issuer must make an Offer to Sell Back all (but not some only) of the Trust Receivables in favour of the Seller on that Call Option Date. The Trust Manager may only make such a request if the proceeds of the disposal on that Call Option Date will be sufficient to redeem all Notes at their applicable Redemption Amount on that Call Option Date.

The Issuer must apply the proceeds of the disposal of Trust Receivables on that Call Option Date in accordance with the Cashflow Allocation Methodology.

## **5.9 Disposals**

- (a) The Issuer must, at the direction of the Trust Manager, dispose of Trust Receivables (including by Reallocation). The Trust Manager must not give a direction to the Issuer unless such disposal is:
  - (i) pursuant to condition 8.2 (Call Option) of the Conditions;
  - (ii) in connection with any repurchase of an Ineligible Receivable by the Seller in accordance with clause 7.1 (Ineligible Receivables) of the Master Sale Deed (for the avoidance of doubt, such repurchase does not require a direction to the Issuer or an Offer to Sell Back);
  - (iii) in connection with a repurchase of a Trust Receivable by the Seller where the relevant Obligor has requested a Further Advance under the Trust Receivable or the Obligor has requested that the applicable interest rate payable on the Trust Receivable be fixed (in whole or in part) (for the avoidance of doubt, such repurchase does not require a direction to the Issuer or an Offer to Sell Back).
- (b) The disposal of a Trust Receivable in accordance with paragraph (a) must be made at a price equal to the Outstanding Amount (plus accrued but unpaid interest) of that Trust Receivable.

- (c) The Seller may effect a repurchase of a Trust Receivable in accordance with paragraph (a) by paying the Outstanding Amount (plus accrued but unpaid interest) for the Trust Receivable to the Collection Account. On receipt in the Collection Account (in cleared funds) of the Outstanding Amount (plus accrued but unpaid interest) for that Trust Receivable on the relevant Business Day of receipt and without any further act or instrument by the parties:
  - (i) if the Issuer's title to the Trust Receivable has not been perfected, the Issuer's entire right, title and interest in the Trust Receivable and related Receivable Rights will be extinguished in favour of the Seller with the legal title and the Receivable Rights on that Business Day, free from the Security Interest created under the General Security Deed; and
  - (ii) if the Issuer's title to the Trust Receivable has been perfected, the Issuer assigns to the Seller on that Business Day that Trust Receivable and related Receivable Rights free from the Security Interest created under the General Security Deed,

and in each case the Seller will be responsible for any Taxes payable and Costs of the Issuer in connection with such extinguishment or assignment and the Seller must promptly indemnify the Issuer for any Tax (and any related costs incurred by the Issuer) that the Issuer is liable to pay in connection with such extinguishment or assignment.

#### **5.10 Threshold Rate**

- (a) The Trust Manager must calculate the Threshold Rate on each Determination Date. The Servicer agrees to provide all such information as may be requested by the Trust Manager to assist the Trust Manager to make such calculations.
- (b) Subject to paragraph (c) below, the Trust Manager must, on each Payment Date, direct the Servicer to reset or cause to be reset, and the Servicer must upon such direction reset or cause to be reset, as soon as possible, the interest rates on any one or more Trust Receivables so that the weighted average interest rate on the Trust Receivables is not less than the Threshold Rate.
- (c) Neither the Trust Manager nor the Servicer needs to comply with paragraph (b) above on a Payment Date if an aggregate amount equal to the Threshold Rate Subsidy in respect of that Payment Date has been deposited by the Servicer into the Collection Account by 4.00pm on that Payment Date for application towards Available Income on the immediately following Payment Date.

#### **5.11 Related Party Transactions**

There may be instances where the Seller may invest one or more of the businesses of an Obligor.

If the Seller does invest in the business of an Obligor, then the following would apply in relation to the relevant Receivable:

- (a) the Seller will ensure that an independent review of all legal documents (contracts, tripartite, shareholders agreements etc) is conducted;
- (b) the Seller will ensure that the relevant Obligors invested in are independently audited annually from a financial perspective;

- (c) all audit reports will be supplied to the Issuer for review when completed;
- (d) the Seller will ensure that there is at least one independent director on the board of the Obligor for governance of the Obligor's business;
- (e) the Seller will notify the Issuer such prior to any such investment being made.

## 6 ORIGINATING AND SERVICING OF THE TRUST RECEIVABLES

### 6.1 Origination

#### ***Loan Products***

AAF currently provides the following core loan products to appropriately licensed businesses:

- **Trail book loans (Type 1):** to licensed mortgage brokers backed by broker trailing commission receivables;
- **Financial planner loans (Type 2):** to licensed financial planners backed by financing planning fees for services and commissions related to life insurance policies; and
- **Rent roll loans (Type 3):** to licensed real estate agents backed by property management fees.

#### ***Loan characteristics***

All loans are to business customers that are not regulated by the National Consumer Credit Protection Act 2009. All loans are made on a principal and interest basis, with an amortising maximum term of 36 months.

The loans do not offer any form of redraw facility and any request for additional funds is treated as a new enquiry and the full assessment process (detailed below) is undertaken again. The key features and credit terms of each loan are briefly described below.

#### ***Trail book loans (Type 1)***

##### Features

AAF's trail book loans provide secured funding against mortgage trail commission receivables without the need for additional real property security, which is typically required by bank lenders for business loans.

Positive features of this product offering include:

- a niche loan market;
- growing market fundamentals with \$1,200,000,000 plus, nationally, in trail commission paid annually;
- sound serviceability characteristics including a sound income stream in a run-off scenario;
- clear security over receivables and payment flows directly from the broker aggregator. The aggregator acknowledges AAF's security over the underlying receivables as well as obliged to make repayments on behalf of the Obligor for the monthly repayments directly to AAF (paying tripartite);
- clear security over receivables and payment redirection in a default scenario from the broker aggregator. The aggregator acknowledges AAF's security over the underlying receivables and that they are required to forward all cash flow due to the Obligor to AAF if notified of an event of default (non-paying tripartite);

- granular underlying trailing commissions, with an average trailing commission of \$38 per month per underlying loan, on an overall total loan averaging \$380,000; and
- trail payments are generally paid through broker aggregators and then paid to Obligor. Brokers also receive an upfront fee on settlement of a new loan and a monthly trail fee on the outstanding loan balance of the underlying mortgage each month that the underlying mortgage is outstanding and not in arrears.

### Credit terms

The security for trail book loans comprises of:

- a general security agreement over the Obligor's assets (effectively a fixed and floating charge over all the assets of the Obligor);
- directors' guarantees from the Obligor's corporate entities;
- a charge over the specific receivable pool; and
- all loans are documented so that in an event of default occurs in respect of an Obligor, there is the ability to lodge an equitable caveat interest over any real property owned by the directors of the Obligor.

The credit terms for trail book loans are comprised of:

- a maximum 60% of monthly on-going fee income used as a servicing base for monthly principal and interest loan repayments;
- a maximum term of 3 years;
- minimum loan size \$50,000;
- maximum loan size \$2,500,000;
- no lending to brokers where the aggregator is not on AAF's approved list; and
- a tripartite agreement between the Obligor and aggregator acknowledging security over the receivables and a payment direction of the commissions by the lender should the lender choose to direct the flow of commission payments to ensure loan repayments are made.

### Reporting

The reporting for trail book loans consists of a Monthly Recipient Created Tax Invoice (**RCTIs**) and report of all commission payments.

### *Financial planner loans (Type 2)*

#### Features

AAF provides funding options for financial planners by lending against the fee income stream in their risk and non-risk books. These types of loans have traditionally been provided by the "Big 4 Banks" in Australia and the large dealer groups (for example, AMP), where the financial planner is committed to the dealer group on a contract and often secured against not only the planning book, but also residential property of the financial planner by way of a second mortgage.

Positive features of this product offering include:

- a niche loan market;
- there are solid market fundamentals with \$4,700,000,000 plus, nationally, in revenue between 2017 to 2018, and forecast to grow at 0.8% p.a. over the next 5 years;

- sound serviceability characteristics with low revenue volatility;
- clear security over receivables and payment flows directly from the dealer group (paying tripartite);
- clear security over receivables and payment redirection in a default scenario from the dealer group (non-paying tripartite);
- payments from product suppliers (insurers, asset managers etc) generally paid through dealer groups that the financial planner is licenced to operate under, unless they have their own AFSL and direct relationship with the product suppliers.

#### Credit terms

The security for financial planner loans comprises of:

- a general security agreement over the Obligor's assets (effectively a fixed and floating charge over all the assets of the Obligor);
- a directors' guarantees from the Obligor's corporate entities;
- a charge over the specific receivable pool; and
- all loans are documented so that in an event of default occurs in respect of an Obligor, there is the ability to lodge an equitable caveat interest over any real property owned by the directors of the Obligor.

The credit terms for financial planner loans are comprised of:

- a maximum 60% of monthly on-going fee income used as a servicing base for monthly principal and interest loan repayments;
- a maximum Term of 3 years;
- minimum loan size \$50,000;
- maximum loan size \$2,500,000
- no lending to planners where the dealer group has been in business for less than 3 years; and
- a tripartite agreement between the Obligor and dealer group with acknowledgement of security over the receivables and direction of payment of the commissions by the dealer group. AAF direct debits Obligors' accounts but has the ability to request 100% of all revenue to be paid to AAF or its relevant affiliate in a default scenario.



## **Reporting**

The reporting for trail book loans consists of a RCTI and report of all commission payments.

### *Rent roll loans (Type 3)*

#### Features

A gap exists to lend against real estate agent property management fee income streams ("**Rent Rolls**") as the banks will only typically lend on borrowing in excess of \$500,000. This opportunity is mainly in loans up to \$500,000 as the existing lenders are mainly focused on larger loan opportunities and situations where they can take all the agent's loan and ancillary business and provide full relationship management to the client.

Positive features of this product offering include:

- a niche opportunity in light of tightening credit cycle for real estate agents and property managers;
- a highly fragmented and growing market, with \$3,400,000,000 plus, nationally, in revenue between 2017 to 2018, across 11,344 businesses with a forecasted average annual growth rate of 1.7% p.a. for the next 5 years;
- highly granular underlying fee payments with agents typically charging 7% to 10% of rental income, plus ancillary one-off fees. For example, a monthly rental of \$2,000 per month results in a \$140 - \$200 monthly fee payment to the property manager;
- solid security over the receivables and payment flows directly from the trustee; and
- all fees are paid through the agents trust accounts which are audited annually, (as part of the assessment process AAF collects the last 2 years audit reports to ensure compliance with standard trust accounting procedures).

#### Credit terms

The security for Rent Roll loans comprises of:

- a general security agreement over the Obligor's assets (effectively a fixed and floating charge over all the assets of the Obligor);
- directors' guarantees from the Obligor's corporate entities;
- a charge over the specific receivable pool; and
- all loans are documented so that in an event of default occurs in respect of an Obligor, there is the ability to lodge an equitable caveat interest over any real property owned by the directors of the Obligor.

The credit terms for financial planner loans are comprised of:

- a maximum 60% of monthly on-going fee income used as a servicing base for monthly principal and interest loan repayments;
- a maximum Term of 5 years fully principal and interest monthly with maximum 1-year interest only period; and
- no lending to agents who have been in business for less than 2 years.

## **Reporting**

The reporting for rent rolls loans consists of monthly management reports from the property manager detailing all fees collected, vacancy rates on properties managed and arrears data on the underlying tenants.

### ***Loan servicing***

#### *Servicing overview*

AAF acts as Servicer for the Trust. The Servicer has agreed to remit any Collections received by it in respect of the Purchased Receivables to the Collection Account within 2 Business Days of receipt by it of such amounts.

Scheduled payments are made predominately by direct debit from the accounts of the respective Obligor, and are then managed by the Servicer.

In order to ensure timely collections of payments under the relevant loan agreements AAF must monitor carefully payments received from Obligors. The steps for the servicing and collections process are briefly outlined below:

- bank accounts are checked daily to ensure loan payments have been made;
- upon payments being made, the loan register is updated;
- if payments are not made a courtesy email is sent to the Obligor as a reminder that payment is due within 3 business days;
- if a payment is not received within 5 business days of reminder email a phone call is made to the Obligor requesting payment;
- if payment is not made within a further 5 business days an arrears notice is issued requesting payment within 14 days;
- if payment is not received within the notified 14-day period, a default notice is issued to the Obligor and simultaneously to the aggregator (Type 1) or Dealer (Type 2), or Trustee (Type 3);
- accompanying the default notice, is a notice to the Aggregator, Dealer or Trustee, as applicable, pursuant to the tripartite agreement, requesting a 100% cash flow sweep to be directed to AAF;
- at all times the general security agreement is enforced.
- if relevant, a caveat is lodged on director's property under the personal guarantee held by AAF;
- the loan book is then listed for transfer and sale within 14 days;
- upon settlement of the sale of the loan book, the proceeds of the sale are used to payout the loan balance plus default interest, plus associated costs;
- if the sale proceeds exceed the loan amount plus default interest and associated costs, the balance is paid to the Obligor;
- if the sale proceeds do not clear the balance of loan account, a notice of demand is issued to the borrower; and
- the file may be transferred to external lawyers for debt recovery.

### *Loan monitoring process*

Following settlement, loans are monitored and checked weekly by the AAF finance team. The process for monitoring is dependent upon whether the loan is Type 1, Type 2 or Type 3.

### ***Loan process and approval***

#### *Sales and initial enquiries*

Credit enquiries are initiated via referrals, website, online searches, LinkedIn or via phone. If an enquiry is made and on face value the applicant qualifies for lending, a link to Salesforce will be sent via email and text to the applicant borrower.

This link directs the borrower to complete an online application after verification of an Australian mobile number and email address. Consequently, this allows the applicant to populate the fact find data. When this process is completed the applicant is automatically sent a link from the system for the upload of required documents (the request is dynamically dependant on the answers provided by the applicant in the fact find) for upload of supporting documentation.

Key documentation for an application for a loan product with AAF includes:

- identification documents;
- last twelve months detailed commission statements;
- last two financial years end RCTIs;
- completed application form;
- most recent financials;
- year to date management accounts; and
- other forms and documents relevant to the Obligor and the loan type such as licenses.

#### *Credit assessment process*

Once the above documents are received, together with the application, the application is reviewed by AAF. A file is then created with the relevant documentation.

The credit assessment process involves three stages managed by the credit and operations manager at AAF. The process covers:

1. the credit assessment of the application;
2. confirmation of due diligence around the borrower structure; and
3. verification of information provided.

#### *Approval and settlement process*

Key credit requirements for approval are, without limitation,:

- receipt of acceptable credit rating and Equifax in depth company trading history report;
- for all borrowers a maximum term of 60 months principal and interest fully amortising with maximum interest only period of 12 months;
- evidence that the applicants' corporate entities have been in operation for a minimum of 2 years;
- clear and satisfactory Australian Tax Office portal check showing taxes have been paid out or have confirmation of an existing repayment plan in place;

- confirmation of business purpose use only;
- Equifax confirmation of no ALLPAAP/GSA is presently recorded; and
- other considerations relevant to the Obligor and the loan type.

Once the credit team has assessed the loan and confirmed that it meets internal requirements, file notes are created and the file is sent for executive approval. Currently the General Manager performs the executive review, in consultation with the investment and credit committee (when deemed applicable in accordance with internal policies) and approval to proceed for every transaction. As the volume of business increases it is intended that the Credit and Operations Manager will have delegated authority to approve loans to an agreed limit and amounts over that limit will be approved by the General Manager, Managing Director, Chief Financial Officer or Chief Operating Officer or a combination of those people.

Once the loan has been approved and fully, satisfactory verification has occurred the template "Approval in Principle" (**AIP**) is completed by the credit team, approved by an Executive Member of AAF and issued to the applicant.

Once the AIP is executed by the applicant and returned, a Master Schedule is prepared by AAF and the necessary documents are filed for access by AAF's external lawyers to prepare the relevant documents.

Instructions to prepare documents are then emailed by AAF to the external lawyers to alert them to a new deal for documentation in "G Drive" so that the external lawyers can prepare loan and security documentation packs. External lawyers then prepare execution copies within 48 hours.

Document pack distribution includes an applicant copy emailed directly by the external lawyers to the applicant, which allows the applicant sufficient time to review and understand the documents. This removes any future issue should a borrower claim they had insufficient time to review documents. The applicant is responsible for printing and arranging execution of the documents by directors and guarantors. Once executed the signed copies are mailed back via express post to the external lawyer.

### ***Settlement process***

Once the borrower has signed and returned the loan and security documentation pack, the AAF external lawyers register PPSR against the borrower and documents are signed by the AAF authorised representative under existing powers of attorney. The external lawyers will then issue a certification for the benefit of AAF.

Upon the loan and security document pack being executed by AAF:

- any conditions precedent to drawdown are satisfied;
- electronic copies of documents are transferred to a ready to settle folder;
- payment details are confirmed with the borrower via a signed disbursement authority;
- the AAF team prepare a drawdown request; and
- the loan register is updated, and a settlement date is scheduled with the borrower.

The borrower retains an original signed copy and a further original is stored securely on site at AAF with an electronic copy stored on AAF's secure server.

AAF's bank is then contacted and a transfer of funds to the borrower is coordinated in line with approvals.

## 7 CONDITIONS OF THE NOTES

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

### 1. Interpretation

#### 1.1 Definitions

In these conditions these meanings apply unless the contrary intention appears or unless defined in Section 14 ("Glossary"):

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day so that the date is postponed to the next Business Day.

**Call Option Date** means any Payment Date which occurs on or after the date that is 6 months after the first Issue Date.

**Calculation Agent** means the Trust Manager.

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

**Interest Period** means in respect of a Note:

- (a) initially, the first Interest Period will commence on (and include) the Issue Date of the Note and end on (but exclude) the first Payment Date following that Issue Date, and
- (b) thereafter, the period from (and including) a Payment Date to (but excluding) the next Payment Date or, in the case of the final Interest Period, the date the Note is redeemed in accordance with Condition 8.6 (Final Redemption).

**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).

**Issue Date** means, for a Note, the date of issue of that Note.

**Issue Supplement** means the document entitled "Australian Annuity Funding Trust 2024-1 – Issue Supplement" dated on or about the date of the Note Deed Poll.

**Master Definitions Deed** means the document entitled "Australian Annuity Securitisation Trusts – Master Definitions Deed" dated 20 December 2023 between the Trustee and others.

**Maturity Date** has the meaning given to it in the Issue Supplement.

**Note** means a debt obligation issued or to be issued by the Issuer in respect of the Trust 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 Trust and includes the Class A Notes, the Class B Notes and the Class C Notes.

**Note Deed Poll** means the document entitled "Note Deed Poll – Australian Annuity Funding Trust 2024-1" dated on or about the Closing Date executed by the Issuer (of which these Conditions form part).

**Record Date** means, for a payment due in respect of a Note of the Trust, the fifth Business Day immediately preceding the relevant Payment Date or any other date specified in, or determined in accordance with, the Issue Supplement.

**Redemption Amount** means, in respect of a Note and for the purposes of condition 8.2 (Redemption of Notes – Call Option):

- (a) if the relevant Call Option Date is on or after the date falling 6 months after the first Issue Date, but is prior to the first anniversary of the first Issue Date, an amount equal to the Invested Amount of that Note multiplied by 102%, plus all accrued and unpaid interest on the Call Option Date;
- (b) if the relevant Call Option Date is on or after the first anniversary of the first Issue Date, but is prior to the second anniversary of the first Issue Date, an amount equal to the Invested Amount of that Note multiplied by 101%, plus all accrued and unpaid interest on the Call Option Date; or
- (c) if the relevant Call Option Date is on or after the second anniversary of the first Issue Date, an amount equal to the Invested Amount of that Note, plus all accrued and unpaid interest on the Call Option Date.

**Registrar** means, in respect of the Trust:

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

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

**Trust** means the Australian Annuity Funding Trust 2024-1 established under the Master Trust Deed dated 20 December 2023 and the Notice of Creation of Trust executed by the Trustee and the Manager dated 7 November 2024.

## **1.2 General**

- (a) Clause 1.2 (Interpretation) and clause 1.4 (Trustee's limitation of liability) of the Master Definitions Deed are incorporated into these conditions as if set out in full with all necessary amendments to give effect to those clauses in these conditions.
- (b) Clause 1.4(a) and clause 1.4(c) (Knowledge of the Manager, Trustee and Security Trustee) of the Issue Supplement are incorporated into these conditions as if set out in full with all necessary amendments to give effect to those clauses in 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 applicable Business Day Convention.

### **2 General**

#### **2.1 Issue Supplement**

- (a) Notes are issued on the terms set out in these conditions and the Issue Supplement. If there is any inconsistency between any of these conditions and the Issue Supplement, the Issue Supplement prevails.
- (b) Notes are issued in the following three classes:
  - (i) Class A Notes;
  - (ii) Class B Notes; and
  - (iii) Class C Notes.

#### **2.2 Currency and denomination**

Notes are denominated in Australian dollars. Each Note will have an initial Invested Amount equal to A\$1,000.

#### **2.3 Austraclear System**

Notes may be held in the Austraclear System. If Notes are held in the Austraclear 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 Austraclear System. The Issuer is not responsible for anything Austraclear 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, the Issue Supplement and the Master Trust Deed.

#### **3.2 Registered form**

- (a) Notes are issued in registered form by entry in the Note Register.
- (b) No certificates will be issued in respect of any Notes unless the Trust 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**

- (a) 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.
- (b) 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.
- (c) This condition 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**

- (a) 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.
- (b) 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 by 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 Subscription Agreement 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 for the purposes of Chapter 7 of the Corporations Act; and
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

The Registrar will register any transfer complying with the above requirements.

### **5.5 Transfer procedures**

- (a) Interests in Notes held in the Austraclear System may only be transferred in accordance with the rules and regulations of the Austraclear System.
- (b) Notes not held in the Austraclear System may be transferred by sending a transfer form to the Specified Office of the Issuer.
- (c) To be valid, a transfer form must be:
  - (i) in the form set out in Schedule 2 (Note transfer) of the Note Deed Poll;
  - (ii) duly completed and signed by, or on behalf of, the transferor and the transferee; and

- (iii) accompanied by any evidence the Issuer may require to establish that the transfer form has been duly signed.
- (d) No fee is payable to register a transfer of Notes so long as all applicable Taxes in connection with the transfer have been paid.

## **5.6 Transfer of unidentified Notes**

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

## **6 Interest**

### **6.1 Interest on Notes**

- (a) Each Note bears interest on its Invested Amount at its Interest Rate from (and including) its Issue Date to (but excluding) the date on which the Note is redeemed in accordance with Condition 8.6 (Final Redemption).
- (b) Interest for a Note and an Interest Period:
  - (i) accrues daily from and including the first day of an Interest Period to and including the last day of the Interest Period;
  - (ii) is calculated on actual days elapsed and a year of 365 days; and
  - (iii) is payable in arrears on each Payment Date.

No interest accrues in respect of a Note on any day on which the Invested Amount of that Note is zero.

### **6.2 Interest Rate determination**

- (a) The Calculation Agent (acting reasonably) must determine the Interest Rate for the Notes for an Interest Period in accordance with these conditions and the Issue Supplement.
- (b) The Interest Rate must be expressed as a percentage rate per annum.

### **6.3 Interest Rate**

The Interest Rate for a Note of each Class for a day during an Interest Period is:

- (a) a Class A Note, 9.50% per annum;
- (b) a Class B Note, 11.50% per annum; and
- (c) a Class C Note, as determined by the Servicer and notified to the Manager and the Trustee in writing.

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

- (a) The Calculation Agent must calculate the amount of interest payable on a Note for each Interest Period in accordance with condition 6.1 (Interest on Notes).

- (b) The amount of interest payable for an Interest Period for a Note is calculated as the sum of the interest payable in respect of each day of the Interest Period for that Note.
- (c) The interest payable in respect of a day of an Interest Period for a Note is the amount calculated as follows:

$$A = B \times C \times \frac{1}{365}$$

where:

A = the interest payable in respect of a day of an Interest Period;

B = the Invested Amount of the relevant Note on that day; and

C = the Interest Rate for the relevant Note on that day.

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

If any Interest Period or calculation period changes, the Calculation Agent may amend its calculation of any amount, date or other thing. If the Calculation Agent amends any calculation, it must notify the Issuer, the Trust Manager (where the Trust Manager is not the Calculation Agent) 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 calculation the Calculation Agent makes in accordance with these conditions is final and binds the Issuer and each Noteholder.

## **6.7 Rounding**

For any calculation required under these conditions:

- (a) all percentages resulting from the 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 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 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 in respect of a Note under this condition 6 (Interest) on the due date, then the Issuer agrees to pay interest on the unpaid amount at the last applicable Interest Rate for that Note.

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

## **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**

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

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

- (a) The Seller may, subject to paragraph (b) below, request in writing that the Manager direct the Issuer, and upon such request, the Trust Manager must direct the Issuer to dispose of the Trust Receivables and to redeem the Notes on a Call Option Date and upon receipt of such direction the Issuer must dispose of the Trust Receivables in accordance with clause 5.4 (Call Option) of the Issue Supplement and redeem all (but not some only) of the Notes on that Call Option Date by paying to the Noteholders the applicable Redemption Amount for the Notes.
- (b) The Seller may only make a request under paragraph (a) if the proceeds of the disposal on that Call Option Date will be sufficient to redeem all Notes in full at the applicable Redemption Amount.
- (c) The Trust Manager may only direct the Issuer to redeem the Notes under this condition 8.2 (Redemption of Notes – Call Option) if:
  - (i) at least 10 Business Days before the proposed redemption date, the Issuer, at the direction of the Trust Manager notifies the proposed redemption to the Registrar and the Noteholders; 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 (Withholding tax) to deduct or withhold an amount in respect of Taxes (other than FATCA Withholding Tax) from a payment in respect of a Note (other than a Class C Note), the Trust 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 Invested Amount of the Note plus accrued but unpaid interest.

- (b) The Issuer, at the direction of the Trust Manager, must notify the proposed redemption to the Registrar and the Noteholders at least 5 Business Days before the proposed redemption date.
- (c) For any redemption of Notes under this condition 8.3 (Redemption for taxation reasons), the proposed redemption date must be a Payment Date.

#### **8.4 Payments of principal**

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

#### **8.5 Late payments**

- (a) If the Issuer does not pay an amount under this condition 8 (Redemption) on the due date, then the Issuer agrees to pay interest on the unpaid amount at the last applicable Interest Rate (plus an additional margin of 2% per annum).
- (b) Interest payable under this condition accrues daily from (and including) the due date to (but excluding) the date the Issuer actually pays and is calculated using the Day Count Fraction.

#### **8.6 Final Redemption**

A Note will be finally redeemed, and the obligations of the Issuer with respect to the payment of the Invested Amount of that Note will be finally discharged, on the first to occur of:

- (a) the date upon which the Invested Amount of that Note is reduced to zero; and
- (b) the date on which the Issuer completes a sale and realisation of all Trust Assets of the Trust in accordance with the Transaction Documents and the proceeds of that sale and realisation are applied, to the extent available, to repay the Invested Amount of that Note in full together with all accrued and unpaid interest on the Note and any other amounts payable but unpaid with respect to the Note.

### **9 Payments**

#### **9.1 Payments to Noteholders**

The Issuer agrees to pay:

- (a) interest and amounts of principal (other than a payment due on the Maturity Date), to the person who is the Noteholder at the close of business in the place where the Note Register is maintained on the Record Date; and
- (b) amounts due on the Maturity Date to the person who is the Noteholder at 4.00pm in the place where the 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 the Austraclear System, by crediting on the relevant Payment Date, the amount due to the account previously notified by

Austraclear to the Issuer and the Registrar in accordance with the Austraclear System's rules and regulations; and

- (b) if the Note is not held in the Austraclear System, by crediting on the relevant Payment Date the amount due to an account previously notified by the Noteholder to the Issuer.

### **9.3 Payments subject to law**

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

### **9.4 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 from any payment 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.

### **9.5 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.

## **10 Taxation**

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

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

### **10.2 Withholding tax**

- (a) If a law requires the Issuer to withhold or deduct an amount in respect of Taxes (including, without limitation, any FATCA Withholding Tax) from a payment in respect of a Note, then (at the direction of the Trust Manager):
  - (i) the Issuer must notify the recipient of the nature of that requirement;
  - (ii) the Issuer agrees to withhold or deduct the amount and the Issuer must ensure that any such withholding or deduction does not exceed the minimum amount legally required; and
  - (iii) the Issuer agrees to pay an amount equal to the amount withheld or deducted to the relevant authority in accordance with applicable law and give copies of receipts, certificates or other proof

evidencing the amounts (if any) paid or payable in respect of such withholding or deduction to the relevant Noteholder.

- (b) The Issuer is not liable to pay any additional amounts to, or otherwise indemnify any Noteholder in respect of any withholding or deduction in accordance with this condition (including, without limitation, for or on account of any withholding or deduction arising under or in connection with FATCA).

## **11 General**

### **11.1 Role of Calculation Agent**

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

### **11.2 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.

## **12 Amendments**

### **12.1 Amendment with consent**

Subject to condition 12.2 (Amendment without consent), these Conditions may be amended only by the Secured Creditors of the Trust in accordance with the Master Security Trust Deed.

### **12.2 Amendment without consent**

The Security Trustee may agree to an amendment of a condition without the approval of the Secured Creditors of the Trust if, in the reasonable opinion of the Security Trustee, the amendment is:

- (a) necessary or advisable to comply with law; or
- (b) necessary to correct an obvious error, or is otherwise of a formal, technical or administrative nature only.

## **13 Notices**

### **13.1 Notices to Noteholders**

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

- (a) sent by regular 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 three Business Days before the date of the notice or communication);
- (b) posted on an electronic source approved by the Trust Manager and generally accepted for notices of that type (such as Bloomberg or LSEG);
- (c) by email where the Noteholder has provided an email address; or

- (d) distributed through the Austraclear System where the relevant Notes are held in the Austraclear System.

### **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 sent by post, seven Business Days after posting (or eleven days after posting if sent from one country to another);
- (b) if posted on an electronic source, on the date of such posting;
- (c) if by email, when it is sent; or
- (d) if distributed through the Austraclear System, on the date of such distribution.

## **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 3 (Notices) of the Master Definitions Deed.

## **15 Limitation of liability**

The Issuer's liability to the Noteholders of the Trust (and any person claiming through or under a Noteholder of the Trust) in connection with these conditions and the other Transaction Documents of the Trust is limited in accordance with clause 14 (Limited recourse, indemnity and limitation of liability) of the Master Trust Deed.



## **8 GENERAL INFORMATION**

### ***Use of Proceeds***

The proceeds from the issue and sale of the Notes will be A\$8,500,000.

On each Issue Date the Issuer will apply the proceeds of the issue of the Notes to be credited to the Advance Draw Ledger, to be applied at the direction of the Trust Manager towards payment of the purchase price for the Trust Receivables and Authorised Investments.

### ***Clearing Systems***

The Issuer has applied 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.

## 9 DESCRIPTION OF AAF

Australian Annuity Funding Pty Ltd ("**AAF**") (ABN 79 673 364 040) is an entity established by Surinder Agnihotri after his successful sale of the previous business that he founded.

### Services

AAF currently specialises in property backed lending and is now planning to begin trail book lending to mortgage brokers/mortgage managers, financial planners and property management businesses. This is lending against ongoing commission income from mortgages, insurance policies or rent rolls. The initial loans offered will be for large mature businesses either looking to expand their current business or acquire loan books.

Commission trail book funding benefits from being tied to collateral of well-known contracted cashflows. The cashflows can be readily modelled to ascertain future income and potential risks. Based on information provided, the loss history on these loan books is low with less than 0.25% of losses on total funds lent over the past five years. Arrears over the same period have tracked at less than 2.28% of total cashflow. This is from the previous experience of the founders of AAF having successfully established and run Australian Business Credit Pty Ltd.

### Ownership history

Australian Annuity Funding Pty Ltd was established in 2023 as a special purpose vehicle (SPV) with the objective of funding loan receivables backed by mortgage broker and financial planner income and fees, and real estate rent rolls.

### Key personnel

**Surinder Agnihotri (Managing Director)** - Surinder has over 20 years' experience in residential and commercial finance, sales and distribution. Having worked for some of Australia's largest mortgage aggregation groups, he has been involved with over \$20 billion worth in loan settlements across a diverse range of residential mortgages, commercial property and business loans. Most recently Surinder founded and was Managing Director of Australian Business Credit, a name is synonymous with filling the funding gaps not being met by traditional banks and non-bank lenders. Surinder set up ABCredit Funding Pty Ltd to specialise in lending niches where the market opportunity is not a priority for other lenders or is unable to be fulfilled due to the immaturity of the Australian capital markets and changing regulations experienced by banks.

Having assisted Australian small and medium enterprises (SME) in diversified industries, Surinder has gained a high level of recognition, including being awarded multi-industry awards for excellence in product delivery and service.

After divesting of ABCredit Funding Pty Ltd Surinder has now established and is Managing Director of Australian Annuity Funding Pty Ltd.

**Tony Katsikas (Executive Director)** – Tony is a Management Consultant and Advisor with over two decades experience working in Strategy, Transformation and Marketing with experience across the US, Europe and Asia Pacific. He has extensive knowledge and experience in strategy, analysis of business performance, technology, risk management and governance. As a management and business transformation expert, Tony provides independence, guidance and valuable contribution to the running of AAF as a successful business. Previously Tony has been a senior executive member of an Australian technology business acquired by Hewlett Packard and a Program Manager and Director of a worldwide consulting firm.

**Hirdesh Prasad (General Manager, Head of Credit and Operations) -**

Hirdesh has an extensive background in financial services systems and technology involving system integration, provisioning, compliance and management where he has managed client relationships, managed operations, overseen business development, undertaken IT management responsibilities and conducted general business management. In a prior business, he has successfully transitioned the business from a private lender to a funding facility from the credit fund and eventually to a bond facility. Hirdesh has been actively involved in the finance industry for over 20 years. Hirdesh's expertise in software development, especially in the finance industry and he has undertaken customisation of Salesforce as the software base to run origination, ledger tracking integration and servicing functions of AAF.

## **10 CASHFLOW ALLOCATION METHODOLOGY**

All amounts received by the Issuer will be allocated by the Trust Manager and paid in accordance with the cashflow allocation methodology described below ("**Cashflow Allocation Methodology**").

The Cashflow Allocation Methodology applies only in respect of payments to be made prior to the occurrence of an Event of Default and enforcement of the General Security Deed in accordance with its terms. Section 11.2 ("Master Security Trust Deed and General Security Deed" - "Application of proceeds following an Event of Default") applies in respect of payments made following the occurrence of an Event of Default and enforcement of the General Security Deed.

### **10.1 Collections**

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 two Business Days of receipt in cleared funds by the Servicer. Prior to remitting such Collections, the Servicer will hold the Collections on trust for the Issuer.

### **10.2 Distributions made during a Collection Period**

If no Event of Default or Amortisation Event is subsisting, the Trust Manager may, on any day during a Collection Period, direct the Issuer to apply some or all Principal Collections received during that Collection Period towards:

- (a) funding the acquisition of Trust Receivables that are Eligible Receivables; and
- (b) funding the making of Authorised Investments.

The Trust Manager must not direct the Issuer to make a distribution of Principal Collections during a Collection Period unless the Trust Manager is satisfied that there will be sufficient Collections to meet the Required Payments, and to reimburse any outstanding Principal Draw on the immediately following Payment Date.

The Trust Manager may direct the Issuer to apply some or all of the balance of the Advance Draw Ledger, provided that no Amortisation Event is subsisting, towards funding the acquisition of Authorised Investments or Trust Receivables which are represented by the Seller to be Eligible Receivables.

### **10.3 Determination of Total Available Income**

On each Determination Date the Trust Manager must determine the Total Available Income for the immediately following Payment Date. The "**Total Available Income**" on a Determination Date means the amount calculated by the Trust Manager as the aggregate of (without double counting):

- (c) the Available Income for the immediately preceding Collection Period; and
- (d) any Principal Draw to be made in accordance with Section 10.4 ("Principal Draw") on the Payment Date immediately following that Determination Date.

### **10.4 Principal Draw**

If the Trust Manager determines on any Determination Date that there is a Payment Shortfall for the relevant Collection Period, the Trust Manager must direct the Issuer to apply an amount equal to the lesser of:

- (a) the Payment Shortfall; and
- (b) the amount of Principal Collections available for application under Section 10.7(a) ("Determination of Total Available Principal") on the next Payment Date,

(the **Principal Draw**) from the Principal Collections, to meet the Required Payments on the following Payment Date and such Principal Draw will be applied as Total Available Income on that Payment Date.

## **10.5 Distribution of Total Available Income**

On each Payment Date prior to the enforcement of the security under the General Security Deed by the Security Trustee, the Trust Manager must direct the Issuer to pay (and the Issuer must pay) the following items in the following order of priority out of the Total Available Income as determined on the immediately preceding Determination Date:

- (a) first, at the Trust Manager's discretion, a total of A\$1 to the Income Unitholder, to the extent not already paid in the relevant Financial Year;
- (b) next, any Taxes due and payable by the Issuer in relation to the Trust (after the application of the balance of the Tax Ledger towards payment of such Taxes);
- (c) next, pari passu and rateably:
  - (i) the Issuer's fee payable on that Payment Date;
  - (ii) the Security Trustee's fee payable on that Payment Date and in payment of any Costs of the Security Trustee properly incurred during the previous Collection Period or (to the extent they remain unpaid) earlier Collection Periods;
  - (iii) the Trust Manager's fee payable on that Payment Date and any other amounts due and payable by the Issuer to the Trust Manager; and
  - (iv) the Standby Servicer's fee payable on that Payment Date and any other amounts due and payable by the Issuer to the Standby Servicer; and
- (d) next, the Trust Expenses incurred during the previous Collection Period or (to the extent they remain unpaid) earlier Collection Periods (excluding amounts otherwise provided for in this Section 10.5 ("Distribution of Total Available Income") or Section 10.8 ("Distribution of Total Available Principal"));
- (e) next, the Servicer's fee payable on that Payment Date and any other amounts due and payable by the Issuer to the Servicer;
- (f) next, pari passu and rateably towards interest due and payable on the Class A Notes, including any unpaid interest on the Class A Notes in respect of previous Interest Periods;
- (g) next, pari passu and rateably towards interest due and payable on the Class B Notes, including any unpaid interest on the Class B Notes in respect of previous Interest Periods;

- (h) next, as an allocation to Total Available Principal, an amount in reimbursement of all outstanding Principal Draws;
- (i) next, as an allocation to Total Available Principal, the amount of any Losses for the immediately preceding Collection Period in respect of Trust Receivables;
- (j) next, as an allocation to Total Available Principal, up to an amount equal to the aggregate of any Carryover Charge-Offs in respect of the Notes outstanding from any previous Payment Date;
- (k) next, if an Amortisation Event is subsisting on that Payment Date, as an allocation to Total Available Principal and credit to the Amortisation Ledger, up to an amount equal the Amortisation Amount in respect of that Payment Date;
- (l) next, to retain in the Collection Account as an increase to the Tax Ledger, an amount equal to the Tax Shortfall (if any) for the relevant Determination Date;
- (m) next, to retain in the Collection Account as an increase to the Tax Ledger, an amount equal to the Tax Amount (if any) for the relevant Determination Date;
- (n) next, pari passu and rateably towards interest due and payable on the Class C Notes, including any unpaid interest on the Class C Notes in respect of previous Interest Periods; and
- (o) next, towards payment to the Income Unitholder.

The Trust Manager must only direct the Issuer to make the payments under any of paragraphs (a) to (o) above (inclusive) to the extent that any Total Available Income remains from which to make the payment after amounts with priority to that payment have been paid and distributed.

## 10.6 Charge-Offs

- (a) If on any Determination Date the Trust Manager determines that there are Charge-Offs in respect of the immediately following Payment Date, the Trust Manager must on and with effect from that Payment Date allocate the Charge-Offs in the following order of priority to reduce pari passu and rateably amongst the Notes of each relevant Class (each such allocation of a Charge-Off, a **"Carryover Charge-Off"** in respect of the relevant Note):
  - (i) first, to reduce the balance standing to the credit of the Amortisation Ledger until the balance reaches zero;
  - (ii) next, pari passu and rateably, to reduce the Stated Amounts of the Class C Notes until the Stated Amounts of the Class C Notes have been reduced to zero;
  - (iii) next, pari passu and rateably, to reduce the Stated Amounts of the Class B Notes until the Stated Amounts of the Class B Notes have been reduced to zero; and
  - (iv) next, pari passu and rateably, to reduce the Stated Amounts of the Class A Notes until the Stated Amounts of the Class A Notes have been reduced to zero.

- (b) To the extent that on any Payment Date amounts are available for allocation under Section 10.5(j) then the Trust Manager will allocate such amounts on that Payment Date to reinstate the Stated Amount of each Class of Notes (pari passu and rateably amongst each Class) in the following order:
  - (i) first, pari passu and rateably, to increase the Stated Amount of the Class A Notes until the Stated Amount of the Class A Notes is equal to the Invested Amount of the Class A Notes;
  - (ii) next, pari passu and rateably, to increase the Stated Amount of the Class B Notes until the Stated Amount of the Class B Notes is equal to the Invested Amount of the Class B Notes;
  - (iii) next, pari passu and rateably, to increase the Stated Amount of the Class C Notes until the Stated Amount of the Class C Notes is equal to the Invested Amount of the Class C Notes; and

## 10.7 Determination of Total Available Principal

On each Determination Date the Trust Manager must determine the Total Available Principal for the immediately following Payment Date. The "**Total Available Principal**" on a Determination Date means the amount calculated by the Trust Manager as the aggregate of (without double counting):

- (a) the Principal Collections for the immediately preceding Collection Period; plus
- (b) any allocations of amounts in the Advance Draw Ledger to Total Available Principal;
- (c) any allocations of Total Available Income to Total Available Principal in respect of the reimbursement of Principal Draws under Section 10.5(h) (Distribution of Total Available Income); plus
- (d) any allocations of Total Available Income to Total Available Principal in respect of Losses under Section 10.5(i) (Distribution of Total Available Income); plus
- (e) any allocations of Total Available Income to Total Available Principal in respect of Carryover Charge-Offs under Section 10.5(j) (Distribution of Total Available Income); plus
- (f) any allocations to be made from Total Available Income to Total Available Principal in respect of Amortisation Amounts under Section 10.5(k) (Distribution of Total Available Income); plus
- (g) any allocations to be made to Total Available Principal in respect of surplus proceeds in accordance with Section 5.9 (Disposals); plus
- (h) any amounts in respect of Call Option proceeds to be applied as Total Available Principal on the relevant Payment Date under condition 8.2 (Call Option) of the Conditions; minus
- (i) the aggregate of all Collection Period Distributions made under Section 10.2 (Distributions made during a Collection Period) during the Collection Period.

## 10.8 Distribution of Total Available Principal

On each Payment Date prior to the enforcement of the security under the General Security Deed by the Security Trustee, the Trust Manager must direct the Issuer to pay (and the Issuer must pay) the following items in the following order of priority out of the Total Available Principal as determined on the immediately preceding Determination Date:

- (a) first, to fund any Principal Draw required in accordance with Section 10.4 (Principal Draw);
- (b) next, if no Event of Default or Amortisation Event is subsisting and in accordance with directions given to the Manager by the Seller:
  - (i) towards the purchase of Receivables that are represented to be Eligible Receivables;
  - (ii) towards the making of Authorised Investments;
  - (iii) if the relevant Payment Date is an Early Redemption Date, towards the redemption, *pari passu* and rateably, of:
    - (A) the Class A Notes until the Invested Amount of the Class A Notes has been reduced to zero, by payment of the applicable Early Redemption Amount in relation to such Class A Notes;
    - (B) the Class B Notes until the Invested Amount of the Class B Notes has been reduced to zero, by payment of the applicable Early Redemption Amount in relation to such Class B Notes; or
    - (C) the Class C Notes until the Invested Amount of the Class C Notes has been reduced to zero, by payment of the applicable Early Redemption Amount in relation to such Class C Notes; and
  - (iv) to retain all of the remaining Total Available Principal in the Advance Draw Amount as an increase to the Advance Draw Ledger;
- (c) next, if an Event of Default or Amortisation Event is subsisting, or if the relevant Payment Date is the Maturity Date, in the following order of priority:
  - (i) first, *pari passu* and rateably, to the Class A Noteholders, until the Invested Amount of the Class A Notes has been reduced to zero;
  - (ii) next, *pari passu* and rateably, to the Class B Noteholders, until the Invested Amount of the Class B Notes has been reduced to zero; and
  - (iii) next, *pari passu* and rateably, to the Class C Noteholders, until the Invested Amount of the Class C Notes has been reduced to zero; and
- (d) next, the balance (if any) to the Income Unitholder.

The Trust Manager must only direct the Issuer to make the payments under any of paragraphs (a) to (d) above (inclusive) to the extent that any Total Available



Principal remains from which to make the payment after amounts with priority to that payment have been paid and distributed.

## **10.9 Distribution following enforcement of Event of Default**

For the purposes of clause 14.2 (Order of distribution after enforcement) of the Master Security Trust Deed, if an Event of Default has occurred and the General Security Deed has been enforced by the Security Trustee, the order of application of all moneys received by the Security Trustee in respect of the Secured Property is as follows (subject to any priority that is required by law):

- (a) first, to any person with a prior ranking claim (of which the Security Trustee has knowledge) over the Secured Property to the extent of that claim;
- (b) next, to the satisfaction of any Receiver's remuneration and Costs in respect of the Secured Property;
- (c) next, to the Security Trustee for its Costs and other amounts (including all Secured Moneys) due to it for its own account in connection with its role as security trustee in relation to the Trust;
- (d) next, *pari passu* and rateably to:
  - (i) the Issuer for its Trust Expenses and other amounts (including all Secured Moneys) due to it for its own account in connection with its role as trustee of the Trust and in respect of which it is indemnified out of the Trust Assets of the Trust (other than those set out in any other paragraph of this Section 10.9 (Distribution following enforcement of Event of Default));
  - (ii) to the Trust Manager for its expenses, fees and other amounts (including all Secured Moneys) due to it; and
  - (iii) the Standby Servicer for its expenses, fees and other amounts (including all Secured Moneys) due to it;
- (e) next, to the Servicer for its expenses, fees and other amounts (including all Secured Moneys) due to it;
- (f) next, *pari passu* and rateably, all Secured Moneys owing to the Class A Noteholders;
- (g) next, *pari passu* and rateably, all Secured Moneys owing to the Class B Noteholders;
- (h) next, *pari passu* and rateably, all Secured Money owing to the Secured Creditors (other than the Class C Noteholders) to the extent not paid under the preceding paragraphs;
- (i) next, to any person with a subsequent ranking claim over the Secured Property (of which the Security Trustee has knowledge);
- (j) next, *pari passu* and rateably, all Secured Moneys owing to the Class C Noteholders; and
- (k) finally, to pay any surplus to the Issuer to be distributed in accordance with the terms of the Master Trust Deed.

The Security Trustee will only make a payment under any of paragraphs (a) to (k) above (inclusive) to the extent that any funds remain from which to make payments after amounts with priority to that amount have been paid and distributed.

#### **10.10 Advance Draw Ledger**

- (a) The Trust Manager will keep and maintain a ledger to the Collection Account (the "**Advance Draw Ledger**") by recording amounts as follows:
  - (i) as an increase to the Advance Draw Ledger, the aggregate of all proceeds of each issuance of Notes under the Trust;
  - (ii) as an increase to the Advance Draw Ledger, the aggregate of all amounts applied to the Advance Draw Ledger under Section 10.8(b)(iii) (Distribution of Total Available Principal);
  - (iii) as a decrease to the Advance Draw Ledger, the aggregate of all amounts applied under clause 7.2 (Distributions made during a Collection Period) to acquire Trust Receivables or Authorised Investments;
  - (iv) as a decrease to the Advance Draw Ledger, the aggregate of all amounts applied under Section 10.10(b) (Advance Draw Ledger) below towards Total Available Principal in respect of a Determination Date; and
  - (v) as a decrease to the Advance Draw Ledger, the aggregate of all amounts applied under clause 10.10(c) (Advance Draw Ledger) below.
- (b) If, on any Determination Date, either (i) the Trust Manager is aware that an Amortisation Event is subsisting, or (ii) the next Payment Date is the Maturity Date, the Trust Manager must direct the Issuer to apply the entire balance of the Advance Draw Ledger on that date towards Total Available Principal in respect of that Determination Date to be distributed on the immediately following Payment Date in accordance with Section 10.8 (Distribution of Total Available Principal).
- (c) Following the occurrence of an Event of Default and enforcement of the General Security Agreement, the balance of the Advance Draw Ledger must be applied in accordance with Section 10.9 (Distribution following enforcement of Event of Default).

## **11 DESCRIPTION OF THE SECURITY**

*This section contains a summary of the Master Security Trust Deed dated 20 December 2023 between the Issuer, Trust Manager and the Security Trustee and the General Security Deed between the Issuer, the Trust Manager and the Security Trustee.*

### **11.1 Description of Security Trustee**

AMAL Security Services Pty Limited is a professional trustee company and is appointed as Security Trustee on the terms set out in the Security Trust Deed.

AMAL Security Services Pty Limited is a limited liability company under the Corporations Act. The Australian Business Number of AMAL Security Services Pty Limited is 48 609 790 758. Its registered office is Level 13, 20 Bond Street, Sydney, NSW 2000, Australia and its telephone number is +61 2 9230 6770. AMAL Security Services Pty Limited is appointed as trustee of the Security Trust on the terms set out in the Master Security Trust Deed.

AMAL Security Services Pty Limited is a related body corporate of AMAL Trustees Pty Limited and AMAL Management Services Pty Ltd.

The principal activities of AMAL Security Services Pty Limited are the provision of security trustee and other commercial services. AMAL Security Services Pty Limited has prior experience acting as a security trustee for asset-backed securities transactions involving personal loans.

AMAL Security Services Pty Limited holds an Australian Financial Services License under Part 7.6 of the Corporations Act (Australian Financial Services License No. 483461).

### **11.2 Master Security Trust Deed and General Security Deed**

#### ***Master Security Trust Deed***

The Security Trustee is appointed on the terms set out in the Master Security Trust Deed.

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 will convene a meeting of the Secured Creditors of the Trust 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.

The Security Trustee will be under no obligation to act if it is not satisfied that it is adequately indemnified.

#### ***General Security Deed***

The Secured Creditors in respect of the Trust have the benefit of a security interest over all the Trust Assets under the General Security Deed and the Master Security Trust Deed. The Security Trustee holds this security interest on behalf of the Secured Creditors (including the Noteholders) pursuant to the Master Security

Trust Deed and may enforce the General Security Deed upon the occurrence of an Event of Default (as defined below).

### **Events of Default**

Each of the following is an Event of Default in respect of the Trust:

- (a) **(failure to pay)** the Issuer does not pay any amount payable by it in respect of the Senior Obligations on time and in the manner required under the Transaction Documents unless, in the case of a failure to pay on time, the Issuer pays the amount within 10 Business Days of the due date;
- (b) **(breach of undertaking)** the Issuer does not comply with any of its obligations under any Transaction Document (other than an obligation to pay any amount payable by it under the Transaction Documents) where such non-compliance will have a Material Adverse Payment Effect and the Issuer does not remedy the non-compliance within 90 Business Days after written notice from the Security Trustee requiring the failure to be remedied;
- (c) **(breach of representation)** a representation or warranty made by the Issuer in connection with any Transaction Document is found to have been incorrect or misleading when made or taken to be made and such breach will have a Material Adverse Payment Effect and the Issuer does not remedy the breach within 90 Business Days after written notice from the Security Trustee requiring the failure to be remedied;
- (d) **(insolvency of Issuer)** an Insolvency Event occurs in respect of the Issuer and the Issuer is not replaced as trustee of the Trust in accordance with the Master Trust Deed within 60 days (or such longer period as the Security Trustee, at the direction of any Ordinary Resolution of the Voting Secured Creditors may agree);
- (e) **(General Security Deed)**
  - (i) the General Security Deed or any Security Interest created under the General Security Deed is not or ceases to be valid and enforceable; or
  - (ii) any Security Interest (other than a Security Interest created under or expressly contemplated under the Transaction Documents) is created or exists in respect of the Secured Property for more than 10 Business Days following the Issuer becoming aware of its existence, where such event will have a Material Adverse Payment Effect;
- (f) **(voidable Transaction Document)** all or a material provision of a Transaction Document is terminated or is or becomes void, illegal, invalid or unenforceable or of limited force and effect or a party becomes entitled to terminate, rescind or avoid all or any part of a Transaction Document in each case where such event will have a Material Adverse Payment Effect;
- (g) **(no material litigation)** a judgment or award in an amount exceeding \$500,000 (or its equivalent in any other currency) is obtained against the Seller or the Servicer or any of their assets and is not set aside or satisfied within 30 days unless the of the Seller or the Servicer (as applicable) is pursuing an appeal;

- (h) **(enforcement against assets)** any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any member of the Seller or the Servicer having an aggregate value of \$500,000 and is not discharged within 30 days;
- (i) **(Stop Funding Event)** a Stop Funding Event has occurred and is subsisting which has not been remedied within 90 days.

### ***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 Trust 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 of 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.

### ***Fees***

The Issuer, under the Master Security Trust Deed, has agreed in writing to pay to the Security Trustee from time to time a fee (as agreed to between the Issuer, the Security Trustee and the Seller) in respect of the Trust.

### ***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 Section 10.9 ("Distribution following enforcement of Event of Default").

## 12 GENERAL INFORMATION - TAXATION

### ***Australian Taxation***

The following is a summary of certain material Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the "**Australian Tax Act**") of the purchase, ownership and disposition of the Offered Notes by Noteholders who purchase the Offered Notes on original issuance at the stated offering price and hold the Offered Notes as capital assets, and certain other matters. This summary represents Australian law as in effect on the date of this Information Memorandum which is subject to change, possibly with retrospective effect.

The following summary is a general guide and should be treated with appropriate caution. It 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, Noteholders who hold Offered Notes on revenue account, custodians, or other third parties who hold Offered Notes on behalf of any Noteholders, or Noteholders who do not hold Offered Notes). The summary is not nor should it be construed to be legal or tax advice to any particular Noteholder or prospective Noteholder. Noteholders and prospective Noteholders should consult their own appropriate professional advisers on the tax implications of an investment in the Offered Notes for their particular circumstances.

Neither the Issuer nor the Trust Manager accept any responsibility or make any representation as to the tax consequences of investing in the Offered Notes.

### ***Withholding Taxes on interest payments***

#### ***Interest Withholding Tax***

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 (such as a discount on a security or a maturity premium) and certain other amounts, however it does not include an amount to the extent it is a return on an equity interest in a company. Unless an exemption applies, IWT will be imposed on payments of interest by the Issuer, made to:

- (a) Australian residents who hold the Offered Notes in the course of carrying on business at or through a permanent establishment outside Australia; or
- (b) non-residents of Australia who do not hold the Offered Notes in the course of carrying on business at or through a permanent establishment in Australia.

IWT is currently charged at the rate of 10%

### ***Section 128F of the Australian Tax Act***

Pursuant to section 128F of the Australian Tax Act, an exemption from IWT is available in respect of interest paid in respect of "debentures" (which would include the Offered Notes) if all of the following conditions are met:

- (a) the Issuer is a company as defined in section 128F(9) of the Australian Tax Act (which includes companies acting as trustee of certain trusts);

- (b) the Issuer is a resident of Australia when the Offered Notes are issued and the interest is paid, or is a non-resident who issues the Offered Notes and pays the interest in carrying on business at or through a permanent establishment in Australia; and
- (c) the Offered Notes are issued in a manner that satisfies the public offer test set out in section 128F(3) of the Australian Tax Act. There are five principal methods of satisfying the public offer test. In summary, the five methods are:
  - (i) offers to 10 or more unrelated entities that carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
  - (ii) offers to 100 or more investors who have acquired in the past, or are likely to be interested in acquiring, debentures or debt interests;
  - (iii) offers of listed notes;
  - (iv) offers via certain publicly available information sources; or
  - (v) offers to a dealer, manager or underwriter who offers the notes within 30 days by one of the preceding methods under an agreement with the Issuer;
- (d) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Offered Notes (or interests in the Offered Notes) were being, or would later be, acquired, directly or indirectly, by an Offshore Associate (as defined in the Glossary) of the Issuer not acting in certain permitted capacities (described below); and
- (e) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an Offshore Associate of the Issuer not acting in certain permitted capacities (described below).

However, section 128F may still apply where an Offshore Associate of the Issuer acquires Offered Notes (or an interest in them) or receives payments of interest under the Offered Notes while acting in certain permitted capacities. These capacities are:

- (a) in relation to an acquisition, the capacity of a dealer, manager or underwriter in relation to the placement of the debenture or debt interest or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme; or
- (b) in relation to a payment of interest, the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

The definition of "associate" used in the Australian Tax Act applies broadly and is complex. In summary (and non-exhaustively), an "associate" of the Issuer for the purposes of section 128F of the Australian Tax Act would include:

- (a) any entity which benefits under the Trust; and
- (b) an entity who is an "associate" of another person or company which is an "associate" of the Issuer because that person or company benefits under the Trust. For a company, this would include, inter alia:
  - (i) partners of the company;

- (ii) trustees of trusts under which the company or an "associate" of the company benefits;
- (iii) entities holding (alone or with certain of their "associates") majority voting interests in the company and entities in which the company (alone or with certain of its "associates") holds majority voting interests; and
- (iv) entities which (alone or with other entities) sufficiently influence the company and entities sufficiently influenced by the company (alone or with certain of its "associates") (we note that for sufficient influence to exist it is not necessary to establish that one entity (alone or with others) controls or effectively controls another entity).

### ***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.

The remaining Notes will not be offered in a manner that will satisfy section 128F of the Australian Tax Act. Accordingly, if these Notes are held by:

- (a) Australian residents who hold these Notes in the course of carrying on business at or through a permanent establishment outside Australia; or
- (b) non-residents of Australia who do not hold these Notes in the course of carrying on business at or through a permanent establishment in Australia,

Australian interest withholding tax will apply to interest paid on these Notes unless another exemption applies.

### ***Noteholders in Specified Countries***

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

The New Treaties effectively prevent IWT applying to interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- (b) certain unrelated banks, and other enterprises which substantially derive their profits by raising debt finance in financial markets or taking deposits at interest and using those funds in carrying on a business of raising and providing finance which are resident in the Specified Country (however, we note that, back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in IWT),

by reducing the IWT rate to zero.

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which is available to the public at the Treasury's website.

Whether an exemption (including one of the foregoing) is available depends on the terms of the specific New Treaty. Noteholders should consult their own appropriate professional advisers as to whether any exemptions from IWT are available in their particular circumstances.



### **No payment of additional amounts**

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 Section 7, Condition 10.2).

### **Goods and Services Tax**

GST is payable on a taxable supply which is made by an entity which is registered or required to be registered for GST.

On a standalone basis, neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of 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 Notes, would give rise to any GST liability on the part of the Trust.

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.

In relation to the acquisition of these taxable services by the Trust:

- (a) In the ordinary course of business, the service provider would charge the Trust an additional amount on account of GST unless the agreed fee is already GST-inclusive.
- (a) Assuming that the Trust exceeds the financial acquisitions threshold for the purposes of Division 189 of the A New Tax System (Goods and Services Tax) Act 1999 (Cth) (GST Act), the Trust would not be entitled to a full input tax credit from the ATO to the extent that the acquisition relates to:
  - (i) the Trust's input taxed supply of issuing Notes (ie Notes issued to (A) Australian residents or (B) to non-residents acting through a fixed place of business in Australia); and
  - (ii) the *acquisition* by the Trust of the Trust Assets.

In the case of acquisitions which relate to the making of supplies of the nature described above, the Trust may still be entitled to a "reduced input tax credit" in relation to certain acquisitions prescribed in the table in section 70-5.02 of the *A New Tax System (Goods and Services Tax) Regulations 2019* (Cth) (**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. Generally, a "reduced input tax credit" is equal to 75% or 55% of 1/11th of the GST-inclusive consideration payable by the Trust to the person making the taxable supply. The rate of 55% applies if the Trust is a "recognised trust scheme". It is expected that the Trust should not be considered a "recognised trust scheme". Accordingly, the Trust should be entitled to a "reduced input tax credit" of 75%.

- (a) To the extent that the Trust makes acquisitions that attract GST, and those services relate to the Trust's GST-free supply of the Notes to non-residents, the Trust will be entitled to full input tax credits.
- (b) Where services are provided to the Trust by an entity comprising an associate of the Trust for income tax purposes, those services are provided for nil or less than market value consideration, and the Trust would not be entitled to a full input tax credit, the relevant GST (and any input tax

credit) would be calculated by reference to the market value of those services.

In the case of supplies which are not connected with the "indirect tax zone" (i.e., broadly, this means Australia) and which are acquired for the purposes of the Trust's business, these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they occurred in Australia and if the Trust would not have been entitled to a full input tax credit if the supply had been performed in Australia. This is known as the "reverse charge" rule. Where the rule applies, the liability to pay GST to the ATO falls not on the supplier, but on the Trust.

Where services which are not connected with the "indirect tax zone" are acquired by the Trust and the services relate solely to the issue of Notes by the Trust to Australian non-residents who subscribe for the Notes through a fixed place of business outside Australia, the "reverse charge" rule should not apply to these offshore supplies. This is because the Trust would have been entitled to a full input tax credit for the acquisition of these supplies if the supplies had been performed in Australia.

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 Notes or other liabilities of the Trust.

### **Other taxes**

Under Australian laws as presently in effect:

- (a) non-resident Noteholders – payments of principal and interest (as the meaning of that term is extended by 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 the course of carrying on business at or through a permanent establishment in Australia should not be subject to Australian income taxes (although Australian interest withholding tax may be payable as outlined above if interest on the Offered Notes is not exempt under section 128F of the Australian Tax Act); and
- (b) non-resident Noteholders – a holder of the Offered Notes, who is a non-resident of Australia and who has not held the Offered Notes at any time in the course of carrying on business at or through a permanent establishment in Australia, should not be subject to Australian income tax on gains realised during that year on sale or redemption of the Offered Notes, provided such gains do not have an Australian source. A gain arising on the sale of Offered Notes by a non-Australian resident holder to another non-Australian resident 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. These comments should be read subject to the comments set out above, where it is noted that in certain circumstances, certain amounts may be deemed to be interest for IWT purposes; and
- (c) Australian Noteholders – the tax treatment of Australian residents or non-Australian residents who hold the Offered Notes in the course of carrying on business at or through a permanent establishment in Australia, will depend on whether or not Division 230 (the Taxation of Financial Arrangements or "TOFA" provisions) of the Australian Tax Act applies to the Noteholder, as follows:

- (i) if Division 230 applies, the Division statutorily sets out a number of methods that may be available to recognise the quantum and timing of income (including interest and profits on disposal or redemption of the Offered Notes) and deductions (including losses on disposal or redemption of the Offered Notes) arising in relation to financial arrangements (which would include the Offered Notes), including accruals, realisation, reliance on financial reports, fair value, foreign exchange retranslation and hedging. It also generally removes the distinction between capital and revenue by characterising gains or losses in respect of financial arrangements as being on revenue account; or
  - (ii) if Division 230 does not apply, Noteholders will still be required to include any interest or other income derived in respect of the Offered Notes in their assessable income under ordinary income tax principles. Such Noteholders may also be required to include in their assessable income, or may be allowed a deduction in respect of, any profit or loss (respectively) on sale or redemption of the Offered Notes;
- (d) 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
- (e) 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
- (f) TFN/ABN withholding tax – section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") imposes a type of withholding tax (currently imposed at the rate of 47%) 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); and
- (g) supply withholding tax – payments in respect of the Offered Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (h) 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. However, the possible application of any future regulations to the proceeds of any sale of the Offered Notes will need to be monitored; and
- (i) 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 requiring the Issuer to deduct or withhold from any payment to any other party (including any Noteholder) 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.

## 13 SUBSCRIPTION AND SALE

### Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Offered Notes has been lodged with ASIC.

Accordingly the Initial Subscriber represents and agrees that it:

- (a) has not made or invited, and will not make or invite, directly or indirectly, an offer of the Offered Notes (or an interest in them) for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published and will not distribute or publish any draft, preliminary or definitive information memorandum or any other offering material, advertisement or other document relating to any Offered Notes (or an interest in them) in Australia,

unless:

- (c) either (x) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency, and, in either case, disregarding moneys lent by the offeror or its associates), (y) the offer is to a professional investor for the purposes of section 708 of the Corporations Act, or (z) 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;
- (d) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (e) such action complies with applicable laws and directives in Australia (including, without limitation the financial services licensing requirements of the Corporations Act); and
- (f) such action does not require any document to be lodged with ASIC.

### New Zealand

The Initial Subscriber represents and agrees that:

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

in each case in New Zealand other than:

- (c) 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:
  - (i) an “investment business”;
  - (ii) “large”; or
  - (iii) a “government agency”,

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

(d) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (c) above) 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.

### **European Economic Area**

The Initial Subscriber represents and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Offered Notes to any retail investor in the European Economic Area (**EEA**). For the purposes of this paragraph:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended); and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### **United Kingdom**

The Initial Subscriber represents and agrees that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available any Offered Notes to any retail investor in the United Kingdom. For the purposes of this paragraph:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

## **General**

The Initial Subscriber represents and agrees that:

- (a) 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 the 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;
- (b) no action has been, or will be, taken by the Issuer (as issuer) or the Initial Subscriber to permit a public offering of the Offered Notes or distribution of the Information Memorandum or any other offering or publicity material relating to 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 the 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; and
- (c) the Initial Subscriber will not cause any advertisement of the Notes to be published in any newspaper or periodical or posted in any public place and will not issue any circular relating to the Notes (other than the Information Memorandum in accordance with this agreement), except in any case in accordance with the terms of this agreement and with the express written consent of the Trust Manager.

## 14 GLOSSARY

### Glossary of Terms

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

**Advance Draw Ledger** has the meaning given to it in Section 10.10 (Advance Draw Ledger).

**Amortisation Amount** means on any Payment Date, an amount equal to the product of A and B:

where:

- A is a number, expressed as a decimal, of 1.00 less the Australian Tax Rate on that Payment Date; and
- B is the Total Available Income that remains available for distribution under Section 10.5(k) (Distribution of Total Available Income).

**Amortisation Event** means either of the following events:

- (a) a Servicer Termination Event is subsisting and has not been remedied within 20 Business Days of the occurrence of the Servicer Termination Event; or
- (b) the aggregated Stated Amount of the Class C Notes falls below 10.0% of the aggregate Stated Amount of all of the Class A Notes, Class B Notes, and the Class C Notes and is not remedied by the next Payment Date.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691) as the operator of the Australian Securities Exchange.

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

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

**Australian Tax Act** means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth), jointly or as applicable.

**Australian Tax Rate** means on any Payment Date, the rate at which income tax is assessed on the taxable income of the Unitholder of the Trust on that Payment Date (expressed as a decimal).

**Authorised Investments** means:

- (a) cash deposited in an interest bearing account denominated in Australian Dollars in the name of the Issuer with an Eligible Bank; and
- (b) any debt securities which:
  - (i) mature on the earlier of:
    - (A) the Payment Date immediately following their date of acquisition; and

- (B) the date which is 30 days following their date of acquisition;
- (ii) are denominated in Australian Dollars; and
- (iii) are held in the name of the Issuer,

but excluding any debt securities which constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority, including any amendment or replacement of that Prudential Standard).

**Available Income** means, on each Determination Date and in respect of the Collection Period immediately preceding that Determination Date, the amount calculated by the Trust Manager (without double counting) as the aggregate of:

- (a) the Income Collections received in that Collection Period; plus
- (b) any Threshold Rate Subsidy deposited by the Servicer into the Collection Account on the immediately preceding Payment Date in accordance with the Issue Supplement; plus
- (c) Other Income.

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

**Business Day** means a day on which banks are open for general banking business in Sydney (excluding a Saturday, Sunday or public holiday).

**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.

**Call Option** means the call option exercised by the Issuer at the direction of the Trust Manager (at the request of the Seller) at least 10 Business Days before any Call Option Date in accordance with the Issue Supplement.

**Call Option Date** see Section 2.2 ("Summary – Transaction").

**Cashflow Allocation Methodology** means the cashflow allocation methodology described in Section 10 ("Cashflow Allocation Methodology").

**Class** means each class of Notes.

**Class A Note** means any Note designated as a "Class A Note" and which is issued pursuant to the Issue Supplement, Subscription Agreement and the Note Deed Poll.

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

**Class B Note** means any Note designated as a "Class B Note" and which is issued pursuant to the Issue Supplement, Subscription Agreement and the Note Deed Poll.

**Class B Noteholder** means a Noteholder of a Class B Note.



**Class C Note** means any Note designated as a "Class C Note" and which is issued pursuant to the Issue Supplement, Subscription Agreement and the Note Deed Poll.

**Class C Noteholder** means a Noteholder of a Class C Note.

**Closing Date** see Section 2.2 ("Summary – Transaction").

**Collection Account** means an account in the name of the Issuer established with an Eligible Bank in accordance with the Master Trust Deed and designated by the Trust Manager as the collection account for the Trust. The Collection Account will initially be established with Westpac Banking Corporation.

**Collection Period** means, in relation to a Payment Date, the period of three calendar months immediately preceding that Payment Date (where the first Collection Period is the period from (and including) the Closing Date and to (and including) the first Payment Date).

**Collections** means in respect of a Collection Period (without double counting) and the Trust Receivables, all amounts received by or on behalf of the Issuer in respect of the Trust Receivables during that Collection Period.

**Conditions** means the conditions of the Notes set out in Section 7 ("Conditions of the Notes").

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

**Corporations Act** means the Corporations Act 2001 (Cth).

**Costs** includes costs, charges and expenses, including those incurred in connection with advisers.

**Defaulted Receivable** means a Trust Receivable in respect of which the Servicer or the Seller has written off the Receivable in accordance with the Servicing Procedures.

**Determination Date** see Section 2.2 ("Summary – Transaction").

**Early Redemption Date** means any Payment Date which occurs on or after the date that is 6 months after the first Issue Date until (but excluding) the Maturity Date.

**Early Redemption Amount** means, in respect of the redemption of any Notes on an Early Redemption Date in accordance with Section 10.8(b)(iii), the aggregate of:

- (a) the Invested Amount of the relevant Notes being redeemed, multiplied by:
  - (i) if the relevant Early Redemption Date is on or after the date that is 6 months after the first Issue Date, but is prior to the first anniversary of the first Issue Date, 102%;
  - (ii) if the relevant Early Redemption Date is on or after the first anniversary of the first Issue Date, but is prior to the second anniversary of the first Issue Date, 101%; or

- (iii) if the relevant Early Redemption Date is on or after the second anniversary of the first Issue Date, 100%; and
- (b) all accrued and unpaid interest on the relevant Notes being redeemed, to the extent not paid in accordance with Section 10.4 on that Early Redemption Date.

**Eligible Bank** means Westpac Banking Corporation ABN 33 007 457 141.

**Eligibility Criteria** see Section 2.2 ("Summary – Transaction").

**Eligible Receivable** means a Trust Receivable that complies with the Eligibility Criteria as at the relevant Settlement Date.

**Equifax Score** means any credit report generated by Equifax Pty Ltd.

**Event of Default** has the meaning given to it in Section 11.2 ("Master Security Trust Deed and General Security Deed").

**Extraordinary Resolution** in relation to the Trust means:

- (a) a resolution passed at a meeting of Secured Creditors of the Trust duly convened and held in accordance with the provisions contained in paragraph 5 of the Meetings Schedule by a majority consisting of at least 67% of the votes cast at that meeting; or
- (b) a Written Resolution made in accordance with paragraph 19(a)(2) of the Meetings Schedule.

**EU Securitisation Regulation** has the meaning given to it in the Section titled "EU Securitisation Regulation and UK Securitisation Framework" on page ix.

**FATCA** means:

- (a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above;
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above, with the U.S. Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction.

**FATCA Withholding Tax** means any withholding or deduction required pursuant to FATCA.

**Following Business Day** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day so that the date is postponed to the next Business Day.

**General Security Deed** means the document entitled "Australian Annuity Funding Trust 2024-1 – General Security Deed" between the Issuer and others.

**Government Agency** means:

- (a) any body politic or government in any jurisdiction, whether federal, state, territorial or local;
- (b) a governmental, semi governmental, regulatory or judicial person including a statutory corporation, agency, board, authority or organisation of any government or in which any government is interested; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

**GST** means goods and services tax imposed under the GST Act.

**GST Act** means the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**Income Collections** means in respect of a Collection Period (without double counting):

- (a) all Collections in respect of that Collection Period other than Principal Collections; and
- (b) any Recoveries received by, or on behalf of, the Issuer during that Collection Period.

**Ineligible Receivable** means a Receivable that was not an Eligible Receivable on the relevant Settlement Date.

**Insolvency Event** in relation to a person, means the occurrence of any of the following events in respect of that person:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property;
- (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 Trust Manager, in the case of the solvency of the Security Trustee));
- (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;
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (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 Trust Manager, in the case of the solvency of the Security Trustee) reasonably deduces it is so subject);
- (g) it is otherwise unable to pay its debts when they fall due; or

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

**Interest Period** means in respect of a Note:

- (a) initially, the first Interest Period will commence on (and include) the Issue Date of the Note and end on (but exclude) the first Payment Date following that Issue Date,
- (b) thereafter, the period from (and including) a Payment Date to (but excluding) the next Payment Date or, in the case of the final Interest Period, the date the Note is redeemed in accordance with Condition 8.6 (Final Redemption).

**Interest Rate** see Section 1 ("Summary – Principal Terms of the Notes").

**Invested Amount** means in relation to a Note at any time, the aggregate principal amount of that Note on its Issue Date, less the aggregate amount of principal that has been repaid on that Note prior to that time.

**Issue Date** means, for a Note, the date of issue of that Note.

**Issue Supplement** means the document entitled "Australian Annuity Funding Trust 2024-1 - Issue Supplement" between the Trust Manager, the Seller, the Servicer, the Issuer and the Security Trustee.

**Issuer** see Section 2.1 ("Summary – Transaction Parties").

**Losses** means for a Collection Period, an amount equal to the aggregate Outstanding Amount of each Trust Receivable which became a Defaulted Receivable in that Collection Period, after having reduced the Outstanding Amount by:

- (a) any net proceeds of enforcement in respect of each such Trust Receivable; and
- (b) any payments received from the Seller, the Servicer or any other person for a breach of its representations or obligations under the Transaction Documents and referable to amounts payable or recoverable in respect of each such Trust Receivable.

**Master Definitions Deed** means the document titled "AAF Securitisation Trusts – Master Definitions Deed" dated on 20 December 2023 between, amongst others, the Issuer, the Servicer and the Trust Manager.

**Master Management Deed** means the document entitled "AAF Securitisation Trusts - Master Management Deed" dated 20 December 2023 between the Issuer and the Trust Manager.

**Master Sale Deed** means the deed entitled "AAF Securitisation Trusts - Master Sale Deed" dated 20 December 2023 between the Issuer and others.

**Master Security Trust Deed** means the document entitled "AAF Securitisation Trusts - Master Security Trust Deed" dated 20 December 2023 between the Issuer, the Security Trustee and others.

**Master Servicing Deed** means the deed entitled "AAF Securitisation Trusts – Master Servicing Deed" dated 20 December 2023 between the Issuer and others.

**Master Trust Deed** means the document entitled "AAF Securitisation Trusts – Master Trust Deed" dated 20 December 2023 between the Issuer and AMAL Management Services Pty Limited.

**Material Adverse Effect** in respect of the Trust, means any event which materially and adversely affects or is likely to materially and adversely affect the amount of any payment due to be made to any Secured Creditor in relation to the Trust or materially and adversely affects the timing of such a payment.

**Material Adverse Payment Effect** means any event which materially and adversely affects, or is likely to materially and adversely affect, the amount of any payment due to be made in respect of the Senior Obligations or materially and adversely affects the timing of such a payment.

**Maturity Date** see Section 1 ("Summary – Principal Terms of the Notes").

**Meetings Schedule** means the provisions relating to meetings of Secured Creditors set out in Schedule 2 (Meetings Schedule) of the Master Security Trust Deed.

**Note** means a Class A Note, a Class B Note, or a Class C Note.

**Note Deed Poll** means the document entitled "Note Deed Poll – Australian Annuity Funding Trust 2024-1" executed by the Issuer.

**Noteholder** means, for a Note, each person whose name is entered in the Note Register for the Trust as the holder of that Note. If a Note is held in the Austraclear System, references to the Noteholder of that Note include the operator of the Austraclear System or its nominee, depository or common depository (in each case acting in accordance with the rules and regulations of Austraclear).

**Note Register** means, in respect of the Trust, the register (including any branch register) of Notes of the Trust established and maintained by the Issuer in accordance with clause 12 (Note Register) of the Master Trust Deed.

**Notice of Creation of Trust** means the document entitled "Notice of Creation of Trust – Australian Annuity Funding Trust 2024-1" in respect of the Trust between the Issuer and the Trust Manager dated 7 November 2024.

**Obligor** means, in relation to a Receivable, the person (other than the vendor, Servicer or Seller) who is obliged to make payments with respect to that Receivable, whether as a principal or secondary obligation and includes, where the context requires, another person (other than Servicer or Seller) obligated to make payments with respect to that Receivable.

**Offered Notes** means the Class A Notes, the Class B Notes and the Class C Notes.

**Offshore Associate** means either:

- (a) an Australian resident "associate" (as defined in section 128F(9) of the Tax Act) who acquires the Offered Notes or an interest in the Offered Notes in carrying on business at or through a permanent establishment outside Australia; or

- (b) a non-resident of Australia "associate" (as defined in section 128F(9) of the Tax Act) who does not acquire the Offered Notes or an interest in the Offered Notes in carrying on business at or through a permanent establishment in Australia.

**Origination Guidelines** means the guidelines relating to the origination of the Receivables by the Seller (as such guidelines may be amended by the Seller from time to time in accordance with the Transaction Documents) and, to the extent that an origination function is not covered by the Origination Guidelines, the standards and practices of a prudent lender in a business comparable to the Seller's business.

**Outstanding Amount** means, at any time in respect of a Trust Receivable, the outstanding principal amount of that Trust Receivable (including any interest and fees which have been capitalised under that Trust Receivable).

**Payment Date** see Section 2.2 ("Summary – Transaction").

**Payment Shortfall** means on a Determination Date, the amount by which the Available Income for the preceding Collection Period is insufficient to meet the Required Payments due to be paid on the Payment Date immediately following that Determination Date.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Principal Collections** means in relation to the Trust Receivables and a Collection Period, all Collections received by the Issuer in respect of that Collection Period that are in the nature of principal as determined by the Servicer (acting reasonably) in accordance with the Servicing Procedures and its usual practices (and excludes any amount included as Income Collections in respect of that Collection Period).

**Privacy Act** means the Privacy Act 1988 (Cth).

**Reallocation and Reallocated** means the reallocation of Trust Assets from one trust to a different trust with the same trustee in accordance with the Master Trust Deed.

**Receivable** means any receivable, debt, financial asset or any other form of monetary obligation, including without limitation a loan.

**Receivable Terms** means, in respect of a Receivable, any agreement or other document that evidences the Obligor's payment or repayment obligations or any other terms and conditions of that Receivable and includes the Mortgage Documents in respect of that Receivable, if applicable.

**Receiver** includes a receiver or receiver and manager.

**Recoveries** means amounts received in respect of a Trust Receivable that was previously the subject of a Loss.

**Redemption Amount** has the meaning given in the Conditions.

**Related Entity** has the meaning it has in the Corporations Act.

**Required Payments** means on each Determination Date in respect of the immediately preceding Payment Date, the payments referred to in Section

10.5(a) to Section 10.5(g) inclusive due to be made on the Payment Date immediately following that Determination Date.

**Sale Notice** means a sale notice for the sale of Receivables to the Trust substantially in the form set out in the Master Sale Deed.

**Secured Creditor** means, in respect of the Trust, each of:

- (a) the Issuer (for its own account);
- (b) the Security Trustee (for its own account);
- (c) the Trust Manager;
- (d) each Noteholder;
- (e) the Standby Servicer;
- (f) the Servicer; and
- (g) the Seller.

**Secured Money** means all amounts 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 under 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 any Secured Creditor of the Trust;
  - (ii) any Secured Creditor of the Trust has advanced or paid on the Issuer's behalf or at the Issuer's express or implied request;
  - (iii) any Secured Creditor of the Trust is liable to pay by reason of any act or omission on the Issuer's part, or that any Secured Creditor of the Trust 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 Trust but the amount remains unpaid by reason of an Insolvency Event occurring in respect of the Issuer.

This definition applies:

- (v) irrespective of the capacity in which the Issuer or the Secured Creditor of the Trust became entitled to, or liable in respect of the amount concerned;

- (vi) whether the Issuer or the Secured Creditor of the Trust is liable as principal debtor, as surety, or otherwise;
- (vii) whether the Issuer is liable alone, or together with another person;
- (viii) even if the Issuer owes an amount or obligation to the Secured Creditor of the Trust because it was assigned to the Secured Creditor, whether or not:
  - (A) the assignment was before, at the same time as, or after the date of the General Security Deed;
  - (B) the Issuer consented to or was aware of the assignment; or
  - (C) the assigned obligation was secured before the assignment;
 even if the General Security Deed was assigned to the Secured Creditor of the Trust, whether or not:
  - (D) the Issuer consented to or was aware of the assignment; or
  - (E) any of the Secured Money in respect of the Trust was previously unsecured;
- (ix) regardless of any amendment to a Transaction Document in respect of the Trust and Secured Money includes any amount payable under a Transaction Document as varied or replaced from time to time in accordance with the Transaction Documents (regardless of whether the Secured Money increases or decreases as a result of such variation or replacement); and
- (x) whether or not the Issuer has a right of indemnity from the Trust Assets.

**Secured Property** means all Trust Assets which the Issuer acquires or to which the Issuer is, or becomes, entitled on or after the date of the General Security Deed.

**Security Interest** means any:

- (a) security interest as defined in section 12(1) or section 12(2) of the PPSA;
- (b) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement;
- (c) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off;
- (d) 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;
- (e) third party right or interest or any right arising as a consequence of the enforcement of a judgment; or



- (f) or any agreement to create any of them or allow them to exist.

**Security Trust** means the trust known as the "Australian Annuity Funding Trust 2024-1 - Security Trust" established under the Master Security Trust Deed and the Security Trust Creation Notice.

**Security Trust Creation Notice** means the Security Trust Creation Notice – Australian Annuity Funding Trust 2024-1 - Security Trust signed by the Security Trustee dated 7 November 2024.

**Security Trustee** such person who is, from time to time, acting as Security Trustee pursuant to the Transaction Documents. The initial Security Trustee is specified in Section 2.1 ("Summary – Transaction Parties").

**Senior Obligations** means the obligations of the Issuer:

- (a) in respect of the Class A Notes and any obligations ranking equally or senior to the Class A Notes (as determined in accordance with the order of priority set out in Section 10.5, at any time while the Class A Notes are outstanding; and
- (b) in respect of the Class B Notes and any obligations ranking equally or senior to the Class B Notes (as determined in accordance with the order of priority set out in Section 10.5, at any time while the Class B Notes are outstanding but no Class A Notes are outstanding; and
- (c) in respect of the Class C Notes and any obligations ranking equally or senior to the Class C Notes (as determined in accordance with the order of priority set out in Section 10.5), at any time while the Class C Notes are outstanding but no Class A Notes or Class B Notes are outstanding; and
- (d) under the Transaction Documents generally, at any time while no Class A Notes, Class B Notes or the Class C Notes are outstanding.

**Servicer** such person who is, from time to time, acting as Servicer pursuant to the Transaction Documents. The initial Servicer is specified in Section 2.1 ("Summary – Transaction Parties").

**Servicer Termination Event** means in respect of the Trust, any of the following events:

- (a) the Servicer fails to pay an amount payable by it in respect of the Trust in the prescribed time and in the prescribed manner under the Transaction Documents unless the Servicer pays the amount within a further 2 Business Days (or such longer period as is agreed between the Servicer and the Issuer) of notice from either the Issuer or the Security Trustee;
- (b) the Servicer does not comply with any obligation under the Transaction Documents where such breach will have a Material Adverse Effect and such breach is not remedied within 20 Business Days (or such longer period as is agreed between the Servicer and the Issuer) from the earlier of the Servicer receiving notice from the Issuer or the Security Trustee requiring its remedy;
- (c) any representation or warranty made by the Servicer in any Transaction Document is incorrect or misleading when made and such breach will have

a Material Adverse Effect and such breach is not remedied within 20 Business Days (or such longer period as is agreed between the Servicer and the Issuer) from the earlier of the Servicer receiving notice from the Issuer or the Security Trustee requiring its remedy; or

(d) an Insolvency Event occurs with respect to the Servicer.

**Servicing Procedures** means those policies and procedures of the Servicer relating to the servicing of Receivables provided to the Issuer (as such policies and procedures may be amended from time to time in accordance with the Master Servicing Deed).

**Settlement Date** in respect of a Sale Notice, means the date specified as the Settlement Date in the relevant Sale Notice.

**Standby Servicer** means the Standby Servicer under the Standby Servicing Deed.

**Standby Servicing Deed** means the document entitled "Standby Servicing Deed – Australian Annuity Funding Trust 2024-1" in respect of the Trust between the Issuer, the Trust Manager, the Standby Servicer, the Servicer and the Seller.

**Stated Amount** means, at any time, in relation to a Note, an amount equal to:

- (a) the Invested Amount of that Note; less
- (b) the amount of any Charge-Offs allocated to that Note under Section 10.6(a) ("Charge-Offs") prior to that time which have not been reimbursed on or before that under time under Section 10.6(b) ("Charge-Offs").

**Stop Funding Event** means the occurrence of any of the following:

- (a) the Arrears Ratio (90 Days) being greater than 5%; or
- (b) the Servicer fails to comply with its obligations under Section 5.10(b) and (c) (Threshold Rate).

**Tax** means a tax, levy, charge, deduction or withholding, however it is described, that is imposed by law or by a Government Agency, together with any related interest, penalty, fine or other charge and **Taxes** and **Taxation** shall be construed accordingly.

**Threshold Rate** means, in respect of a Payment Date, the weighted average interest rate required to be paid on all the Trust Receivables such that the Issuer will have sufficient funds to satisfy the Issuer's obligations to pay the Required Payments (inclusive of GST) under the Transaction Documents in full (assuming that all parties comply with their obligations under such documents and the Trust Receivables (excluding any Trust Receivables which have been written off in accordance with the Origination Guidelines and Servicing Procedures) and taking into account income on other investments) on the immediately following Payment Date plus 1% per annum.

**Threshold Rate Subsidy** means, in respect of a Determination Date and the immediately following Payment Date, the amount calculated as follows:

$$(A - B) \times C \times D$$

where:

A = the Threshold Rate in respect of that Determination Date;

B = the weighted average interest rate on the Trust Receivables as at that Determination Date;

C = the aggregate Outstanding Amount of all Trust Receivables as at the Determination Date; and

D = the number of days in the period commencing on (and including) that Payment Date and ending on (but excluding) the immediately following Payment Date, divided by 365,

provided that if this calculation is negative, the Threshold Rate Subsidy will be zero.

**Title Perfection Event** means the occurrence of any one or more of the following:

- (a) the occurrence of an Event of Default; or
- (b) any Insolvency Event occurs in respect of the Seller.

**Transaction Documents** means:

- (c) the Master Definitions Deed;
- (d) the Master Security Trust Deed;
- (e) the Master Trust Deed;
- (f) the Master Management Deed;
- (g) the Master Sale Deed;
- (h) the Master Servicing Deed;
- (i) the Notice of Creation of Trust;
- (j) the Security Trust Creation Notice;
- (k) the Issue Supplement;
- (l) the General Security Deed;
- (m) the Note Deed Poll;
- (n) the Subscription Agreement;
- (o) the Conditions;
- (p) the Standby Servicing Deed; and
- (q) any other documents designated by the Issuer and the Trust Manager as such from time to time and in respect of which a Rating Notification has been provided.

**Trust** means the Australian Annuity Funding Trust 2024-1 established under the Notice of Creation of Trust.

**Trust Assets** in respect of the Trust, means all of the Issuer's rights, property and undertaking which are the subject of that Trust of whatever kind and wherever situated, whether present or future.

**Trust Expenses** means all Costs properly incurred by the Issuer in connection with the Trust Business of the Trust.

**Trust Receivables** means, in respect of the Trust, the right, title and interest of the Issuer in any Receivables which have been acquired by the Issuer in respect of the Trust.

**UK Securitisation Framework** has the meaning given to it in the Section titled "EU Securitisation Regulation and UK Securitisation Framework" on page ix.

**Voting Secured Creditors** means at any time:

- (a) for so long as any Class A Notes are outstanding, the Class A Noteholders and any Secured Creditors ranking equally to or senior to the Class A Noteholders (as determined in accordance with the order of priority set out in Section 10.9);
- (b) for so long as no Class A Notes are outstanding and any Class B Notes are outstanding, the Class B Noteholders and any Secured Creditors ranking equally to or senior to the Class B Noteholders (as determined in accordance with the order of priority set out in Section 10.9); and
- (c) if none of paragraphs (a) and (b) above apply:
  - (i) the Class C Noteholders, for so long as any Class C Notes are outstanding; and
  - (ii) the remaining Secured Creditors of the Trust.

**Wilful Default** means:

- (a) in respect of the Issuer, any wilful failure to comply with or wilful breach of any of its obligations under the Transaction Documents, other than a wilful failure or wilful breach which:
  - (i) is in accordance with a lawful court order or direction or otherwise required by law;
  - (ii) is in accordance with a proper instruction or direction from the Trust Manager or from any other person permitted to give instructions or directions to the Issuer under the Transaction Documents; or
  - (iii) arises as a result of a breach by a person other than the Issuer and performance of the action (or non-performance of which gave rise to such breach) is a precondition to the Issuer performing its obligations under the relevant Transaction Document; and
- (b) in respect of the Security Trustee, any wilful failure to comply with or wilful breach of any of its obligations under the Transaction Documents, other than a wilful failure or wilful breach which:

- (i) is in accordance with a lawful court order or direction or otherwise required by law;
- (ii) is in accordance with a proper instruction or direction from the Secured Creditors or class of Secured Creditors in respect of the Trust (as the case may be); or
- (iii) arose as a result of a breach by a person other than the Security Trustee and performance of the action (or non-performance of which gave rise to such breach) is a precondition to the Security Trustee performing its obligations under the Transaction Documents to which it is a party.

# DIRECTORY

## ISSUER

### **AMAL Trustees Pty Limited**

Level 13, 20 Bond Street  
SYDNEY NSW 2000  
Email: mail@amaltrustees.com.au  
Attention: Director

## SELLER

### **Australian Annuity Funding Pty Ltd**

Three International Towers, Level 24, 300 Barangaroo Avenue  
SYDNEY NSW 2000

## SERVICER

### **Australian Annuity Funding Pty Ltd**

Three International Towers, Level 24, 300 Barangaroo Avenue  
SYDNEY NSW 2000

## SECURITY TRUSTEE

### **AMAL Security Services Pty Ltd**

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Email: mail@amaltrustees.com.au  
Attention: Director

## TRUST MANAGER

### **AMAL Management Services Pty Ltd**

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Attention: Director

## STANDBY SERVICER

### **AMAL Asset Management Limited**

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## AUSTRALIAN LEGAL ADVISERS TO THE SELLER AND SERVICER

### **Ashurst Australia**

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